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Brighthurst

TO DECLARATION OF INTENTION
TO SUBMIT PROPERTY
TO THE PROVISIONS OF THE
NORTH CAROLINA UNIT OWNERSHIP ACT

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DECLARATION OF INTENTION TO SUBMIT PROPERTY
TO THE PROVISIONS OF THE
NORTH CAROLINA UNIT OWNERSHIP ACT

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

* * * * *

THIS DECLARATION, and the exhibits which are attached hereto and made a part hereof (hereinafter collectively called the "Declaration"), are made as of this 18th day of June, 1985 by MARTIN DEVELOPMENT GROUP, INC., a North Carolina corporation, (hereinafter called the "DECLARANT") pursuant to the provisions of Article 1 of Chapter 47A of the North Carolina General Statutes, entitled the "Unit Ownership Act".

WITNESSETH:

WHEREAS, the Declarant is the owner of a certain parcel of real estate located in the City of Raleigh, Wake County, State of North Carolina, and more particularly described in Exhibit "A" attached hereto; and

WHEREAS, the Declarant is the owner of certain additional adjoining real property described in Exhibit "F" attached hereto which upon annexation of all or any part of such real property shall constitute additional Phases of the Brighthurst/Bishops Ridge Condominium development; and

WHEREAS, the Declarant is the owner of a twenty-four (24) unit multi-family project and other improvements heretofore constructed upon the real estate described in Exhibit "A", and it is the desire and the intention of the Declarant to divide the aforesaid real estate and the buildings and other improvements thereon into twenty-four (24) "Condominium Units" or "Units", as those terms are defined under the provisions of the North Carolina Unit Ownership Act, and to sell and convey the same to various purchasers subject to the covenants, conditions, easements, uses, limitations, obligations and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant desires and intends, by the filing of this Declaration, to submit the real estate described in Exhibit "A" and the buildings and other improvements constructed thereon, together with all appurtenances thereto, to condominium ownership under the provisions of the North Carolina Unit Ownership Act (i.e., Article 1 of Chapter 47A of the North Carolina General Statutes); and

WHEREAS, Declarant intends to reserve the right, but not the obligation, to annex the real property described in Exhibit "F" into the condominium regime established hereby upon the execution and recordation of a Supplementary Declaration by Declarant, and upon such execution and recordation of such Supplementary Declaration(s), such land shall automatically be included within this Declaration and such action shall require no approvals or other actions by either the Unit Owners, the Board of Directors or the members of the Association Unit Owners or by any other person or entity, as hereinafter more particularly provided;

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described in Exhibit "A" and in Paragraph 3 below, identified as Brighthurst/Bishops Ridge Condominium (and all that property described in any Supplementary Declaration hereafter recorded as herein provided and made subject to this Declaration) is submitted to the provisions of the North Carolina Unit Ownership Act and said property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following covenants, conditions, easements, uses, limitations, obligations and restrictions, all of which are declared and agreed to be in furtherance of a plan for the division of said property into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person(s) or entity(ies) acquiring or owning an interest in the said real estate and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. DEFINITIONS. Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a meaning different therefor:

(a) "Association of Unit Owners" or "Association" is as defined in the North Carolina Unit Ownership Act and shall mean a non-profit corporation formed of all of the Unit Owners acting as a group in accordance with this Declaration and the Bylaws under the name of Brighthurst/Bishops Ridge Condominium Association, Inc.

(b) "Brighthurst/Bishops Ridge One" shall refer to that portion of Brighthurst/Bishops Ridge Condominium which is located on the "Phase I" property as hereinafter defined.

(c) "Brighthurst/Bishops Ridge Two," "Brighthurst/Bishops Ridge Three" and "Brighthurst/Bishops Ridge Four" shall refer to that portion of Brighthurst/Bishops Ridge Condominium which is to be located on the "Phase II" property, the "Phase III" property or the "Phase IV" property, respectively (if annexed pursuant to the terms hereof) as hereinafter defined.

(d) "Board of Directors" shall mean the governing body from time to time of Brighthurst/Bishops Ridge Condominium Association, Inc., whose purpose is to manage, maintain, operate, care for and administer Brighthurst/Bishops Ridge Condominium.

(e) "Building" or "Buildings" shall mean all structures and improvements now or hereafter erected upon the Property.

(f) "Bylaws" shall mean the bylaws of Brighthurst/Bishops Ridge Condominium Association, Inc.

(g) "Common areas and facilities" shall have the meaning as set forth in the North Carolina Unit Ownership Act and as more fully described in paragraph 5 hereof.

(h) "Common Expenses" shall mean and include:

(i) all sums assessed against the Unit Owners by the Association;

(ii) expenses of administration, maintenance, repair or replacement of the Common areas and facilities;

(iii) expenses agreed upon as Common Expenses by the Association;

(iv) expenses declared Common Expenses by the provisions of the North Carolina Unit Ownership Act, or by this Declaration or the Bylaws;

(v) insurance premiums;

(vi) ad valorem taxes and public assessments and liens levied against the common areas; and

(vii) expenses relating to Off-Site Amenities, as hereinafter described in Paragraph 32.

(i) "Common Interest" shall mean the aggregate of the undivided interests of the Unit Owners in the Common areas and facilities.

(j) "Condominium Documents" shall mean this Declaration, the Articles of Incorporation, the Bylaws and rules and regulations governing the use of the Property, as amended or supplemented from time to time and all attachments and exhibits thereto.

(k) "Limited common areas and facilities" shall mean those parts of the Common areas and facilities reserved for specific Units to the exclusion of all other Units, as more specifically described in Paragraph 6 hereof.

(l) "Mortgage" shall mean a deed of trust as well as a mortgage constituting a first lien on a Unit.

(m) "Mortgagee" shall mean a beneficiary under a Mortgage.

(n) "Owner" or "Unit Owner" shall mean a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, having an ownership interest of record in a Unit within the Property, other than a Mortgagee or a trustee of a deed of trust.

(o) "Phase I" when such term is used alone shall mean the real property described in Exhibit "A" together with the Building and all other improvements and structures thereon, all easements, rights and appurtenances belonging thereto and all articles of personal property intended for common use in connection therewith submitted to the Unit Ownership Act by this Declaration. "Phase II," "Phase III" and "Phase IV" shall mean all or part of the real property collectively described in Exhibit "F," together with any buildings or improvements hereafter erected thereon, which may later be included within the Brighthurst/Bishops Ridge Condominium by Supplementary Declaration(s) in the manner hereinafter provided.

(p) "Plans" shall mean and refer to the plans and specifications of Brighthurst/Bishops Ridge One, prepared by John A. Edwards & Company, Consulting Engineers, recorded contemporaneously herewith under the name of the

Condominium in the Unit Ownership File in the Office of the Register of Deeds of Wake County and referred to in Exhibit "B" attached hereto and incorporated herein by reference and to the plans and specifications of Buildings in subsequent phases of the Condominium, which shall be recorded contemporaneously with the recording of Supplementary Declarations, if any.

(q) "Property" shall mean the real property referred to in this Declaration to be divided into condominium units, including the parcel of real estate described in Exhibit "A" and any portion of the real estate described in Exhibit "F" that is annexed to the Condominium in the manner provided herein, the Buildings, all easements, rights and appurtenances belonging thereto and all articles of personal property intended for common use in connection therewith.

(r) "Supplementary Declaration(s)" shall mean the document(s) filed by Declarant to include Phase II, Phase III or Phase IV as described collectively in Exhibit "F" within the Property in the manner provided hereinafter.

(s) "Unit" shall mean those parts of the Property described in paragraph 4 hereof which are the subject of individual ownership.

The terms "Association", "Building", "Common areas and facilities", "Condominium", "Declaration", "Person", "Property", "Recordation", "Unit" or "Condominium Unit", "Unit Designation" and "Unit Owner", unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall have the meanings set forth in North Carolina General Statutes § 47A-3.

2. NAME OF CONDOMINIUM. The name by which the Property shall be known is "Brighthurst/Bishops Ridge Condominium" (the "Condominium").

3. DESCRIPTION OF BUILDINGS AND UNITS. The Condominium consists of one (1) three-story residential building, of principally brick construction with cedar shake and hardboard siding walls and asphalt shingle roof, containing twenty-four (24) dwelling units (numbered 25 through 48). A plat of survey of the Property by John A. Edwards, Jr. North Carolina Registered Land Surveyor (L-2776), showing the location of the Building is shown in Exhibit "B" attached hereto. Said Building is more particularly described in the Plans, a copy of which is attached hereto and made a part hereof as Exhibit "B," which show all particulars of the Building, including the layouts, locations, ceiling and floor elevations, Unit numbers and dimensions of the Units, and location of the Common areas and facilities affording access to each Unit. Such Plans bear the verified statement of John A. Edwards, Jr., Professional Engineer, certifying that the Plans fully and accurately describe the layout, location, ceiling and floor elevations, Unit numbers and dimensions of the Units, as built.

The Phase II property, the Phase III property and the Phase IV property may each contain one (1) additional three-story residential building similar in exterior design and appearance to that constructed as a part of Phase I and may contain a total of up to seventy-eight (78) additional dwelling units.

Each Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Unit Owner of each Unit shall also own, as an appurtenance to the ownership of each Unit conveyed, an undivided interest in the Common areas and facilities, an exclusive and

irrevocable license to use the Limited common areas and facilities reserved for the use of such Unit and a perpetual and unrestricted right of ingress and egress to and from such Unit. The percentage of undivided interest in the Common areas and facilities appurtenant to each Unit shall be as set forth in Exhibit "C" attached hereto and made a part hereof. The percentage of undivided interest in the Common areas and facilities that is appurtenant to each Unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each Unit at the date of the Declaration bears to the then aggregate fair market value of all the Units having an interest in the Common areas and facilities. The fair market value of each Unit and the aggregate fair market value of all the Units has been determined by the Declarant, and this determination shall be binding upon all Units and Unit Owners. Except as provided in paragraphs 30 and 31 below, the percentage of undivided interest in the Common areas and facilities assigned to each Unit shall not be changed except with the unanimous consent of all of the Unit Owners and with the consent of all the Mortgagees.

A more detailed description of the materials of which the Units and Building are constructed is contained in the Plans.

4. UNIT DESIGNATIONS. The designation of each Unit in Phase I, a depiction of its location, approximate area, number of rooms, and other data concerning its proper identification are shown on the Plans attached hereto as Exhibit "B". Each Unit consists of all of the space bounded horizontally and vertically by the undecorated and/or unfinished interior surfaces of its perimeter walls, floors, ceilings, windows and window frames, doors and door frames. Each Unit includes both portions of a Building within such boundaries and the space so encompassed, including, without limitation, the interior surfaces of perimeter walls, windows, window frames, doors, door frames, floors and ceilings and all finishing materials applied to the interior surfaces of walls, doors, door frames, window frames, floors and ceilings, and all interior walls (i.e. a wall within a Unit that is not a perimeter wall) but excluding, however, any load-bearing columns or weight-supporting interior walls (but not the visible surfaces thereof) which shall be a part of the Common areas and facilities. All exterior doors, window frames, panes and screens shall be part of the Units to which they are attached; provided, however the decoration and painting on the surfaces (but not the components) of such doors, window frames, panes and screens that are visible from either the exterior of the Buildings or from the Common areas and facilities shall be the responsibility of the Association. For the purposes of maintenance, repair and replacement, all those portions of the heating and air-conditioning systems that provide service solely to an individual Unit shall be considered a part of such Unit, whether such systems or their components are located within or without the perimeter walls, floors and ceilings of such Unit. Except as may be otherwise provided herein to the contrary, the responsibility for the maintenance, painting, repair and replacement of a Unit is the responsibility of each Unit Owner. Access to the Common areas and facilities from each Unit is direct from each Unit.

5. COMMON AREAS AND FACILITIES. The Common areas and facilities consist of all of the Property other than the Units as described in paragraph 4 above, including without limitation, the following:

(a) the real estate described in Exhibit "A" attached hereto and, if annexed in the manner described herein, all or part of the real estate described in Exhibit "F" attached hereto;

(b) all central and appurtenant installations for services such as power, light, water, gas, sewer, TV antennae and cables, elevators, if any, and all conduits, pipes, ducts, wires, and other facilities used in connection with any thereof, except such parts thereof as may be located within the space bounded by the perimeter walls, floors and ceilings of a Unit;

(c) all foundations, columns, girders, beams, supports and other structural members;

(d) all roofs and exterior walls; and all interior load-bearing columns and weight-supporting walls;

(e) steps and stairwells; parking garages, if any, and parking areas; sidewalks and walkways; fountains, if any; the Off-Site Amenities, as described in Paragraph 32 hereof, after the annexation of the Phase II property into the Condominium; and other exterior areas of the Property, all of which are shown by legend designation on the Plans;

(f) all water and sewer lines lying outside of public rights-of-way which serve the Property; and

(g) all other parts of the Property and all apparatus and installations, including all items of personal property, existing in the Buildings or upon the Property for common use or which are necessary or convenient to the existence, maintenance or safety of the Property.

The percentage of undivided interest in the Common areas and facilities appurtenant to each Unit for all purposes is set forth in Exhibit "C" attached hereto and made a part hereof. The maintenance, painting, repair and replacement of Common areas and facilities is the responsibility of the Association.

6. LIMITED COMMON AREAS AND FACILITIES. Limited common areas and facilities shall mean and include those Common areas and facilities reserved for use by a certain Unit or Units to the exclusion of other Units, including any open deck, patio, courtyard, balcony, and/or storage room appurtenant to such of the Units as are shown on the Plans. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy such Limited common areas and facilities as are associated with such Unit Owner's Unit. The cleanliness and orderliness of the Limited common areas and facilities shall be the responsibility of the individual Unit Owner, but the responsibility for maintenance, painting, repair and replacement thereof, together with control over the exterior decoration of same, shall be and remain with the Association. References hereunder to Common areas and facilities shall include Limited common areas and facilities unless the context clearly indicates otherwise.

7. CONDOMINIUM ASSOCIATION. (a) A non-profit North Carolina corporation known and designated as Brighthurst/Bishops Ridge Condominium Association, Inc. (the "Association") has been or shall be organized by Declarant to provide for the administration of the Property, and said corporation shall administer the operation and maintenance of the Property and undertake and perform all

acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and Bylaws. A true copy of the Articles of Incorporation and Bylaws are attached hereto as Exhibits "D" and "E", respectively. Each Unit Owner shall automatically become a member of the corporation upon his acquisition of an ownership interest in any Unit and its appurtenant undivided interest in the Common areas and facilities and the membership of such Unit Owner shall terminate automatically upon such Unit Owner being divested of his ownership interest or title in and to such Unit. In the administration of the operation and management of the Property, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect general and special assessments in the manner herein provided, and to adopt, promulgate, enforce and amend in accordance with the Bylaws such rules and regulations governing the use of the Units and Common areas and facilities as the Board of Directors of the Association may deem to be in the best interests of the Association.

(b) The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events occurs: (i) the expiration of five (5) full years from the date of registration of this Declaration; (ii) 120 days after the date as of which Units to which seventy-five percent (75%) of the Common Interest appertain shall have been conveyed by the Declarant to Unit Owners other than a party constituting the Declarant; or (iii) the surrender by the Declarant of the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant. Whenever Declarant shall be entitled to designate and select any person or persons to serve on the Board of Directors of the Association or as officers of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or the Bylaws of the Association, and Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors or as officers and to replace such person or persons with another person or other persons to act and serve in the place of any Director or officer so removed for the remainder of the unexpired term of any Director or officer so removed. Any Director or officer designated and selected by Declarant need not be a resident of the Property or a Unit Owner; however, except as otherwise provided to the contrary below, Declarant shall be responsible for the payment of any assessments which may be levied by the Association against any Unit or Units owned by the said Declarant and for complying with the remaining terms and provisions hereof in the same manner as any other Unit Owner.

(c) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all Common Areas and facilities which the Association is obligated to maintain. Such reserve fund shall be maintained out of the regular assessments for common expenses.

(d) The Association shall establish a working capital fund at least equal to the aggregate common expense assessments for all Units for a period of three months. Each Unit's share of said working capital fund shall be collected and transferred to the Association at the time of the closing of the initial sale of each Unit by Declarant. The working capital fund shall be maintained in a separate account for the use and benefit of the Association and shall be used to meet unforeseen expenditures or to acquire additional equipment or

services deemed necessary or desirable by the Board of Directors. All sums paid into the working capital fund are in addition to and not in lieu of regular assessments for common expenses.

(e) The Association shall make available for inspection upon request during normal business hours to any Unit Owners, Mortgagees and to insurers or guarantors of any Mortgage, current copies of this Declaration, the Bylaws, and other rules concerning the Condominium and the books, records and financial statements of the Association.

8. USE OF COMMON AREAS AND FACILITIES. Each Unit Owner and his tenants, guests, and business invitees and licensees shall have the right to use the Common areas and facilities in accordance with the purposes for which they are intended and for all purposes incident to the use and occupancy of his Unit, and such right shall be appurtenant to and run with his Unit; provided, however, that no person shall use the Common areas and facilities or any part thereof in such manner as to interfere with or restrict or impede the use thereof by others entitled to the use thereof or in any manner contrary to or not in accordance with this Declaration, the Bylaws, and such rules and regulations as may be promulgated from time to time by the Board of Directors.

9. PERSON TO RECEIVE SERVICE OF PROCESS. Jon Kenneth Sykes is hereby designated to receive service of process in any action which may be brought against or in relation to the Condominium. Said person's place of business is 801 Oberlin Road, Suite 335, Raleigh, Wake County, North Carolina 27605, which is located within the county in which the Property is located.

10. EASEMENTS. (a) Each Unit Owner shall have an unrestricted and perpetual easement of ingress and egress to his Unit across that portion of the Common areas and facilities as are reasonable for ingress and egress to said Unit.

(b) Each Unit Owner shall have a perpetual, non-exclusive easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other Units and serving his Unit. Each Unit shall be subject to a perpetual non-exclusive easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other Units and located in such Unit. The Board of Directors shall have the right of access to each Unit to remove violations therefrom and to maintain, repair or replace the Common areas and facilities contained therein.

(c) If any portion of the Common areas and facilities now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common areas and facilities, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building(s), there shall exist a valid easement for the encroachment and for the maintenance of same so long as the Building(s) shall stand. In the event the Building(s), Units, or any portion of the Common areas and facilities shall be partially or totally destroyed by fire or other casualty or as a result of condemnation or eminent domain proceedings, and shall thereafter be rebuilt, encroachment of parts of the Common areas and facilities upon any Unit or of any Unit upon any other Unit or upon any portion of the Common areas and facilities due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building(s) shall stand.

(d) An easement is hereby established over all Common Areas for the benefit of applicable governmental agencies for the setting, removing, and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail. Subject to the provisions of Section 10-2075(e) of the Raleigh City Code, if applicable and in effect on the date of recording hereof, the Board of Directors may hereafter grant additional easements for utility purposes for the benefit of the Property including the right to install, lay, maintain, repair and replace water lines, pipes, ducts, sewer lines, gas mains, telephone wires and equipment and electrical conduits, and wires over, under, along and on any portion of the Common areas and facilities; and each Unit Owner hereby grants the Board of Directors an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing.

(e) Subject to the provisions of Section 10-2075(e) of the Raleigh City Code, if applicable and in effect on the date of recording hereof, the Board of Directors may hereafter grant and accept, and Declarant hereby reserves unto itself, its successors and assigns, easements and other rights for the benefit of the Property and also for the benefit of all of Declarant's adjacent or other land, including without limitation the Phase II, Phase III and Phase IV properties and any other property now, formerly or hereafter owned by Declarant, to be developed as apartments, condominiums, townhouses for sale, or planned unit developments (whether under Supplementary Declaration(s) or separate declaration(s) of condominium or separate declaration(s) of covenants, conditions, restrictions and easements) or otherwise, for the purpose of providing such benefits as shared recreational facilities and amenities, reasonable access for pedestrian and vehicular traffic, open areas, green spaces, park lands and other suitable shared uses in, along and over any portion of the Common areas and facilities; provided, however, that the rights herein reserved by Declarant for itself, its successors and assigns in, along or over the Common areas and facilities of the Condominium, for the benefit of adjacent or other property now or hereafter owned or acquired by Declarant, shall not be available to Declarant or any successor or assign of Declarant unless Declarant and such successor or assign shall agree or be bound, as evidenced by an instrument in writing in recordable form, to share with the Unit Owners of the Condominium in the expenses of operation, maintenance, repair and replacement of the Common areas and facilities made available to Declarant and such successors and assigns of Declarant based upon the total number of dwelling units which are or will be entitled to the use and benefit of such Common areas and facilities; provided, further, that the obligations to be incurred in connection therewith shall not accrue or be incurred or due until the date such parties are entitled to actual usage of the portions of the Common areas and facilities of Condominium made available to such parties. Each Unit Owner hereby grants to the Board of Directors and Declarant an irrevocable "durable" power of attorney (which shall survive incompetency) pursuant to Chapter 32A of the North Carolina General Statutes to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing; provided, further, that the designation by Declarant on the Plans of an area dedicated for the use of any of the foregoing purposes in connection with either the Property or the Phase II, Phase III or Phase IV properties (or in the event such Phases are not declared additional Phases of the Condominium, the land to which such Phases relate) or in connection with any adjacent or other land of Declarant, as

hereinabove described, shall constitute the granting of such easement without the consent or joinder of any Unit Owner.

(f) In case of any emergency originating in or threatening any Unit or the Common areas and facilities, regardless of whether the Unit Owner is present at the time of such emergency, the Board of Directors, or any other person authorized by it, shall have the right to enter any Unit for the purpose of remedying or abating the cause of such emergency and making any other necessary repairs not performed by the Unit Owners, and such right of entry shall be immediate.

(g) Each Unit Owner shall have a perpetual, non-exclusive easement in common with all other Unit Owners to use the parking areas on Declarant's property adjacent to the Phase I property and a perpetual, non-exclusive access easement for ingress, egress and regress of pedestrian and vehicular traffic to and from Washington Street and the Phase I property upon and across Declarant's property adjacent to the Phase I property. Such parking areas and the access easement are identified on the Plans. The parking and access easements granted herein shall terminate and be extinguished upon the annexation of Declarant's property subject to such easements into the Condominium by Supplementary Declaration(s), as hereinafter provided.

11. PARTITIONING. No Unit may be divided or subdivided into a smaller Unit or Units other than as shown on the Plans, nor shall any Unit or portion thereof be added to or incorporated into any other Unit. The undivided interest in the Common areas and facilities declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered, partitioned, subdivided or otherwise dealt with separately from said Unit, and the undivided interest in the Common areas and facilities appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, Mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit and its appurtenant undivided interest in Common areas and facilities unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the numerical designation assigned thereto on the Plans without limitation or exception shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common areas and facilities. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common areas and facilities by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety or in any other form permitted by law.

12. LIENS. So long as the Property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the Common areas and facilities except with the unanimous written consent of all of the Unit Owners and their Mortgagees. Every agreement for the performance of labor, or the furnishing of materials to the Common areas and facilities, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and that the

right to file a mechanics' lien or other similar lien by reason of labor performed or material furnished is waived.

13. NATURE OF INTEREST IN UNITS. Every Unit, together with its undivided interest in the Common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute, a separate parcel of real property, and the Owner thereof shall be entitled to the exclusive fee simple ownership and possession of his Unit, subject only to the covenants, conditions, restrictions, easements, uses, limitations, obligations, rules, regulations, resolutions and decisions adopted pursuant hereto and as may be contained herein and in the accompanying Bylaws and in the minutes of the Board of Directors of the Association.

14. ASSESSMENTS.

(a) TAXES. Every Unit, together with its undivided interest in the Common areas and facilities, shall be separately assessed and taxed by each assessing authority for all types of taxes authorized by law. Each Owner shall be solely liable for the amount taxed against his individual Unit; provided, however, the Units will not be separately assessed with respect to Raleigh/Wake County ad valorem property taxes until the calendar year following the year in which this Declaration is filed.

(b) COMMON EXPENSES. Each Unit Owner shall contribute, pro rata in proportion to his undivided interest as set forth in Exhibit "C" hereto, toward the expenses of administration, care of, maintenance and repair of the Common areas and facilities, and any other expense lawfully agreed upon, (i.e. the "Common Expenses") all in accordance with the attached Bylaws and the provisions of the North Carolina Unit Ownership Act. Due dates for payment of such Common Expenses shall be established by the Board of Directors, and such Common Expenses shall be collected at least monthly. In order to enforce the collection of the Common Expenses, the Association shall have the lien rights more fully described in the Bylaws; provided, however, that such lien for unpaid Common Expenses and other charges becoming payable on or after the date of recordation of any Mortgage with respect to any Unit and all fees, late charges, fines and interest levied by the Association in connection with any such unpaid assessment for Common Expenses shall be and is hereby subordinated to the lien of such recorded Mortgage. Assessments for Common Expenses for Units in Phase I shall commence upon the Declarant's conveyance of the first Unit in Phase I. Assessments for Common Expenses for Units in Phase II, Phase III and Phase IV shall commence upon the conveyance of the first Unit in Phase II, Phase III and Phase IV, respectively.

(c) SPECIAL ASSESSMENTS. Upon the affirmative vote of Unit Owners owning at least 51% of the Common Interest, the Association may make special assessments, from time to time, against the Units in order to meet unexpected, extraordinary or nonrecurring expenses. Each Unit Owner shall contribute, pro rata in proportion to his undivided interest as set forth in Exhibit "C" hereto, his share of such special assessments. Due dates and payment terms of special assessments shall be established by the Board of Directors. The collection of such special assessments and their priority with respect to Mortgages are subject to the same terms and conditions as the assessments for Common Expenses.

(d) "COMMON SURPLUS", meaning all funds and other assets of the Association (including any excess of receipts of the Association from assessments, rents, profits and revenues from whatever source over the amount of Common Expenses), shall be owned by the Unit Owners in the same proportion that the undivided interest in Common areas and facilities appurtenant to each Unit Owner's Unit bears to the Common Interest; provided, however, that said Common Surplus shall be held by the Association in the manner provided in, and subject to the terms, provisions and conditions of, this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance proceeds herein provided, or upon termination of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to the then Unit Owners of Units in accordance with their percentage interest in Common Surplus as declared herein.

15. PARKING. All parking garages, if any, and parking spaces constituting a portion of the Property and as may be designated from time to time by the Board of Directors shall constitute part of the Common areas and facilities even though the Board of Directors may, in its discretion, elect to assign specific parking spaces to specific Units. If parking places are so assigned, each Unit Owner agrees to be bound by such decision and to abide by such rules and regulations as may be established in such regard; provided, however, that in no event shall there be less than the number of parking spaces available to each such Unit prescribed by Section 10-2061(a)(1) of the Raleigh City Code, if applicable and in effect on the date of recording hereof.

16. INSURANCE. (a) The Board of Directors shall obtain and maintain at all times insurance on the Property of the type and kind and in not less than the amounts set forth below:

(1) Fire. All Building(s) and all other improvements upon the land and all fixtures and personal property included in the Common areas and facilities and all personal property and supplies belonging to the Association shall be insured in an amount equal to 100% of the then current replacement cost (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. In addition, if any fixtures, property or equipment used or kept in a Unit are financed by the proceeds of any Mortgage on such Unit, then such personal property shall be covered in such insurance with any additional premium arising out of such coverage to be the sole responsibility of the Unit Owner. The Board of Directors, at least annually, shall review the insurance coverage required herein and determine 100% of the then current replacement cost of the Building(s) and all other improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, explosion and boiler damage, vandalism and malicious damage and all perils covered by a standard "all risk" endorsement. All such policies shall provide that adjustment of loss shall be made by the Board of Directors or an "Insurance Trustee" (as defined below). In addition to the provisions and endorsements set forth in (c) of this Paragraph, the fire and casualty insurance described herein shall contain the following provisions:

(A) a waiver by the insurer of its right to repair and to reconstruct instead of paying cash;

(B) a provision that any "no other insurance" clause in the policy excludes individual Unit Owners' policies from consideration and that the master policy will be primary in the event a Unit Owner has insurance covering the same loss;

(C) a New York standard mortgagee endorsement (without contribution) or a substantially similar endorsement;

(D) standard "Agreed Amount" and "Inflation Guard" endorsements;

(E) construction code endorsements, if the Condominium becomes subject to a construction code provision which would require changes to undamaged portions of any Building thereby imposing significant costs in the event of partial destruction of such Building by an insured peril;

(F) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Unit Owners and their employees, agents, tenants and invitees;

(G) a provision that the coverage will not be prejudiced by act or neglect of one or more Unit Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control; and

(H) steam boiler coverage, if applicable.

The fire and casualty insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association, the Unit Owners or the Mortgagees; (2) loss payments are contingent upon action by the carrier's, directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Unit Owners or Mortgagees from collecting the proceeds.

(2) Public Liability. The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine to be customary for projects similar in construction, location and use as the Property, covering each member of the Board of Directors, the managing agent, if any, and each Unit Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common areas and facilities and public ways and commercial spaces, if any, adjacent to, located in or running through the Property; provided, however, that in no event shall the amounts of such public liability insurance ever be less than \$1,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property, including loss of use thereof, occurring upon, in or about, or arising from or relating to, the Property or any portion thereof. Such insurance shall also protect against legal liability arising out of law suits related to employment contracts of the Association. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Unit Owners as a group to a single

Unit Owner. The Board of Directors shall review such limits annually. Until the first meeting of the Board of Directors following the initial meeting of the Unit Owners, such public liability insurance shall be in amounts of not less than \$1,000,000 per occurrence for claims for bodily injury and property damage.

(3) Fidelity Coverage. The Board of Directors shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds belonging to or administered by the Association. The fidelity insurance policy shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(4) Flood Insurance. In the event it is determined, by survey or otherwise, that the Condominium is located within an area having special flood hazards and if flood insurance has been made available under the National Flood Insurance Program ("NFIP"), the Association shall obtain and pay, as a Common Expense, the premiums upon a policy of flood insurance on the Property in such amount as may from time to time be deemed appropriate by the Board of Directors; provided, however, that such coverage shall not be less than the lesser of: (i) the maximum coverage available under the NFIP for that portion of the Property within a designated flood hazard area or (2) 100% of the then current "replacement cost" of such portion of the Property.

(5) Other. Such other insurance coverages including workmen's compensation as the Board of Directors shall determine from time to time desirable.

(b) Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a Common Expense.

(c) The Board of Directors shall make diligent effort to secure insurance policies that will provide for the following:

(1) recognition of any insurance trust agreement entered into by the Association;

(2) coverage that may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the named insured, any Insurance Trustee and all Mortgagees; and

(3) coverage that cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect or condition arising from such conduct and the allowance of a reasonable time thereafter within which such defect or condition may be cured by the Association, any Unit Owner or any Mortgagee;

(d) All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of North Carolina and holding a rating of "A:XV" or better in the current issue of Best's Insurance Reports (or the equivalent if such rating system is discontinued or revised). All insurance policies shall be written for the benefit of the Association and the Unit Owners and their Mortgagees, as their respective interests may appear, and shall be issued in the name of, and provide that all proceeds thereof shall be payable to, the Association for the use and benefit of the Unit Owners or the Insurance Trustee (defined below). The sole duty of the Board of Directors (if the Association is named insured and loss payee) or the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Owners and their Mortgagees in the following shares:

(1) Proceeds on account of damage to Common areas and facilities shall be held in undivided shares for each Unit Owner and his Mortgagee, if any, each Unit Owner's share to be the same as such Unit Owner's undivided interest in the Common areas and facilities.

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

(A) When the Buildings are to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Board of Directors.

(B) When the Buildings are not to be restored, an undivided share for each Unit Owner, such share being the same as such Unit Owner's undivided interest in the Common areas and facilities.

(3) In the event a mortgage endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner as their respective interests may appear; provided, however, no Mortgagee shall have the right to participate in the determination as to whether any damaged Property shall be reconstructed or repaired.

(e) The originals of all such policies and the endorsements thereto shall be deposited with the Board of Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premiums, shall be delivered to the Unit Owners at least ten (10) days prior to the expiration date with respect to the then current policies. Duplicates shall also be obtained and issued by the Association to each Mortgagee, if any, upon request of such Mortgagee at any time.

(f) Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such insurance.

(g) Each Unit Owner hereby grants an irrevocable power of attorney to the Association or any Insurance Trustee designated by the Association for

the purpose of purchasing and maintaining all forms of insurance as described above, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

17. DISTRIBUTION OF INSURANCE PROCEEDS. Proceeds of insurance policies received by the Board of Directors or the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

(b) If it is determined, as provided in paragraph 18 hereof, that the damaged Property, with respect to which the proceeds are paid, shall not be reconstructed or repaired, then the remaining proceeds shall be distributed to the beneficial owners and their Mortgagees, if any, jointly.

(c) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial owners and their Mortgagees, if any, jointly.

18. DUTY TO REPAIR.

(a) In the event of damage to or destruction of any Building as a result of fire or other casualty to the extent of less than 2/3rds in value of the Building, or if the Property is not partitioned as provided in N.C. Gen. Stat. §47A-25, the Board of Directors shall arrange for the prompt repair and restoration of the Building (including any damage to any Unit therein, but not including any decoration or coverings for walls, ceilings, or floors, or other furniture, furnishings, fixtures or equipment in such Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit, in which event the Board shall repair or replace such damage to property), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plans attached hereto as Exhibit B. The determination of whether the damage or destruction "exceeds two-thirds (2/3)" the value of any Building for the purposes herein stated shall be determined by an appraisal of the value of such Building (excluding the land) as of the day immediately preceding the damage obtained by the Board of Directors from a licensed appraiser (who is a member of the American Institute of Real Estate Appraisers, the American Society of Appraisers, the Society of Real Estate Appraisers, or a comparable professional association of appraisers), when compared to the cost of repairs and restoration as determined by the Board of Directors.

If any Building is more than 2/3rds destroyed and Unit Owners possessing 3/4ths of the votes of all Unit Owners residing in that Building resolve not to proceed with repair or restoration, then G.S. § 47A-25 shall apply to the Building and the Unit Owners who resided therein.

(b) Each Unit Owner shall, at his sole cost and expense, keep and maintain his Unit in good order and repair in accordance with the Plans attached hereto as Exhibit B, and will make no structural addition, alteration or improvement to his Unit without the prior written consent of the Board of Directors. Upon the failure of a Unit Owner to so maintain his Unit, the Board of Directors shall be authorized to maintain, repair or restore such Unit, and the cost thereof shall be charged to such Unit Owner and constitute a lien on the Unit until paid.

19. UNITS SUBJECT TO DECLARATION, BYLAWS, RULES AND REGULATIONS. All present and future Unit Owners, tenants, employees of Unit Owners and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws, and any rules and regulations as may be adopted in accordance with the Bylaws, as said Declaration, Bylaws, rules and regulations may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and any rules and regulations which may be adopted are accepted and ratified by such Unit Owner, tenant or occupant and all such other 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 Units as though such provisions were made a part of each and every deed of conveyance or lease.

20. AMENDMENT TO DECLARATION. This Declaration may be amended by the vote of Unit Owners owning at least 75% of the Common Interest, together with the prior written consent of their respective Mortgagees, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws; provided, however, that such amendment shall have been approved in writing by the Declarant in the event Declarant owns a minimum of one Unit at the time of the proposed amendment; and provided, further, that Declarant hereby reserves the right to amend this Declaration without the consent of any Unit Owner or Mortgagee for the limited purpose of correcting typographical or other minor errors herein, if any, or to comply with a requirement of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or of any other agency of the federal government, and Declarant's statement in any amendment hereto of the existence of any such error or requirement shall be conclusive evidence of the existence thereof and of the necessity for Declarant to correct or comply with same. No such amendment shall be effective until recorded in the Office of the Register of Deeds, Wake County, North Carolina and until approved by the Raleigh City Attorney, if such approval is required under applicable ordinances on the date of recording of such amendment; provided, however, any amendment that amends or alters the percentage of undivided interest of any Unit(s) in the Common areas and facilities, or that alters or amends any voting rights, or limits, alters or amends the right of a Unit Owner to lease his Unit (subject to the Condominium Documents) shall require the written approval of all Unit Owners, together with the prior written consent of all their respective Mortgagees. The provisions of this paragraph shall not apply to any change of percentage interest resulting from an annexation of Phase II, Phase III or Phase IV by Supplementary Declaration(s) as set out in paragraph 31 hereof, and the Unit Owners shall not have the right to amend this Declaration without the prior written consent of the Declarant so as to restrict or limit Declarant's right of annexation of Phase II, Phase III or Phase IV.

21. TERMINATION. This Declaration may be terminated and the Condominium Property removed from the provisions of the Unit Ownership Act by an instrument to that effect executed by all of the Unit Owners and duly recorded, provided that all the Mortgagees of all the Units first shall have consented thereto or agreed, in either case by instruments duly recorded, that their liens be transferred to the percentages of undivided interest of the Unit Owners who shall own the property as tenants-in-common following such termination, which shall be equal to the percentage of undivided interest of each such Unit Owner in the Common areas and facilities prior to such termination.

In the event it is determined in the manner provided in paragraph 18 hereof that the property shall not be repaired or reconstructed after fire or other casualty, and provided Mortgagees holding Mortgages on Units having at least 51% of the Common Interest consent in writing to such action, the Condominium will be terminated and the Condominium Documents revoked. The determination not to repair or reconstruct after fire or other casualty shall be evidenced by a certificate of the Association providing that all liens affecting all of the Units are transferred to the percentages of undivided interest of the Unit Owners as set forth hereinabove, and certifying as to facts effecting the termination, which certificate shall become effective upon being duly recorded in the Wake County Public Registry.

22. STATEMENT OF PURPOSES, USE AND RESTRICTIONS. The Units and Common areas and facilities shall be occupied and used as follows:

(a) Each Unit shall be used for a single family residence and for no other purposes. No Unit Owner may lease his Unit for less than a 30 day term or for purposes of occupancy by persons other than the lessee and his or her immediate family. No room may be rented and no transient tenants may be accommodated. Each lease shall be in writing, on forms approved from time to time by the Association, and shall provide that the terms contained therein shall be subject in all respects to the Condominium Documents and that any failure by the lessee to comply with all the terms of such instruments shall constitute a default under the lease. Provided, however, there shall be no restriction in the leasing of any Unit or Units owned by the Declarant so long as Declarant owns any Units for sale in the ordinary course of business, and no leasing restriction on Units owned or possessed by Mortgagees as a result of foreclosure proceedings (or proceedings in lieu of foreclosure).

(b) There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities without the prior written consent of the Board of Directors.

(c) Nothing shall be done or kept in any Unit or in the Common areas and facilities which will increase the rate of insurance on the Common areas and facilities or any other Unit without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the Common areas and facilities, or which would be in violation of any law. No waste of the Common areas and facilities shall be permitted or committed.

(d) No sign of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors.

(e) No animals (including household pets), livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common areas and facilities except in accordance with the promulgated rules of the Board of Directors.

(f) No noxious, offensive, unlawful, or improper activity shall be carried on in any Unit, or in the Common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Unit Owners.

(g) Nothing shall be altered or constructed in or removed from the Common areas and facilities except with the prior written consent of the Board of Directors.

(h) The Board of Directors of the Association is authorized to adopt rules for the use of the Common areas and facilities, said rules to be furnished in writing to the Unit Owners.

(i) Notwithstanding anything to the contrary, Declarant, and such persons as it may select, shall have the right of ingress and egress over, upon and across the Common areas and facilities, the right to utilize one or more Units as a model, the right to erect signs upon the Property for the purpose of advertising availability of Units for sale and/or lease and similar uses, and the right to store materials in or on the Common areas and facilities and make such other use thereof as may be reasonably necessary incident to construction, development, lease and/or sale of the Units and the repair, maintenance and operation of the Units and Common areas and facilities. All such rights of Declarant as described in this subparagraph shall be applicable for Declarant's purposes in the development and sale of Units in Phase I and for the later development and sale of properties in Phase II, Phase III and Phase IV of the Condominium.

(j) Except with the written consent of the Board of Directors, no natural barriers in the form of trees, bushes or shrubs, and no man-made structures in the form of fences, shall be permitted on or about the Common areas and facilities, except such natural barriers and man-made structures as exist on the date of this Declaration.

23. RIGHTS RESERVED UNTO MORTGAGEES. Any Mortgagee shall have the following rights, to-wit:

(a) to be furnished one (a) copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year;

(b) to be given notice by the Association of the call of any meeting of the Association's membership, and to designate a representative to attend all such meetings;

(c) to be given prompt written notice of default under any of the Condominium Documents by any Unit Owner owning a Unit encumbered by a Mortgage held by the Mortgagee, such notice to be sent to the principal office of such Mortgagee or the place which it may designate in writing;

(d) to be given prompt written notice of any casualty loss or loss by eminent domain or other taking of the Common areas and facilities or any applicable Unit;

(e) to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(f) to be given prompt written notice of any action which requires the consent of all or any portion of the Mortgagees as specified herein;

(g) to have any restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, performed substantially in accordance with this Declaration and the original plans and specifications unless other action is approved by Mortgagees holding Mortgages on Units which have at least 51% of the Common Interest;

(h) in the event that professional management has been previously required by any Mortgagee or other entity, any decision to establish self-management by the Association shall require the prior consent of Unit Owners having at least 67% of the Common Interest and the approval of Mortgagees holding Mortgages on Units which have at least 51% of the Common Interest.

Whenever any Mortgagee desires the provisions of this paragraph to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Unit or Units upon which any such Mortgagee holds any Mortgage or identifying any Units owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee. Provided, however, no provision of this Declaration or the other Condominium Documents shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of the Mortgagees pursuant to their first mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or the Common areas and facilities or to any portions thereof.

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

25. WAIVER. No provisions contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

26. 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 this Declaration or the intent of any provision hereof.

27. LAW CONTROLLING. This Declaration and the Bylaws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

28. LIBERAL CONSTRUCTION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership as provided in the North Carolina Unit Ownership Act. Throughout this Declaration wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.

29. RIGHTS AND REMEDIES. The Association and any aggrieved Unit Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration, the Bylaws and any duly authorized rules and regulations governing the Condominium against any non-complying Unit Owner. Each Unit Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration and the Bylaws and any duly authorized rules and regulations governing the Condominium against the Association. Notwithstanding the foregoing, this Declaration is subject to Raleigh City Code Provision 10-3074 paragraphs b and c, if applicable and in effect on the date of recording hereof, which provide as follows:

"(b) In no case shall the city be responsible for failing to provide any emergency or regular fire, police or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowners' association, or occupants.

"(c) In no case shall any approval, or certificate granted for the use of such developments be valid unless the homeowners' association documents clearly indicate the above limitations on the city's responsibility and unless all conveyances made with respect to such developments clearly indicate the limitations on the city's responsibility."

30. CONDEMNATION.

(a) In the event all or any part of the Condominium Property shall be taken in condemnation or by eminent domain, each Unit Owner hereby grants an irrevocable power of attorney to the Association to represent such Unit Owner in any and all condemnation proceedings, negotiations, settlements and agreements with the condemning authority. The award for such taking shall be payable to the Association for the use and benefit of the Unit Owners and their respective Mortgagees as their interest may appear and shall be disbursed by the Board as hereinafter provided.

(b) If the taking is confined to the Common areas and facilities, the Board of Directors shall arrange for restoration of the remaining Common areas and the Board of Directors shall disburse the proceeds of the condemnation award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Common areas is to be repaired or reconstructed, as provided for in paragraphs 17 and 18 hereof.

(c) If the taking includes any part of a Unit, whether or not there is included in the taking any part of the Common areas and facilities, such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in paragraphs 17 and 18 hereof, whereupon:

(1) The Board of Directors, using the proceeds of such condemnation award, shall acquire, on behalf of the remaining Unit Owners, the Unit(s) and the appertaining interest in the Common areas and facilities of the Unit Owner(s) whose Unit(s) have been taken in whole or in part, at a price equal to the fair market value of said Unit(s) and said appertaining interest in the Common areas and facilities as of the date immediately preceding the condemnation thereof. Such price shall be determined by majority vote of three appraisers, one of whom shall be selected by the Unit Owner(s) affected, one of whom shall be selected by the Board of Directors and the third of whom shall be selected by the two appraisers so selected. All appraisers so selected shall be members of the American Institute of Real Estate Appraisers, the American Society of Appraisers, the Society of Real Estate Appraisers, or a comparable professional association of appraisers.

(2) After acquisition of the Unit(s) as aforesaid, the remaining Unit Owners shall amend this Declaration and the Bylaws to the end that the Condominium Property will continue to be subject to the Unit Ownership Act. Such amendments, if any, shall realign the percentage interests of each remaining Unit Owner in the Common areas and facilities, establish the method of distributing the remainder of the condemnation award, if any, and include such other provisions as all of said remaining Unit Owners shall deem reasonable and appropriate. Such amendments shall have been consented to in writing by all Mortgagees and shall not prejudice creditors or other third parties who have an interest in any condemnation award with respect to their rights, if any, in such award.

31. ADDITION OF LAND AND UNITS - PERCENTAGE INTEREST OF COMMON ELEMENTS.

(a) Supplementary Declaration. All or part of Phase II, Phase III and Phase IV as described in Exhibit "F" may be added to the Property by Declarant by the filing of one or more Supplementary Declarations, which describe or identify the property to be added, specifically incorporate the terms and conditions of this Declaration and make the property described therein subject to this Declaration. Such property may be annexed to the Condominium at one time in one parcel or at several times in several parcels, as Declarant may elect. In addition, each such Supplementary Declaration shall have attached thereto the surveys, site plans, specifications and certificates required by the Unit Ownership Act, together with such other provisions as deemed necessary by Declarant. Upon such recording, the property described in such Supplementary Declaration(s) shall become part of the Condominium property as if such property had been included in this Declaration, and by accepting a deed subject to this Declaration and any applicable Supplementary Declaration, each Unit Owner agrees to such additions to the Condominium. The annexation shall be accomplished by the recording of the Supplementary Declaration as required by the Unit Ownership Act, and no rights of any type or character whatsoever of any Unit Owner shall attach until such Supplementary Declaration is recorded annexing all or part of Phase II, Phase III or Phase IV to the Condominium hereby created. Nothing contained herein shall require or obligate the Declarant to submit any part of Phase II, Phase III or Phase IV to the provisions of the Unit Ownership Act or this Declaration. The maximum number of Units which may be added by the annexation of Phase II, Phase III and Phase IV is seventy-eight (78). Any annexation of Phase II, Phase III or Phase IV to the Condominium hereby created must occur within five (5) years of the registration of this Declaration in the Wake County Public Registry, except as otherwise provided

herein to the contrary, the assessments for and votes appurtenant to Units in Phase II, Phase III and Phase IV shall commence and be effective on the conveyance of the first Unit in Phase II, Phase III or Phase IV, respectively, by the Declarant.

(b) Description of Units. Phase II will consist of one (1) three-story Building of principally frame construction with cedar shake and hardboard siding walls with asphalt shingle roofs and which will contain thirty (30) dwelling units (numbered 49 through 78). Phase III will consist of one (1) three-story Building of principally brick construction with cedar shake and hardboard walls with asphalt shingle roofs and which will contain a maximum of twenty-four (24) dwelling units (numbered 1 through 24). Phase IV will consist of one (1) three-story Building of principally frame construction with cedar shake and hardboard walls with asphalt shingle roofs and which will contain a maximum of twenty-four (24) dwelling units (numbered 79 through 102).

(c) Percentage Interest. As the result of the recording of this Declaration, the percentage interest of each Unit Owner in Phase I is established in the percentages for Phase I set out in Column #1 in Exhibit "C" attached hereto and made a part hereof. As and when Phase II, Phase III and Phase IV are added to the Condominium, the percentage interest of each Unit Owner in the Common areas and facilities shall be reduced to a percentage interest determined by the Phase or combination of Phases subject to this Declaration. The appropriate stated percentage interest as shown in Column #1 in Exhibit "C" is the percentage interest that is appurtenant to ownership of each Unit in Bright-hurst/Bishops Ridge Condominium Phase I alone. By acceptance of a deed to a Unit in Phase I, each Unit Owner, for himself, his successors and assigns, agrees and consents that Declarant, without need for further consent or joinder of any Unit Owner, may add Phase II, Phase III and Phase IV described collectively in Exhibit "F" to the Condominium, and upon the recording by Declarant of the Supplementary Declaration relating to any such phase, the percentage interest of such Unit Owner shall be automatically changed to the appropriate percentage interest set out in Column #2, Column #3 or Column #4 in Exhibit "C," as appropriate. The precise formula whereby the percentage ownership of the Common Areas and facilities by a Unit Owner in Phase I is reduced upon the annexation of Phase II, Phase III and Phase IV is the ratio between the fair market value of such Unit Owner's Unit to the fair market value of all Units in all phases.

No Supplementary Declaration may reduce the percentage interests of Phase I Unit Owners as shown in Column #1 any more than to those Percentage Interests as shown in Column #2, unless such Supplementary Declaration is joined by one hundred percent (100%) of Unit Owners and consented to by all Mortgagees in the manner required for amendment of the Declaration to change percentage interests of Unit Ownership in the Common areas and facilities.

(d) Miscellaneous. Prior to annexation, all taxes and other costs relating to the Phase II property, the Phase III property and the Phase IV property shall be the sole responsibility of the Declarant.

32. Off-Site Amenities.

The listing and description of the components of the Off-Site Amenities herein is illustrative of Declarant's present plans only and is not a guaranty

by Declarant or Brighthurst/Bishops Ridge Condominium Association, Inc. that all or any part of such components shall be constructed by Declarant or shall remain or continue as part of the Off-Site Amenities at any future time.

(a) Declarant plans to construct within a future Phase of the Condominium a swimming pool, of principally concrete and parging construction, holding approximately 32,400 gallons of water with surface area of approximately 1060 square feet and varying in depth from three to eight feet. Such swimming pool will be equipped with a Pac-Fab 3-horsepower pump, Highrate stickdry sand filtration system (Model TR140), bromine feeding system, skimmers, piping, and miscellaneous auxiliary equipment necessary to the operation thereof. No children's pool is to be constructed. The pool will be surrounded by a brick deck of approximately 2000 square feet in area with brick curbing and a brick fence with two wrought iron gates. The pool area will include a bath house of principally wood frame construction, with an asphalt shingle roof, containing approximately 130 square feet of enclosed floor area, and including men's and women's rest rooms and changing areas with concrete floors and with one lavatory and toilet in each rest room, together with miscellaneous curtains, benches and related furnishings and equipment. The swimming pool deck area will be furnished with twelve pieces of miscellaneous pool and deck furniture, including deck chairs, tables and lounges. The swimming pool and all other related structures, fixtures and furnishings hereinabove described are hereinafter referred to as the "Off-Site Amenities."

(b) The expenses of operation, maintenance, repair and replacement of the Off-Site Amenities shall be Common Expenses of Brighthurst/Bishops Ridge Condominium. Such expenses shall include personnel and insurance costs directly related to the operation of the Off-Site Amenities and shall include amounts necessary to fund a replacement reserve for all or part of such Off-Site Amenities.

(c) The Association shall have the exclusive right to promulgate, apply and enforce rules and regulations as it deems necessary, in its discretion, for the use and enjoyment of the Off-Site Amenities, and all parties entitled to use of such Off-Site Amenities may be subject to suspension of privileges for violations of said rules and regulations.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed and sealed this 18th day of June, 1985.

MARTIN DEVELOPMENT GROUP, INC.

By:

A. J. [Signature]
del. President

(CORPORATE SEAL)

WITNESSES

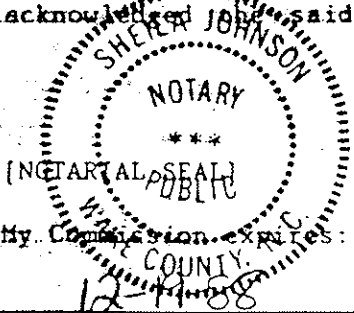
J. [Signature]
 Asst. Secretary

(DRAFT #4:053085)

STATE OF NORTH CAROLINA

COUNTY OF Wake

This 18th day of June, 1985, personally came before me A. Sheila Johnson, who, being by me duly sworn, says that he is David President of MARTIN DEVELOPMENT GROUP, INC., that the seal affixed to the foregoing instrument in writing is the corporate seal of the Corporation, and that said writing was signed and sealed by him, in behalf of said Corporation, by its authority duly given. And the said David acknowledged said writing to be the act and deed of said Corporation.



Sheila Johnson
NOTARY PUBLIC

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate

of Sheila Johnson

Notary (lies) Public is

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

KENNETH C. WILKINS, Register of Deeds

By

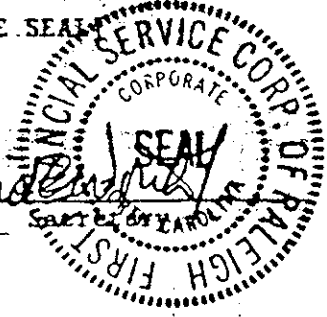
Charles A. Kelly
Asst. / Deputy Register of Deeds

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM
CONSENT OF MORTGAGEE

FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF RALEIGH being the Beneficiary under that certain Deed of Trust from Declarant to First Financial Service Corporation of Raleigh, Trustee, conveying the property described in Exhibit "A" attached hereto and made a part hereof, and recorded in Book 3296, at Page 358 in the Wake County Public Registry does hereby consent to the recordation of this Declaration and the imposing of the provisions hereof and the provisions of the North Carolina Unit Ownership Act upon said real property described in Exhibit "A," and said Beneficiary does hereby consent and agree that from and after this date, the provisions of this Declaration, including all exhibits and amendments hereto, shall be superior to the lien of said Deed of Trust on said Property described in Exhibit "A." The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between said Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall said Beneficiary be deemed to have accepted in any way, nor shall anything contained hereunder be deemed to impose upon said Beneficiary, any of the liabilities, duties or obligations of the Declarant under the foregoing Declaration. Said Beneficiary executes this Consent of Mortgage solely for the purposes set forth herein. The said Trustee also joins in and executes this Consent as Trustee of said Deed of Trust solely for the said purposes hereinabove set forth.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be duly executed and sealed as of the 18th day of June, 1985.

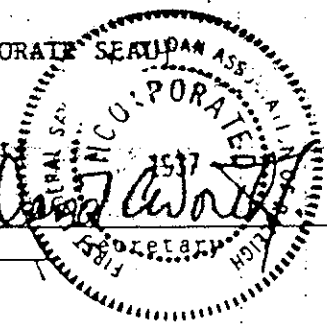
FIRST FINANCIAL SERVICE CORPORATION OF RALEIGH

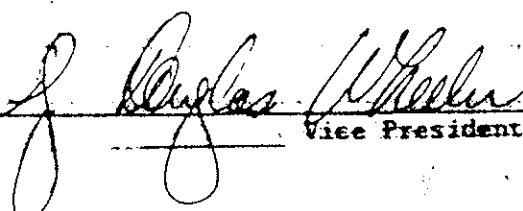
[CORPORATE SEAL]
Attest: 

By: 
Vice President

TRUSTEE

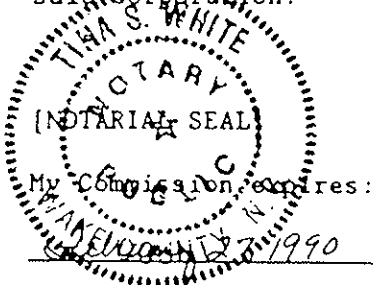
FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF RALEIGH

[CORPORATE SEAL]
Attest: 

By: 
Vice President
BENEFICIARY

STATE OF NORTH CAROLINA)
)
 COUNTY OF WAKE)

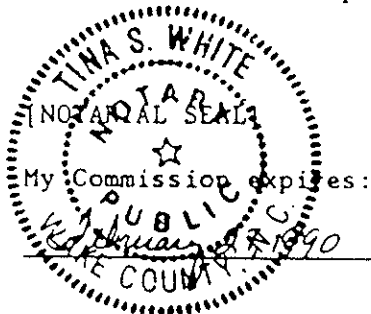
This 18th day of June, 1985 personally came before me Red Merrill, who being by me duly sworn, says that he is a Vice President of FIRST FINANCIAL SERVICE CORPORATION OF RALEIGH, Trustee, that the seal affixed to the foregoing instrument in writing is the corporate seal of the Corporation, and that said writing was signed and sealed by him, 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.



Tina S. White
 Notary Public

STATE OF NORTH CAROLINA)
)
 COUNTY OF WAKE)

This 18th day of June, 1985 personally came before me J. Douglas Wheeler, who being by me duly sworn, says that he is a Vice President of FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF RALEIGH, Beneficiary, that the seal affixed to the foregoing instrument in writing is the corporate seal of the Corporation, and that said writing was signed and sealed by him, 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.



Tina S. White
 Notary Public

Drawn by and mail to: E. Allen Prichard
 Kennedy, Covington, Lobdell & Hickman
 3300 NCNB Plaza
 Charlotte, North Carolina 28280

EXHIBIT "A" TO
DECLARATION OF CONDOMINIUM
FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

Legal Description of Real Estate Comprising Phase I of
Brighthurst/Bishops Ridge Condominium

* * * * *

Lying and being in Raleigh, Wake County, North Carolina and being more particularly described by metes and bounds as follows:

Being the northerly portion of Lot 10 as shown on that certain map or plat recorded in Map Book 1985 at page 712 in the Wake County Registry, and also being that part of said Lot 10 lying to the north of that certain "Phase Line" depicted on that certain survey by John A. Edwards, Jr., North Carolina Registered Land Surveyor (L-2776), dated April 17, 1985 and entitled "Phase I, Brighthurst/Bishops Ridge Condominium, Raleigh, North Carolina" (the "Survey") which is a part of the Plans, as defined in the Declaration of Condominium to which this Exhibit "A" is attached, said Phase Line being more particularly described as follows:

To find the true point of beginning of said Phase Line, commence at the intersection of the centerline of the right-of-way of Washington Street (60 feet in width) with the centerline of the right-of-way Wirewood Drive (60 feet in width); thence North 30-36-38 East, 62.65 feet to a point in the margin of the right-of-way of said Wirewood Drive, said point also being in the westerly boundary line of said Lot 10; thence along said margin of the right-of-way of Wirewood Drive and the boundary line of Lot 10 with the arc of a circular curve to the left having a radius of 602.97 feet an arc distance of 133.18 feet to the point or place of BEGINNING of the Phase Line; thence along said Phase Line North 75-16-00 East, 195.99 feet to a point in the easterly boundary line of said Lot 10, being the terminus of the Phase Line hereinabove described; the portion of said Lot 10 lying to the north of said Phase Line contains 36,007 square feet (approximately 0.827 acres), all as more particularly shown on the Survey.

EXHIBIT "B" TO
DECLARATION OF CONDOMINIUM

FOR

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

Plans of Brighthurst/Bishops Ridge Condominium

[See the Plans of Brighthurst/Bishops Ridge Condominium dated April 17, 1985, prepared by John A. Edwards & Co., Consulting Engineers*, and survey dated April 17, 1985, prepared by John A. Edwards, North Carolina Registered Land Surveyor (L-2776), both of which were filed for registration simultaneously with the filing of the Declaration in the Unit Ownership File located in the Office of the Register of Deeds for Wake County, North Carolina, under the name of the Condominium.]

*and David F. Furman, Registered Architect (No. 2943)

BOOK 4095 PAGE 535

EXHIBIT "A"

BOOK ~~4063~~ PAGE 449

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Legal Description of Real Estate Comprising Phase IV of
Brighthurst/Bishops Ridge Condominium

[TO BE ATTACHED]

BOOK ~~4083~~ PAGE ~~450~~

LARRY I. CHASAK, REGISTERED LAND SURVEYOR / 705 W. NORTH STREET / RALEIGH, N.C. 27603 / (919) 834-

EXHIBIT "A"

Legal Description

Beginning at a point on the Southern margin of Wade Avenue, said point being 176.05' in an Eastern direction from a point where Wade Avenue begins to curve into Wirewood Drive; thence along the Southern margin of Wade Ave. N 72°-17'-46" E, 221.18' to a point; thence S 17°-10' E, 187.54' to a point; thence S 75°-16' W, 228.85' to a point; thence N 14°-44' W, 175.91' to the point and place of beginning, containing 40,867.92 square feet and being Phase IV of Brighthurst/Bishops Ridge.

~~BOOK 4063 PAGE 451~~

EXHIBIT "B"

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IVPlans of Brighthurst/Bishops Ridge Condominium Phase IV

[See the Plans of Brighthurst/Bishops Ridge Condominium Phase IV certified by The Architectural Group, P.A., Registered Architects, and survey dated June 22, 1987, prepared by Larry I. Chasak, North Carolina Registered Land Surveyor (L-1369), both of which were filed for registration simultaneously with the filing of the Declaration in the Unit Ownership File located in the Office of the Register of Deeds for Wake County, North Carolina, under the name of the Condominium.]

EXHIBIT "C"

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Undivided Percentage Ownership Interests

(All Phases)

[TO BE ATTACHED]

DAW

EXHIBIT "C"

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IVPercentage of Undivided Interest
in the Common Areas and Facilities
Appurtenant to Each UnitUNIT
DESIGNATIONCOMBINED PHASES
I, II, III AND IV

1031	.91
2032	.85
3033	.94
1024	.86
2025	.88
3026	.87
1017	.90
2018	.88
3019	.92
10410	.91
20411	.86
30412	.80
10513	1.03
20514	.98
30515	1.01
10816	1.01
20817	1.01
30818	1.05
10719	1.03
20720	1.01
30721	1.03
10622	1.01
20623	.98
30624	1.07
10325	1.01
20326	1.01
30327	1.00
10228	.98
20229	.98
30230	1.05
10131	.98
20132	.96
30133	1.05
10434	1.01
20435	1.01
30436	1.02
10537	.86
20538	.91
30539	.94
10840	.87
20841	.87
30842	.83

1021

DAW

UNIT
DESIGNATIONCOMBINED PHASES
I, II, III AND IV

(continued)

107 43	.87
207 44	.87
307 45	.90
106 46	.85
206 47	.83
306 48	.92
105 49	1.37
205 50	1.37
305 51	1.50
104 52	1.07
204 53	1.18
304 54	1.19
103 55	1.07
203 56	1.21
303 57	1.16
102 58	1.07
202 59	1.18
302 60	1.17
101 61	1.12
201 62	1.13
301 63	1.16
110 64	1.08
210 65	1.17
310 66	1.26
109 67	1.07
209 68	1.14
309 69	1.16
100 70	1.07
208 71	1.16
308 72	1.16
107 73	1.02
207 74	1.11
307 75	1.24
106 76	1.33
206 77	1.29
306 78	1.43
1020 79 1	1.22
1022 80 2	1.17
1024 81 3	1.17
1026 82 4	1.26
1030 83 5	1.19
1032 84 6	1.17
1034 85 7	1.13
1036 86 8	1.17
1040 87 9	1.15
1042 88 10	1.16
1044 89 11	1.16
1046 90 12	1.26
1050 91 13	1.26

1021

22.58

1000
BISHOPS
RIDGE

35.64

Washington
Towers

DA

DAV

UNIT
DESIGNATION

(continued)

10529214
10549315
10569416

COMBINED PHASES
I, II, III AND IV

1.10
1.13
1.26

18.96

DAV

3501 35

EXHIBIT "D" TO
DECLARATION OF CONDOMINIUM

FOR

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

True Copy of Articles of
Incorporation for Brighthurst/Bishops Ridge Condominium
Association, Inc.

* * * * *

See Rider #1 Attached

RIDER #1 TO EXHIBIT "D"
TO
DECLARATION OF CONDOMINIUM

ARTICLES OF INCORPORATION
OF
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM ASSOCIATION, INC.
A NON-PROFIT CORPORATION

The undersigned natural person of the age of eighteen (18) years or more hereby forms a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, and to that end does hereby set forth:

1. The name of the Corporation is BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM ASSOCIATION, INC. (hereinafter referred to as the "Association").

2. The period of duration of the Association shall be perpetual.

3. The purposes for which the Association is organized are:

(a) To manage, maintain, operate, care for and administer the Brighthurst/Bishops Ridge Condominium (the "Condominium") as described in the Declaration of Intention to Submit Property to the Provisions of the North Carolina Unit Ownership Act by Martin Development Group, Inc. a North Carolina corporation ("Declarant") dated the 18th day of June, 1985 and recorded or to be recorded in the Office of the Register of Deeds for Wake County, North Carolina (such Declaration as the same may be amended or supplemented from time to time being hereinafter referred to as the "Declaration"); to enforce the covenants, restrictions, easements, charges and liens provided in the Declaration to be enforced by the Association; to fix, levy, assess, collect, enforce and disburse the charges and assessments created under the Declaration, all in the manner set forth in and subject to the provisions of the Declaration; and to exercise all powers and privileges and to perform all duties and obligations of the Association under the Declaration;

(b) To do any and all other lawful things and acts that the Association from time to time, in its discretion, may deem to be for the benefit of the Condominium and the owners and inhabitants thereof or advisable, proper or convenient for the promotion of the peace, health, comfort, safety and general welfare of the owners and inhabitants thereof; and

(c) To exercise all powers provided in Chapter 55A of the General Statutes of North Carolina in furtherance of the above-stated purposes.

4. The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Association shall be distributed, upon dissolution or otherwise, to any member, director or officer of the Association.

5. Provisions relating to the members of the Association are:

(a) Members of the Association shall be every Unit Owner as defined in the Declaration and no other person or entity shall be entitled to membership.

(b) There shall be only one class of members in the Association.

(c) The members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which the right to vote is given to members under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina, the voting rights of the members being more particularly described in the Declaration and the Bylaws attached thereto; provided, however, that certain rights are reserved to Declarant in the Declaration and Bylaws of the Association with respect to the election of the initial Board of Directors and amendment of the Declaration and Bylaws.

(d) Membership in the Association shall be appurtenant to and may not be separated from ownership of a Unit in the Condominium. Restrictions on the transfer or encumbrance of Units are set forth in the Declaration.

6. The address of the initial registered office of the Association is 801 Oberlin Road, Suite 335, Raleigh, Wake County, North Carolina 27605 and the initial registered agent of the Association at such address is Jon Kenneth Sykes.

7. The business and conduct of the Association shall be regulated by a Board of Directors who shall be elected in the manner and for the terms provided in the Bylaws. The number of directors constituting the initial Board of Directors shall be three; and the names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
J. Franklin Martin	301 Hempstead Place Charlotte, North Carolina 28207
A. Settle Dockery	2713 Webb Street Raleigh, North Carolina 27609
Jon Kenneth Sykes	1638 Village Glen Raleigh, North Carolina 27602

8. The incorporator of this Association is Michael C. Balog, and his address is One NCNB Plaza, Suite 3300, 101 South Tryon Street, Charlotte, Mecklenburg County, North Carolina 28280.

IN TESTIMONY WHEREOF, the undersigned has set his hand and affixed his seal, this ____ day of _____, 1985.

Michael C. Balog (SEAL)

500 3501 32

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, _____, a Notary Public in and for said County and State,
do hereby certify that MICHAEL C. BALOG personally appeared before me this day
and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this ____ day of _____, 1985.

Notary Public

My commission expires:

Drawn by and mail to:
Michael C. Balog
Kennedy, Covington, Lobdell & Hickman
3300 NCNB Plaza
Charlotte, North Carolina 28280

EXHIBIT "E" TO
DECLARATION OF CONDOMINIUM
FOR

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

True Copy of Bylaws for
Brighthurst/Bishops Ridge Condominium Association, Inc.

See Rider #1 Attached.

Rider #1 to
Exhibit "E" to
DECLARATION OF CONDOMINIUM

BYLAWS
OF
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM ASSOCIATION, INC.
A NON-PROFIT CORPORATION

ARTICLE 1 - PURPOSE, APPLICABILITY, OFFICES

- Section 1. PURPOSE. This Corporation (hereinafter called the "Association") has been organized to provide for the administration, management, maintenance and care of Brighthurst/Bishops Ridge Condominium, a condominium established or to be established in accordance with the North Carolina Unit Ownership Act upon the property situate, lying and being in Raleigh, Wake County, North Carolina and more particularly described in Exhibit "A" and Exhibit "F" (if such property is annexed to Brighthurst/Bishops Ridge Condominium in the manner provided in the Declaration) attached to the Declaration and incorporated herein by reference. (Brighthurst/Bishops Ridge Condominium is hereinafter referred to as the "Condominium").
- Section 2. APPLICABILITY OF BYLAWS. The provisions of these Bylaws are applicable to the Condominium and to the use and occupancy thereof. All present and future Owners, Mortgagees, lessees and occupants of Units and their families and guests, and any other persons who may use or occupy the facilities of the Condominium in any manner, are subject to the Declaration, these Bylaws and rules and regulations made pursuant hereto and any amendment to these Bylaws upon the same being passed and duly set forth in an amendment to the Declaration, duly recorded. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.
- Section 3. PRINCIPAL OFFICE. The principal office of the Association shall be located in Raleigh, Wake County, North Carolina.
- Section 4. REGISTERED OFFICE. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
- Section 5. DEFINITIONS. All terms as defined in the Declaration shall have the same meaning herein except when the context otherwise specifies or requires.

ARTICLE II - UNIT OWNERS

- Section 1. MEMBERSHIP. Each Unit Owner shall be a member of the Association and no other person or entity shall be entitled to membership. Until such time as the property described on Exhibit "A" of the Declaration is submitted to a plan of condominium ownership by the recordation of the Declaration, membership of the Association shall be comprised of the three individuals named in Section 2 of Article III hereof as the initial Directors, and each such initial Director shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.
- Section 2. PLACE OF MEETINGS. All meetings of the Unit Owners shall be held at the Condominium or at such other place either within or without the State of North Carolina as shall be designated in a notice of the meeting.
- Section 3. ANNUAL MEETINGS. An annual meeting of the Unit Owners shall be held at 8:00 p.m. on the first Saturday of February of each year if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday for the purpose of electing members of the Board of Directors and for the transaction of such other business as may be properly brought before the meeting.
- Section 4. SUBSTITUTE ANNUAL MEETINGS. If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 5. SPECIAL MEETINGS. Special meetings of the Unit Owners may be called at any time by the Board of Directors or upon the written request of Unit Owners owning in the aggregate at least a 50% undivided interest in the Common Areas and facilities.
- Section 6. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail at the direction of the Board of Directors or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

In case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of directors on which the vote of Unit Owners is expressly required by the provisions of the North Carolina Unit Ownership Act. In the case of a special meeting the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an

original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

Section 7.

QUORUM. The presence in person or by proxy at any meeting of the Voting Members (as defined in Section 8 of this Article) having 50% of the total votes shall constitute a quorum. If there is no quorum at the opening of any meeting of Voting Members, such meeting may be adjourned from time to time by the unanimous vote of the Voting Members present, either in person or by proxy, and at the next meeting of the Voting Members after a meeting adjourned for want of a quorum, the number of votes constituting a quorum shall be reduced to sixty percent (60%) of the required quorum at the meeting last adjourned for want of a quorum; provided, however, that a quorum shall never be less than 10% of the total votes of all Voting Members; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

The Voting Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum.

Section 8.

VOTING RIGHTS. There shall be one person with respect of each Unit who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "Voting Member". Such Voting Member may be the Unit Owner or one of the group composed of all of the Unit Owners, or may be some other person designated by such Unit Owner or Owners to act as proxy on his or their behalf and who need not be a Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or Owners. The total number of votes of all Voting Members shall be 100, and each owner or group of owners (including the Board of Directors, if the Board of Directors, or its designee, shall then hold title to one or more Units) shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common areas and facilities applicable to his or their Unit as set forth in Exhibit "C" of the Declaration.

Section 9.

VOTING. In all elections for members of the Board of Directors, each Voting Member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the offices to be filled shall be deemed to be elected.

Section 10.

WAIVER OF NOTICE. Any Unit Owner may, at any time, waive notice of any meeting of the Unit Owners in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Unit Owners

shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Unit Owners are present at any meeting of the Unit Owners, no notice shall be required and any business may be transacted at such meeting.

- Section 11. INFORMAL ACTION BY UNIT OWNERS. Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, (that is, the Voting Members) and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE III - BOARD OF DIRECTORS

- Section 1. NUMBER. The business and property of the Association shall be managed and directed by a Board of Directors composed initially of three (3) persons appointed by Declarant until such time as the first of the following events occurs: (a) The expiration of five (5) full years after the registration of the Declaration; (b) 120 days after the date as of which Units to which seventy-five percent (75%) of the total undivided interest appertain shall have been conveyed by Declarant to Unit Owners other than a party constituting the Declarant; or (c) The surrender by the Declarant of the authority to appoint and remove members of the Board of Directors by an express amendment to Declaration executed and recorded by Declarant. From and after the occurrence of the first of the above named events, the Board of Directors shall be composed of five (5) persons elected as provided herein.

- Section 2. INITIAL DIRECTORS. The initial three (3) Directors shall be selected by the Declarant and need not be Unit Owners. The names of the persons who shall serve on the initial Board of Directors from the date upon which the Declaration is recorded in the Wake County, North Carolina, Public Registry until such time as is provided in the Declaration and Section 1 of this Article above, are as follows:

J. Franklin Martin
A. Settle Dockery
Jon Kenneth Sykes

- Section 3. ELECTION, TERM AND QUALIFICATION. Except as provided in the Declaration and in Sections 1, 2 and 5 of this Article, with respect to the initial directors, the three (3) members of the permanent Board of Directors shall be elected at an annual meeting of Unit Owners and those persons who receive the highest number of votes (whether or not a majority or plurality) shall be deemed to have been elected. The size of the permanent Board of Directors may be increased or decreased from time to time

upon the affirmative vote of Unit Owners owning in the aggregate at least a seventy-five percent undivided interest in the Common areas and facilities, provided that said Board shall not be less than three in number nor greater than seven in number. Each Director shall hold office for the term for which he was elected or until his death, resignation, retirement, removal; disqualification or his successor is elected and qualifies. At the first annual meeting of the Association at which the election of the successors to the initial Board of Directors is to be held, the three (3) members of the permanent Board of Directors shall be elected for staggered terms as follows: at the first election for the Board of Directors, two (2) members of the Board will be elected for a one (1) year term and one (1) member of the Board will be elected for a two (2) year term. Thereafter at each subsequent annual election for the Board of Directors, one (1) member of the Board will be elected for a two (2) year term and one (1) member of the Board will be elected for a one (1) year term. At each such election, the candidate for the Board of Directors receiving the highest relative number of votes shall be designated as the Board member to serve for the two (2) year term. At all annual elections after the first such election, the number of Directors to be elected by the voting members will be that number necessary to succeed those Directors whose terms then expire.

- Section 4. REMOVAL. Directors may be removed from office with or without cause by the Declarant during the time described in Section 1 hereof in which Directors are appointed by the Declarant and thereafter by affirmative vote of the Unit Owners having 75% of the total votes entitled to vote at an election of Directors. If any Directors are so removed, new Directors may be elected at the same meeting.
- Section 5. VACANCIES. A vacancy occurring in the Board of Directors, including directorships not filled by the Unit Owners, may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; but a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an annual meeting or a special meeting of Unit Owners called for that purpose. Voting Members may elect a Director at any time to fill any vacancy not filled by the Directors.
- Section 6. COMPENSATION. The Board of Directors shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners having 75% of the total votes entitled to vote at an election of Directors.
- Section 7. EXECUTIVE COMMITTEES. The Board of Directors may, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, designate two or more Directors to constitute an executive Committee, which committee to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Directors in the management of the Condominium.

Section 8.

POWERS AND DUTIES. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep, repair, maintenance and replacement of the Common areas and facilities and payments therefor.
- (b) Determination of the Common Expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Common areas and facilities.
- (c) Collection of the Common Expenses from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance, repair and replacement of the Common areas and facilities.
- (e) The adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Unit Owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of Unit Owners, Units offered for sale or surrendered by their Unit Owners to the Board as provided by the Declaration.
- (h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Unit Owners, provided such purchase is duly authorized as set forth in the Declaration.
- (i) Selling, mortgaging, voting the votes appurtenant to or otherwise dealing with Units acquired by the Board of Directors or its designee, corporate or otherwise, on behalf of all Unit Owners, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to Units on behalf of all Unit Owners.
- (j) Maintaining and repairing any Unit, if such maintenance or repair is required by the Declaration or is necessary in the discretion of the Board to protect the Common areas and facilities or any other Unit or if the Unit Owner of such Unit has

failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said Unit Owner, provided that the Board shall levy a special assessment against such Unit Owner for the costs of said maintenance or repair.

(k) Entering any Unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as a Common Expense; and entering any Unit for the purpose of correcting or abating any condition or situation deemed by the Board of Directors to be an emergency.

(l) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by either the Chairman of the Board or Vice Chairman and countersigned by the Secretary, or the Assistant Secretary, of the Association.

(m) Obtaining of insurance for the Property pursuant to the applicable provisions of the Declaration.

(n) Making of repairs, additions, and improvements to or alterations or restoration of the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding.

(o) Engaging the services of any person, firm or corporation to act as managing agent of the Condominium at a compensation established by the Board, to perform all of the powers and duties of the Association, except those which may be required by the Declaration, the North Carolina Unit Ownership Act or the North Carolina Non-Profit Corporation Act to have approval of the Board of Directors or the Unit Owners; provided, however, the term of any such agreement with a managing agent shall not exceed one (1) year initially, shall only be renewable by agreement of the parties for successive one (1) year periods and shall be terminable by the Association with or without cause upon 30 days' prior written notice to the manager and without payment of a termination fee.

(p) To enforce by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration or the rules and regulations hereinafter promulgated governing use of the Common areas and facilities in the Condominium.

(q) To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than the Units, and to assess the same against the Unit Owners in the manner herein provided.

(r) To adopt a seal for the Association.

(s) Hiring attorneys and other professionals.

(t) Any other powers and duties reserved to the Board of Directors in the Declaration, the Articles of Incorporation or these Bylaws.

ARTICLE IV - MEETINGS OF DIRECTORS

- Section 1. ORGANIZATION MEETING. The first meeting of a newly elected five member permanent Board of Directors shall be held within fifteen (15) days following the meeting of the Unit Owners at which the Board is elected. No notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, provided a quorum shall be present.
- Section 2. REGULAR MEETINGS. A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Directors may provide by resolution the time and place either within or without the State of North Carolina, for the holding of a regular meeting of the Board.
- Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or with the request of the Chairman or by any two Directors. Such meetings may be held either within or without the State of North Carolina.
- Section 4. NOTICE OF MEETINGS. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.
- Section 5. WAIVER OF NOTICE. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- Section 6. QUORUM. A majority of the number of Directors fixed by these Bylaws shall be required for and shall constitute a quorum for

the transaction of business at any meeting of the Board of Directors.

- Section 7. MANNER OF ACTING. Except as otherwise provided in this section, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A vote of a majority of the number of Directors fixed by the Bylaws shall be required to adopt a resolution appointing an Executive Committee. Vacancies in the Board of Directors may be filled as provided in Article III, Section 5, of these Bylaws.
- Section 8. ORGANIZATION. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any person selected to preside by vote of the majority of the Directors present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and Assistant Secretary any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.
- Section 9. INFORMAL ACTION OF DIRECTORS. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.
- Section 10. MINUTES. The Board shall keep minutes of its proceedings.
- Section 11. FIDELITY BONDS. The Board of Directors shall require all officers, employees, agents or independent contractors of the Association handling or responsible for Association funds to be covered by adequate fidelity bond coverage as provided in the Declaration. The premiums on such bonds shall constitute a common expense.
- Section 12. LIABILITY OF THE BOARD. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the 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 Bylaws.

It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Unit Owner(s). It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the Common areas and facilities bears to the interests of all the Unit Owners in

the Common areas and facilities. Every agreement made by the Board on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability as his interest in the Common areas and facilities bears to the interest of all Unit Owners in the Common areas and facilities.

ARTICLE V - OFFICERS

- Section 1. NUMBER. The principal officers of the Association shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairman, Assistant Secretaries, Assistant Treasurer, and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary.
- Section 2. ELECTION AND TERM. The officers of the Association shall be elected by and from among the Board of Directors. Such elections may be held at the regular annual meeting of the Board.
- Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.
- Section 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- Section 4. COMPENSATION. No officer shall receive any compensation from the Association for acting as such.
- Section 5. CHAIRMAN OF THE BOARD. The Chairman of the permanent Board shall be a Unit Owner and shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association. The Chairman shall when present, preside at all meetings of the Board and of the Unit Owners, and in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.
- Section 6. VICE-CHAIRMAN. The Vice-Chairman elected by the Board of Directors shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board.
- Section 7. SECRETARY. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Directors.

He shall give, or cause to be given, all notices required by law and by these Bylaws. He shall have general charge of the minute books and records of both the Unit Owners and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board of Directors.

Section 8.

TREASURER. The Treasurer shall have custody of all Association funds and securities and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Association in books especially provided for the purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Directors within ninety (90) days following the end of each fiscal year. The statement shall be kept available for inspection by any Unit Owner for a period of three (3) years. The Treasurer shall also prepare and file all reports and returns required by Federal, state or local law and shall generally perform all other duties as may be assigned to him from time to time by the Chairman of the Board or the Board of Directors. All books and records shall be kept in accordance with good and accepted accounting practices and an outside audit shall be made at least once a year.

Section 9.

ASSISTANT SECRETARIES AND TREASURERS. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman of the Board or the Board of Directors.

ARTICLE VI - OPERATION OF THE PROPERTY

Section 1.

DETERMINATION OF COMMON EXPENSES AND FIXING OF THE COMMON CHARGES. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their respective undivided percentage interests in the Common areas and facilities. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of the Declaration and amounts necessary to pay all ad valorem taxes and public assessments levied against the Common Areas. The Common Expenses shall also include such amounts as the Board of Directors shall deem proper for the operation and maintenance of the

Property, including without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for periodic maintenance, repair and replacement, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase by the Board of Directors or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise all Unit Owners, promptly in writing, of the amount of Common Expenses payable by each of them, respectively, as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such Common Expenses are based, to all Unit Owners.

Section 2. LIMITATION ON INCREASED COMMON CHARGES. Should the Board of Directors determine that the estimated aggregate amount of the Common Expenses to be assessed for any fiscal year requires common charges to be levied against any Unit which exceed 110% of those levied against such Unit in the preceding fiscal year, the proposed budget requiring such increased charges shall be submitted to the Unit Owners for approval at the annual meeting or a special meeting called for such purpose. If, at such meeting, the majority of the votes cast approve such budget, the charges shall be made in accordance with such proposed budget. If the proposed budget is not approved by the majority of the votes cast at such meeting, the Board of Directors shall make reductions in the proposed budget until either (a) the proposed budget is approved by the majority of the votes cast in a meeting called for such purpose, or (b) the required increased common charges to be levied against any Unit do not exceed 110% of the sum levied against such Unit in the preceding fiscal year.

Section 3. PAYMENT OF COMMON CHARGES. All Unit Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit, together with his interest in the Common areas and facilities. The obligation of a Unit Owner to pay the Common Expenses assessed during his ownership of such Unit is a personal obligation and shall not pass to any purchaser of the Unit unless expressly assumed by such purchaser or unless required by the provisions of G.S. § 47A-23.

Section 4. COLLECTION OF ASSESSMENTS. The Board of Directors shall assess Common Expenses against the Unit Owners from time to time and at least monthly and shall take prompt action to collect any Common Expenses which remain unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Directors shall

notify the holder of the first Mortgage on any Unit (of which it has notice) for which any Common Expenses assessed pursuant to these Bylaws remain unpaid for more than thirty (30) days from the due date for payment thereof and in any other case where the Unit Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

Section 5.

DEFAULT IN PAYMENT OF COMMON EXPENSES. In the event of default by any Unit Owner in paying to the Board of Directors the Common Expenses as determined by the Board, such Unit Owner shall be obligated to pay interest on such Common Expenses from the due date thereof at the highest rate the law allows; together with all expenses, including reasonable attorneys' fees (if permitted by law), incurred by the Board in any proceeding brought to collect such unpaid Common Expenses. The Board shall have the right and duty to attempt to recover such Common Expenses, together with interest thereon, and the expenses of the proceedings, including reasonable attorneys' fees (if permitted by law), in an action to recover a money judgment for the same brought against such Unit Owner, or by foreclosure of the lien on such Unit in like manner as a deed of trust or mortgage of real property. The Board of Directors shall also have the right to impose uniform late payment charges for delinquent Common Expense payments, which charges shall also be recoverable by the proceedings specified above.

Section 6.

LIEN AND PERSONAL OBLIGATION. All Common Expenses provided for in this Article, together with the interest and expenses, including reasonable attorneys' fees (if permitted by law), as provided for herein, shall be a charge on and a continuing lien upon the Unit against which the assessment is made, which such lien shall be prior to all other liens excepting only (i) tax liens on the Unit in favor of any assessing authority and charges for real estate taxes due and unpaid on the Unit, (ii) all sums unpaid on mortgages of record against the Unit prior to the docketing of such lien and (iii) materialmen's and mechanics' liens. Such lien shall become effective when a notice thereof has been filed in the office of the Clerk of Superior Court for Wake County, North Carolina, in the manner provided in the North Carolina General Statutes; provided, such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of more than thirty (30) days after the same shall become due. Such notice of lien shall also secure all assessments against the Unit becoming due thereafter until the lien has been satisfied. In addition, each Unit Owner shall be personally liable for any assessment against his Unit. No Unit Owner may exempt himself from such liability by non-use or enjoyment of any portion of the Common Area or by the abandonment or sale of his Unit.

Section 7.

FORECLOSURE OF LIENS FOR UNPAID COMMON EXPENSES. In any action brought by the Board to foreclose on a Unit because of unpaid Common Expenses, the Unit Owner shall be required to pay a

reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners if so instructed, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosure or waiving the lien securing the same.

In the event a Mortgagee or other purchaser (other than the Association) purchases and takes title to a Unit as a result of a foreclosure, or proceedings held in lieu of foreclosure by the Mortgagee, with respect to the first mortgage on such Unit, such purchaser, his successor and assigns, shall not be liable for the share of the assessment for Common Expenses of the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser. However, such unpaid share of Common Expenses shall be deemed as general Common Expenses collectible pro rata from all of the Unit Owners including such purchaser, his successors and assigns.

Section 8. STATEMENT OF COMMON CHARGES. The Board of Directors shall promptly provide any Unit Owner or any proposed grantee of a Unit so requesting the same in writing, with a written statement of all unpaid Common Expenses due with respect to his Unit. The Board may charge a reasonable fee for providing such written report.

Section 9. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rule or regulation adopted by the Board or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws or at law or in equity: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Unit Owner.

Section 10. MAINTENANCE AND REPAIR. (a) All maintenance and any repairs to any Unit, whether ordinary or extraordinary (other than maintenance of and repairs to any Common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the Owner of such Unit or his guests, employees, tenants or members of his family) shall be made by the Unit Owner of such Unit. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common

areas and facilities that his failure to do so may engender; and (b) all maintenance, repairs and replacements to the Common areas and facilities (unless necessitated by the negligence, misuse or neglect of a Unit Owner or his guests, employees, tenants or members of his family, in which case such expense shall be charged to and paid by such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a Common Expense; provided, however, there is excluded from the provisions contained in this section any repairs necessitated by casualty insured against by the Board of Directors to the extent the Board receives insurance proceeds for such repairs.

- Section 11. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY UNIT OWNERS. No Unit Owner shall make any structural addition, alteration, or improvement in or to his Unit, or any change in the exterior appearance thereof or to any Limited common areas and facilities, unless such addition, alteration or improvement is in harmony with the other structures on the Property as determined by the Board of Directors. The Board shall have the obligation to answer any such written request by a Unit Owner within thirty (30) days after such request, but failure to do so within the stipulated time shall not constitute a consent by the Board of Directors to the proposed addition, alteration, improvement or change.
- Section 12. USE OF COMMON AREAS AND FACILITIES. A Unit Owner shall not interfere with the use of the Common areas and facilities by the remaining Unit Owners and their families and guests.
- Section 13. RIGHT OF ACCESS. A Unit Owner shall grant a right of access to his Unit to the managing agent and/or any other person authorized by the Board of Directors or the managing agent, for the purpose of making inspection or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common areas and facilities, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical equipment or other Common areas and facilities in or adjoining his Unit; provided, however, such requests for entry (except in the case of emergencies where no request shall be required) are made in advance and any such entry is at a time reasonably convenient to the Unit Owner. In the case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not.
- Section 14. RULES OF CONDUCT. Rules and regulations concerning the use of the Units and the Common areas and facilities shall be promulgated and amended by the Board with the approval of Unit Owners owning in the aggregate at least a 75% undivided interest in Common areas and facilities. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective.
- Section 15. UTILITIES. Any utilities (including water, sewer, electricity and natural gas) which may be provided to the Condominium

through a single or common meter or facility and utilities furnished to any portion of the Common Areas shall be paid pro rata by each Unit Owner as and when billed or, at the option of the Board, such may be paid by the Board as a Common Expense.

ARTICLE VII - RECORDS AND AUDITS

The Board of Directors shall keep detailed records of the actions of the Board, minutes of the meetings of the Board of Directors, minutes of the meetings of the Unit Owners, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures affecting the Common areas and facilities specifying and identifying the maintenance and repair expenses of the Common areas and facilities and any other expense incurred, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of the Common Expenses against each Unit, the date when due, the amounts paid thereof, and the balance remaining unpaid. The financial records and books of account shall be available for examination by all the Unit Owners, their Mortgagees and their duly authorized agents or attorneys at convenient hours. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board to all Unit Owners on or before the 90th day following the close of each fiscal year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Association shall be rendered by the Board to all Unit Owners and to all Mortgagees of Units who have requested the same, promptly after the end of each fiscal year.

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made a party) by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in

such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise. The Association's indemnity does not relieve a director or officer from liability resulting from his prorata undivided ownership of the Common areas and facilities or from his ownership of Units.

Nothing contained in this Article VIII, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

ARTICLE IX - ARBITRATION

Any claim which shall be made against one or more members of the Board of Directors shall be settled by arbitration except as otherwise provided herein, in the Declaration or under any applicable law, and judgment upon the award may be entered in any court having jurisdiction thereof. Such arbitration shall be commenced upon the delivery of such claim, in writing, to one or more members of the Board; and shall be before one disinterested arbitrator if one can be agreed upon, otherwise before three disinterested arbitrators, one named by the Director(s), one by the Unit Owner(s), and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of North Carolina as applied to the facts found by him or them. If the Director(s) or the Unit Owner(s) shall refuse or fail to so name an arbitrator within thirty (30) days after written notice from the other party requiring the naming of an arbitrator, then the arbitrator so named by the party not in default hereunder shall have the power to proceed to arbitrate and determine the matters in controversy as if he were an arbitrator appointed by both parties for that purpose, and his award in writing signed by him shall be final. The rules of procedure for the arbitration hearing may be adopted by the arbitrators. All arbitration proceedings hereunder shall be conducted in Raleigh, North Carolina.

ARTICLE X - AMENDMENT

These Bylaws may be amended by a vote of Unit Owners owning in the aggregate at least a 75% undivided interest in the Common areas and facilities, cast in person or by proxy, at a meeting duly held in accordance with the provisions of these Bylaws, together with all their respective Mortgagees, provided that such amendment shall be effective only upon the recordation in the Office of the Register of Deeds, Wake County, North Carolina, of an amendment to the Declaration setting forth such amendment to these Bylaws. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon. All Unit Owners shall be bound to abide by any such amendment upon the same being passed and duly set forth in an amended Declaration, duly recorded in the Office of the Register of Deeds, Wake County, North Carolina.

BOOK 4093 PAGE 448

STATE OF NORTH CAROLINA

COUNTY OF WAKE

This 13th day of July, 1987, personally came before me
Frank R. Gailor, who being by me duly sworn, says that he
 is _____ President of FIRST FINANCIAL SERVICE CORPORATION OF RALEIGH,
 TRUSTEE, that the seal affixed to the foregoing instrument in writing is the
 corporate seal of the Corporation, and that said writing was signed and sealed
 by him, in behalf of said Corporation by its authority duly given. And the
 said _____ President acknowledged the said writing to be the act and deed of
 said Corporation.

[NOTARIAL SEAL]

My Commission expires:

10-22-89

James J. Bowles
 Notary Public

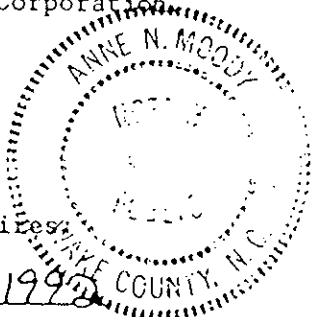
STATE OF NORTH CAROLINA

COUNTY OF WAKE

This 13th day of July, 1987, personally came before me
FRANK R. Gailor, who being by me duly sworn, says that he
 is _____ President of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF
 RALEIGH, Beneficiary, that the seal affixed to the foregoing instrument in
 writing is the corporate seal of the Corporation, and that said writing was
 signed and sealed by _____, in behalf of said Corporation by its authority duly
 given. And the said _____ President acknowledged the said writing to be the act
 and deed of said Corporation.

[NOTARIAL SEAL]

My Commission expires:

June 14, 1992

Anne N. Moody
 Notary Public

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate is of

Anne N. Moody
Terri L. Bowles

Notar(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

KENNETH C. WILKINS Register of Deeds

EXHIBIT "F" TO
DECLARATION OF CONDOMINIUM
FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

Legal Description of Real Estate Comprising
Phase II, Phase III and Phase IV

* * * * *

Lying and being in Raleigh, Wake County, North Carolina and being more particularly described by metes and bounds as follows:

Being all of Lot 11 and the southerly portion of Lot 10 as shown on that certain map or plat recorded in Map Book 1985 at page 712 in the Wake County Registry, the included portion being that part of said Lot 10 lying to the south of that certain "Phase Line" depicted on that certain survey by John A. Edwards, Jr., North Carolina Registered Land Surveyor (L-2776), dated April 17, 1985 and entitled "Phase I, Brighthurst/Bishops Ridge Condominium, Raleigh, North Carolina" (the "Survey") which is a part of the Plans, as defined in the Declaration of Condominium to which this Exhibit "A" is attached, said Phase Line being more particularly described as follows:

To find the true point of beginning of said Phase Line, commence at the intersection of the centerline of the right-of-way of Washington Street (60 feet in width) with the centerline of the right-of-way Wirewood Drive (60 feet in width); thence North 30-36-38 East, 62.65 feet to a point in the margin of the right-of-way of said Wirewood Drive, said point also being in the westerly boundary line of said Lot 10; thence along said margin of the right-of-way of Wirewood Drive and the boundary line of Lot 10 with the arc of a circular curve to the left having a radius of 602.97 feet an arc distance of 133.18 feet to the point or place of BEGINNING of the Phase Line; thence along said Phase Line North 75-16-00 East, 195.99 feet to a point in the easterly boundary line of said Lot 10, being the terminus of the Phase Line hereinabove described; all of Lot 11 and the portion of said Lot 10 lying to the south of said Phase Line contain 123,784 square feet (approximately 2.842 acres), all as more particularly shown on the Survey.

EXHIBIT "F" TO
DECLARATION OF CONDOMINIUM
FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

Legal Description of Real Estate Comprising
Phase II, Phase III and Phase IV

* * * * *

Lying and being in Raleigh, Wake County, North Carolina and being more particularly described by metes and bounds as follows:

Being all of Lot 11 and the southerly portion of Lot 10 as shown on that certain map or plat recorded in Map Book 1985 at page 712 in the Wake County Registry, the included portion being that part of said Lot 10 lying to the south of that certain "Phase Line" depicted on that certain survey by John A. Edwards, Jr., North Carolina Registered Land Surveyor (L-2776), dated April 17, 1985 and entitled "Phase I, Brighthurst/Bishops Ridge Condominium, Raleigh, North Carolina" (the "Survey") which is a part of the Plans, as defined in the Declaration of Condominium to which this Exhibit "A" is attached, said Phase Line being more particularly described as follows:

To find the true point of beginning of said Phase Line, commence at the intersection of the centerline of the right-of-way of Washington Street (60 feet in width) with the centerline of the right-of-way Wirewood Drive (60 feet in width); thence North 30-36-38 East, 62.65 feet to a point in the margin of the right-of-way of said Wirewood Drive, said point also being in the westerly boundary line of said Lot 10; thence along said margin of the right-of-way of Wirewood Drive and the boundary line of Lot 10 with the arc of a circular curve to the left having a radius of 602.97 feet an arc distance of 133.18 feet to the point or place of BEGINNING of the Phase Line; thence along said Phase Line North 75-16-00 East, 195.99 feet to a point in the easterly boundary line of said Lot 10, being the terminus of the Phase Line hereinabove described; all of Lot 11 and the portion of said Lot 10 lying to the south of said Phase Line contain 123,784 square feet (approximately 2.842 acres), all as more particularly shown on the Survey.

BOOK 4083 PAGE 444

PRESENTED
FOR
REGISTRATION

SECOND SUPPLEMENTARY DECLARATION OF INTENTION TO SUBMIT
PROPERTY TO THE PROVISIONS OF THE NORTH CAROLINA
UNIT OWNERSHIP ACT
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

JUL 14 4 17 PM '87
KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

THIS SECOND SUPPLEMENTARY DECLARATION, and the Exhibits which are attached hereto and made a part hereof (hereinafter collectively called the "Second Supplementary Declaration") are made as of this 8th day of July, 1987, by MARTIN DEVELOPMENT GROUP, INC., a North Carolina corporation (hereinafter called the "Declarant"), pursuant to the provisions of Article 1 of Chapter 47A of the North Carolina General Statutes, entitled the "Unit Ownership Act".

W I T N E S S E T H:

WHEREAS, the Declarant has heretofore filed on June 20, 1985, with the Register of Deeds of Wake County, North Carolina, a Declaration of Condominium for Brighthurst/Bishops Ridge Condominium which is recorded in Book 3501, at Page 1 in the Wake County Public Registry (hereinafter referred to as the "Declaration"), thereby submitting the property described in Exhibit "A" thereto and all buildings and improvements constructed or to be constructed on such property together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A of the North Carolina General Statutes); and

WHEREAS, by the filing of the Declaration, Declarant created upon such property, a condominium development known as Brighthurst/Bishops Ridge Condominium; and

WHEREAS, Declarant reserved unto itself the right to annex all or any portion of the real property described in Exhibit "F" attached to the Declaration to Brighthurst/Bishops Ridge Condominium; and

WHEREAS, Declarant has heretofore filed on October 16, 1986, with the Register of Deeds of Wake County, North Carolina, a Supplementary Declaration of Condominium for Brighthurst/Bishops Ridge Condominium which is recorded in Book 3846 at Page 800 in the Wake County Public Registry, thereby annexing the property described in Exhibit "A" thereto (such property also being portions of the real property described in Exhibit "F" attached to the Declaration) as Phases II and III of Brighthurst/Bishops Ridge Condominium;

WHEREAS, Declarant desires to annex the property described in Exhibit "A" attached hereto (such property also being a portion of the property described in Exhibit "F" attached to the Declaration) to Brighthurst/Bishops Ridge Condominium;

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described in Exhibit "A" attached hereto is hereby submitted to the provisions of the North Carolina Unit Ownership Act and is annexed unto

Drawn by and mail to: Dean A. Warren
Kennedy Covington Lobdell & Hickman
3300 NCNB Plaza
Charlotte, North Carolina 28280

Con. to File # 84

Brighthurst/Bishops Ridge Condominium and said property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the covenants, conditions, easements, uses, limitations, obligations and restrictions set forth in the Declaration, in furtherance of a plan for the division of said property into condominium units and which shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person(s) or entity(ies) acquiring or owning an interest in the said real estate and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

And the Declarant further declares as follows:

1. All provisions of the Declaration, as amended, are hereby incorporated herein by reference.
2. That the property described in Exhibit "A" attached hereto and incorporated herein by reference is hereinafter referred to as Phase IV of Brighthurst/Bishops Ridge Condominium.
3. That Phase IV of Brighthurst/Bishops Ridge Condominium shall contain four (4) residential buildings of principally brick veneer construction with shingle and hardboard siding walls and asphalt shingle roof, each containing four (4) two-story units, for a total of sixteen (16) units, numbered 79-94, inclusive. A plat of survey by Larry I. Chasak, North Carolina Registered Land Surveyor, showing the location of the Buildings is referred to in Exhibit "B" attached hereto and incorporated herein by reference. Said Buildings are more particularly described in the Plans which are referred to in Exhibit "B" and which show all particulars of the Buildings, as built, including the layouts, locations, ceiling and floor elevations, Unit numbers and dimensions of the Units, and the location of the Common areas and facilities affording access to each Unit. Such Plans bear the verified statement of The Architectural Group, P.A., Registered Architects, certifying that the Plans fully and accurately describe the layout, location, ceiling and floor elevations, Unit numbers and dimensions of the Units, as built.
4. The percentage of undivided interest in the Common areas and facilities appurtenant to each Unit in Brighthurst/Bishops Ridge Condominium shall be those set forth in Exhibit "C" attached hereto and incorporated herein by reference.

Except as otherwise provided herein, all of the terms, provisions and conditions set forth in the Declaration shall apply to Phase IV of Brighthurst/Bishops Ridge Condominium as annexed by this Second Supplementary Declaration and all terms which are not defined herein shall have the meanings set forth in the Declaration, as amended.

BOOK 4063 PAGE 446

IN WITNESS WHEREOF, Declarant has caused this Second Supplementary Declaration to be duly executed and sealed as of the date and year first above set forth.

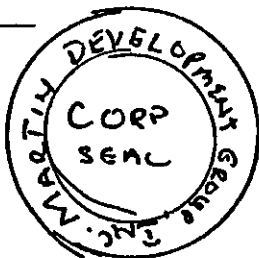
MARTIN DEVELOPMENT GROUP, INC.
a North Carolina corporation

[CORPORATE SEAL]

ATTEST:

Jeanne Rainaldi
Secretary

By: J. Kenneth Sykes
Vice President



STATE OF NORTH CAROLINA

COUNTY OF WAKE

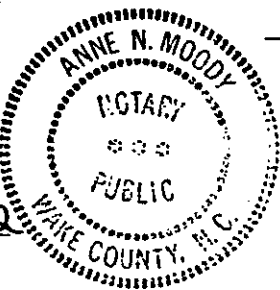
This 13th day of July, 1987, personally came before me J. KENNETH SYKES, who, being by me duly sworn, says that he is Vice President of Martin Development Group, Inc., that the seal affixed to the foregoing instrument in writing is the corporate seal of the Corporation, and that said writing was signed and sealed by him, 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.

Anne N. Moody
Notary Public

[NOTARIAL SEAL]

My Commission Expires

June 14, 1992



BOOK 4063 PAGE 447

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV
CONSENT OF MORTGAGEE

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF RALEIGH, being the Beneficiary under that certain Deed of Trust from Declarant to FIRST FINANCIAL SERVICES CORPORATION OF RALEIGH, Trustee, conveying the property described in Exhibit "A" attached hereto and made a part hereof, and recorded in Book 350, at Page 1 in the Wake County Public Registry, does hereby consent to the recordation of this Second Supplementary Declaration and the imposing of the provisions hereof and the provisions of the North Carolina Unit Ownership Act to said real property described in Exhibit "A", and said Beneficiary does hereby consent and agree that from and after this date, the provisions of the Declaration, as supplemented, including all exhibits and supplements hereto, shall be superior to the lien of said Deed of Trust on said Property described in Exhibit A. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between said Beneficiary and Declarant, the relationship of partnership or of joint venture, nor shall said consent be deemed to impose upon said Beneficiary any of the liabilities, duties or obligations of the Declarant under the foregoing Second Supplementary Declaration. Said Beneficiary executes this Consent of Mortgagee solely for the purposes set forth herein. The said Trustee also joins in and executes this Consent as Trustee of said Deed of Trust for the said purposes hereinabove set forth.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be duly executed and sealed as of the 10th day of July, 1987.



Secretary

TRUSTEE:

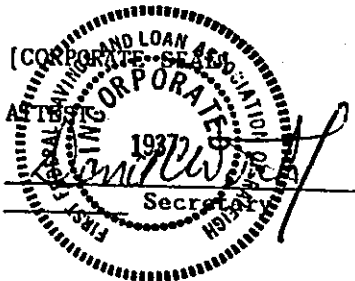
FIRST FINANCIAL SERVICE CORPORATION
OF RALEIGH

Frank R. Gierke [SEAL]
President

BENEFICIARY:

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
OF RALEIGH

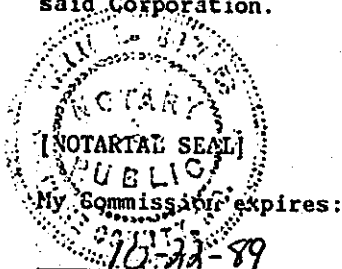
By: Frank R. Gierke
President



STATE OF NORTH CAROLINA

COUNTY OF WAKE

This 13th day of July, 1987, personally came before me
Frank R. Gailor, who being by me duly sworn, says that he
 is President of FIRST FINANCIAL SERVICE CORPORATION OF RALEIGH,
 TRUSTEE, that the seal affixed to the foregoing instrument in writing is the
 corporate seal of the Corporation, and that said writing was signed and sealed
 by him, in behalf of said Corporation by its authority duly given. And the
 said President acknowledged the said writing to be the act and deed of
 said Corporation.



Terri L. Bowles
 Notary Public

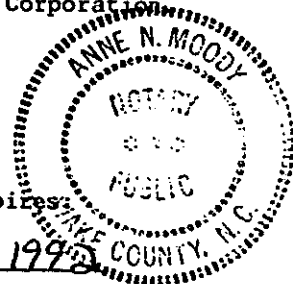
STATE OF NORTH CAROLINA

COUNTY OF WAKE

This 13th day of July, 1987, personally came before me
FRANK R. Gailor, who being by me duly sworn, says that he
 is President of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF
 RALEIGH, Beneficiary, that the seal affixed to the foregoing instrument in
 writing is the corporate seal of the Corporation, and that said writing was
 signed and sealed by him, in behalf of said Corporation by its authority duly
 given. And the said President acknowledged the said writing to be the act
 and deed of said Corporation.

[NOTARIAL SEAL]

My Commission expires:

June 14, 1992

Anne N. Moody
 Notary Public

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of

Anne N. Moody
Terri L. Bowles

Notary 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

KENNETH C. WILKINS, Register of Deeds

By James B. Johnson
 Notary / Deputy Register of Deeds

EXHIBIT "A"

BOOK 4083 PAGE 449

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Legal Description of Real Estate Comprising Phase IV of
Brighhurst/Bishops Ridge Condominium

[TO BE ATTACHED]



BOOK 4083 PAGE 450

LARRY I. CHASAK, REGISTERED LAND SURVEYOR / 705 W. NORTH STREET / RALEIGH, N.C. 27603 / (919) 834-9855

EXHIBIT "A"

Legal Description

Beginning at a point on the Southern margin of Wade Avenue, said point being 176.05' in an Eastern direction from a point where Wade Avenue begins to curve into Wirewood Drive; thence along the Southern margin of Wade Ave. N 72°-17'-46" E, 221.18' to a point; thence S 17°-10' E, 187.54' to a point; thence S 75°-16' W, 228.85' to a point; thence N 14°-44' W, 175.91' to the point and place of beginning, containing 40,867.92 square feet and being Phase IV of Brighthurst/Bishops Ridge.

EXHIBIT "B"

BOOK 4063 PAGE 451

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Plans of Brighthurst/Bishops Ridge Condominium Phase IV

[See the Plans of Brighthurst/Bishops Ridge Condominium Phase IV certified by The Architectural Group, P.A., Registered Architects, and survey dated June 22, 1987, prepared by Larry I. Chasak, North Carolina Registered Land Surveyor (L-1369), both of which were filed for registration simultaneously with the filing of the Declaration in the Unit Ownership File located in the Office of the Register of Deeds for Wake County, North Carolina, under the name of the Condominium.]

BOOK 4063 PAGE 452

EXHIBIT "C"

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Undivided Percentage Ownership Interests

(All Phases)

[TO BE ATTACHED]

BOOK 4063 PAGE 453

EXHIBIT "C"

TO SECOND SUPPLEMENTARY DECLARATION FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM PHASE IV

Percentage of Undivided Interest
in the Common Areas and Facilities
Appurtenant to Each Unit

<u>UNIT DESIGNATION</u>	<u>COMBINED PHASES I, II, III AND IV</u>
1	
2	.90
3	.90
4	.90
5	.90
6	.90
7	.90
8	.90
9	.90
10	.90
11	.90
12	.90
13	.90
14	1.03
15	1.03
16	1.03
17	1.03
18	1.03
19	1.03
20	1.03
21	1.03
22	1.03
23	1.03
24	1.03
25	1.03
26	1.03
27	1.03
28	1.03
29	1.03
30	1.03
31	1.03
32	1.03
33	1.03
34	1.03
35	1.03
36	1.03
37	.90
38	.90
39	.90
40	.90
41	.90
42	.90

UNIT
DESIGNATIONCOMBINED PHASES
I, II, III AND IV

(continued)

43	.90
44	.90
45	.90
46	.90
47	.90
48	.90
49	.90
50	1.30
51	1.30
52	1.31
53	1.06
54	1.16
55	1.17
56	1.06
57	1.16
58	1.17
59	1.06
60	1.16
61	1.17
62	1.07
63	1.07
64	1.07
65	1.09
66	1.07
67	1.07
68	1.06
69	1.16
70	1.17
71	1.06
72	1.16
73	1.17
74	1.06
75	1.16
76	1.17
77	1.30
78	1.30
79	1.30
80	1.30
81	1.31
82	1.06
83	1.16
84	1.17
85	1.06
86	1.16
87	1.17
88	1.06
89	1.16
90	1.17
90	1.17

BOOK 4033 PAGE 455

UNIT
DESIGNATION

(continued)

91
92
93
94

COMBINED PHASES
I, II, III AND IV

1.30
1.30
1.31
1.07

Return To: Henry W. Jones, Jr.
P. O. Box 2021
Raleigh, NC 27602

5K4343760520

PROMULGATIONS OF THE BOARD OF DIRECTORS
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM ASSOCIATION, INC.

The Board of Directors of Brighthurst/Bishops Ridge Condominium Association, Inc. (hereinafter referred to as the "Association"), pursuant to its powers under the Declaration of Condominium of Brighthurst/Bishops Ridge Condominium and the Articles of Incorporation and Bylaws of the Association, has promulgated, as of June 8, 1988, the following:

1. Common Rules for Brighthurst/Bishops Ridge Homeowners, a copy of which is attached hereto as Exhibit A;
2. Rules for Storage of Firewood, a copy of which is attached hereto as Exhibit B;
3. Brighthurst/Bishops Ridge Pool Rules, a copy of which is attached hereto as Exhibit C;
4. Notice pertaining to an increase in dues assessed Unit Owners for payment of the common expenses of the Association, a copy of which is attached hereto as Exhibit D; and
5. Approved form of Lease Agreement for rental of Condominium Units, a copy of which is attached hereto as Exhibit E.

Any prospective purchaser or tenant of a Unit at Brighthurst/Bishops Ridge Condominium wishing to inquire whether the Board of Directors has made additional promulgations concerning the operation of the Association and the Condominium should contact Ms. Carol Haden or Mr. Robert Hassol at HRW, Inc., the property manager, at Post Office Box 51728, 3900 Merton Drive, Suite 101,

RECEIVED
NOTICE OF DEEDS
COUNTY CLERK
JAN 10 1989

88 SEP -7 PM 12:28

RECEIVED
NOTICE
JAN 10 1989

000122

004343760521

Raleigh, North Carolina 27609, telephone number 783-9530. The Board of Directors is not obligated to record its promulgations, and all such promulgations will be binding upon a purchaser or a tenant of a Unit at the Condominium.

The status of payment of dues assessed against any Unit may be obtained from Ms. Haden or Mr. Hassol at HRW, Inc.

The Association has executed this instrument by its duly authorized officers this the 10th day of August, 1988.

ATTEST:

 *Francis C. Bagbey*
Francis C. Bagbey
Secretary

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM
ASSOCIATION, INC.

By: *Thad Wester*
Name: Thad Wester
Title: President

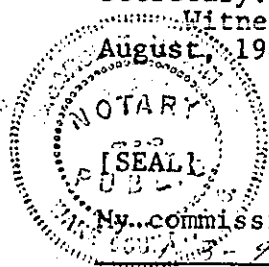
(CORPORATE SEAL)

NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that Francis C. Bagbey personally came before me this day and acknowledged that he is the Secretary of Brighthurst/Bishops Ridge Condominium Association, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 10th day of August, 1988.



Carol E. Haden
Notary Public

My commission expires:

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of *Carol E. Haden*

Notary 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.

KENNETH C. WILKINS Register of Deeds

By *Kenneth C. Wilkins*
Asst. / Deputy Register of Deeds

EXHIBIT A

EXHIBIT A

COMMON RULES FOR BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS

1. Each unit shall be used for a single family residence and for no other purpose.
2. There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities including stairwells without the prior written consent of the Board of Directors.
3. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the Common areas and facilities, or which would be in violation of any law.
4. No sign of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors except for one "FOR SALE" or "FOR LEASE" sign which may be displayed in one window and which may be no greater than 18" X 24".
5. No more than 2 pets are allowed per unit.
6. No animals, including household pets, livestock or poultry of any kind shall be raised or bred in any Unit or in the Common areas and facilities.
7. No noxious, offensive, unlawful, or improper activity, including in connection with the keeping of household pets as permitted by these common rules, shall be carried on in any Unit, or in the Common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Unit Owners.
8. Nothing shall be altered or constructed in or removed from the Common areas and facilities except with the prior written consent of the Board of Directors.
9. Except with the written consent of the Board of Directors, no natural barriers in the form of trees, bushes or shrubs, and no man-made structures in the form of fences, shall be permitted on or about the Common areas and facilities, except such natural barriers and man-made structures as of 11-11-87.
10. Dogs and other pets shall be walked in areas on a leash, and owners are responsible for cleaning up animals remains. Animal remains shall not be disposed of off patios or decks. Pet owners will be liable for any problems or damages created by their pets.

Adopted November 11, 1987

BK4343PG0623

Exhibit B

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM
RULES FOR STORAGE OF FIREWOOD

1. Owners and tenants of units in 1001 Brighthurst Drive, 1021 Brighthurst Drive, Washington Townes, and ground floor units in 1000 Brighthurst Drive shall store firewood on their individual balcony or terrace areas.
2. The owners and tenants of units in 1000 Brighthurst Drive other than those described, at their own cost and expense, may collectively store firewood in racks approved by the Board of Directors. Racks for the storage of firewood must be located on the western landing area of the second and third floors of 1000 Brighthurst Drive. Only one such rack may be located on each of these floors. Storage of firewood in these common areas by owners or tenants of units in 1000 Brighthurst Drive shall be at their own risk of loss. The owners and tenants of units in 1000 Brighthurst Drive using such common areas for storage of firewood shall indemnify and hold harmless Brighthurst/Bishops Ridge Condominium Association, Inc. and its directors and officers from and against any loss, claim, expense, damage, or injury suffered or incurred by or asserted against the Association, its officers or directors arising out of the storage of firewood in the common areas of 1000 Brighthurst Drive.
3. Firewood may be stored in the common areas of 1000 Brighthurst Drive as described in paragraph 2 only during the period October 1 through April 15. After April 15 the owners and tenants in 1000 Brighthurst Drive using racks for the storage of firewood as permitted under these rules must disassemble and remove such racks and remove any remaining firewood.
4. Except as described in paragraph 2 with respect to the storage of firewood in the common areas of 1000 Brighthurst Drive, no owner or tenant of a unit in the Brighthurst/Bishops Ridge Condominium may store firewood in any common areas of the condominium, including under stairways or outside the entry way door of a unit.
5. No owner or tenant of a unit in the Brighthurst/Bishops Ridge Condominium shall store or place any firewood in a manner that causes an adverse or undesirable effect or result to any area outside such unit. For example, storage of wood over a drain may cause water to build up and overflow into another unit and damage the walls or ceiling of that unit.
6. The Association may remove any firewood stored in a manner in violation of these rules within 3 days after delivery of a written request to a unit owner or tenant violating these rules to move the firewood to an approved location. The reasonable cost of removal and disposition of such firewood shall be the liability of such unit owner or tenant.

Adopted by the Board of Directors of the Association on
December 9, 1987.

BK4343P60624

Exhibit C
BRIGHTHURST/BISHOPS RIDGE POOL RULES

THE POOL IS FOR THE EXCLUSIVE USE OF BRIGHTHURST/BISHOPS RIDGE RESIDENTS AND THEIR GUESTS. THE HOMEOWNERS WHO RENT THEIR UNITS RELINQUISH THEIR POOL RIGHTS TO THE RENTER AND ARE REQUESTED NOT TO USE THE POOL. RESIDENTS WILL BE RESPONSIBLE FOR ALL ACTIONS AND CONDUCT OF THEIR GUESTS. THE HOMEOWNERS ASSOCIATION ASSUMES NO LIABILITY OR RISK FOR ANY BODILY INJURIES, DEATHS, OR LOSS OR DAMAGE TO ANY PERSONAL PROPERTY TO ANYONE USING THE POOL FACILITY.

ALL PERSONS USING THE POOL AND POOL AREA DO SO AT THEIR OWN RISK. THIS RULING APPLIES TO GUESTS.

POOL HOURS ARE FROM 9:00 am UNTIL 10:00 pm.

CHILDREN UNDER THE AGE OF 14 WILL NOT BE PERMITTED IN THE POOL AREA UNLESS ACCOMPANIED BY AN ADULT.

NO ANIMALS ARE ALLOWED INSIDE THE POOL GATE.

NO RUNNING OR ROUGH PLAY IS ALLOWED IN OR AROUND POOL AREA.

BATHING ATTIRE MUST BE WORN. NO DIAPERS OR CUT-OFF TYPE CLOTHING WILL BE PERMITTED IN THE POOL.

UNDUE NOISE PROHIBITED AT ALL HOURS.

BEVERAGES ARE ALLOWED IN CANS, PAPER AND PLASTIC CONTAINERS ONLY. THESE ARE TO BE DISPOSED OF PROPERLY. GLASS CONTAINERS ARE NOT ALLOWED WITHIN THE FENCED POOL AREA. DISPOSE OF CIGARETTE BUTTS IN AN APPROPRIATE PLACE AND NOT ON POOL DECK.

THE REPLACEMENT COST OF ANY PROPERTY DAMAGE WILL BE CHARGED TO THE PERSON CAUSING THE DAMAGE.

ANY INDIVIDUAL BRINGING A RADIO TO THE POOL AREA MUST BE CONSIDERATE OF THOSE AROUND THEM AND KEEP THE VOLUME DOWN.

THE BOARD OF DIRECTORS RESERVES THE RIGHT TO REFUSE ENTRY OR DENY PRIVILEGES TO ANYONE AT ITS SOLE DISCRETION.

GRILLS WILL NOT BE ALLOWED IN POOL AREA.

PRIVATE PARTIES WILL BE ALLOWED ON A TRIAL BASIS AFTER 5:00 PM, SUNDAY THROUGH THURSDAY. RESERVATIONS FOR SUCH PARTIES SHOULD BE MADE WITH THE MANAGEMENT COMPANY. DUE TO THE SMALL SIZE OF THE AREA, PARTIES WILL BE LIMITED TO 50 PERSONS. THE RESIDENT REQUESTING THE PARTY WILL BE REQUIRED TO PAY A \$50.00 REFUNDABLE DEPOSIT TO BE APPLIED TO ANY DAMAGES AND CLEANING COSTS. THE GROUNDS SHALL BE CLEANED AFTER THE PARTY. IF THERE ARE NO DAMAGES AND THE GROUNDS ARE APPROPRIATELY CLEANED, THE DEPOSIT WILL BE RETURNED. SHOULD THIS PRIVILEGE BECOME ABUSED OR FOUND NOT TO BE FEASIBLE, PRIVATE POOL PARTIES WILL BE DISCONTINUED.

NO FURNITURE IS ALLOWED IN THE POOL.

DUE TO THE SMALL SIZE OF THE BRIGHTHURST/BISHOPS RIDGE POOL, EACH UNIT WILL BE LIMITED TO A MAXIMUM OF TWO (2) GUESTS ON ANY GIVEN DAY. WHILE IT IS UNDERSTANDABLE THAT THERE WILL BE OCCASIONS WHEN RELATIVES OR OUT OF TOWN GUESTS ARE VISITING, WHICH WILL NECESSITATE INVITING MORE THAN 2 GUESTS PER UNIT, RESIDENTS ARE ASKED NOT TO ABUSE THIS PRIVILEGE.

CHAIRS WHICH ARE PROVIDED BY THE HOMEOWNERS ASSOCIATION ARE FOR THE ENJOYMENT OF ALL PERSONS WHO WISH TO USE THEM. THEY ARE TO BE USED ON A FIRST COME, FIRST SERVE BASIS AND INDIVIDUALS MAY NOT RESERVE THEM FOR THE FUTURE USE OF SOMEONE WHO HAS YET TO ARRIVE AT THE POOL AREA.

FAILURE TO COMPLY WITH ANY OF THE FOREGOING RULES AND REGULATIONS MAY RESULT IN THE VIOLATOR BEING BARRED FROM THE USE OF THE POOL AND POOL AREA.

Exhibit D

BRH348.90625

TO: ALL BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS
FROM: BRIGHTHURST/BISHOPS RIDGE BOARD OF DIRECTORS

Just a reminder of the notice that went out in October.

Dues will increase effective January 1, 1988. The new amounts are as follows:

PRESENT ASSESSMENT	ASSESSMENT BEGINNING 1-1-88
\$56.00	\$61.00
63.00	69.00
75.00	82.00
85.00	93.00

Please make your checks payable to Brighthurst/Bishops Ridge HOA and mail them to our management company in the enclosed envelopes.

A late fee of \$10.00 became effective October 1, 1987, and is applied to any balance not paid by the last day of the month.

The Board has adopted Common Rules and Regulations for our Community. A copy of these rules are printed on the reverse side of this notice. Please retain for your future information.

The Board meets on the second Wednesday of each month. Volunteers are always needed for committees. If you would like to assist the board in the operation of our community, please contact any board member or the office of HRW, Inc. at 783-9530.

Exhibit E

304346-30526

LEASE AGREEMENT

By this Agreement, hereinafter referred to as the "Agreement" or the "Lease," made and entered into on _____, 19____, between _____, herein referred to as "Landlord," and _____, herein referred to as "Tenant," Landlord leases to Tenant the premises known as _____ Brighthurst Drive, Raleigh, North Carolina 27605, together with all appurtenances, for a term of _____ years, to commence on _____, 19____ and to end on _____, 19____ at _____ o'clock _____.m.

SECTION ONE
Rent

Tenant agrees to pay, without demand, to Landlord as rent for the Unit the sum of _____ Dollars (\$_____) per month in advance on the first day of each calendar month beginning _____, 19____ at _____, _____, or at such other place as Landlord may designate in writing to Tenant.

SECTION TWO
Security Deposit

On execution of this Lease, Tenant shall deposit with Landlord the sum of _____ Dollars (\$_____) as security for the faithful performance by Tenant of the terms

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hereof, to be returned to Tenant, without interest, on the full and faithful performance by Tenant of the provisions hereof. Landlord shall hold and treat the deposit in accordance with the terms of the Tenant Security Deposit Act, a copy of which is attached hereto as Exhibit A.

SECTION THREE Quiet Enjoyment

Landlord covenants that on paying the rent and performing the covenants and agreements herein contained, Tenant shall peacefully and quietly have, hold, and enjoy the Unit for the agreed term.

SECTION FOUR Use of Unit

The Unit shall be used and occupied by Tenant exclusively as a private single family residence, and neither the Unit nor any part thereof shall be used at any time during the term of this Lease by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family residence. No room may be rented, and no transient tenants may be accommodated by Tenant. Tenant shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the Unit, during the term of this Lease.

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SECTION FIVE
Condition of Unit

Tenant stipulates that Tenant has examined the Unit, including the grounds and all buildings and improvements of the Brighthurst/Bishops Ridge Condominium (the "Condominium") of which the Unit is a part, and that they are, at the time of this Lease, in good order and repair and in a safe, clean, and tenantable condition.

SECTION SIX
Assignment and Subletting

Without the prior written consent of Landlord, which consent Landlord may withhold in its absolute discretion, Tenant shall not assign this Lease or sublet or grant to another any concession or license to use the Unit or any part thereof. A consent by Landlord to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of Landlord or an assignment or subletting by operation of law shall be void and shall, at Landlord's option, terminate this Lease.

SECTION SEVEN
Alterations and Improvements

Tenant shall make no alterations to the Unit or construct or make any improvements to the Unit without the prior written consent of Landlord and if required, by the Board of Directors of Brighthurst/Bishops Ridge Condominium Association, Inc. (the

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"Association"). All alterations, changes, and improvements built, constructed, or placed on or in the Unit by Tenant, with the exception of fixtures removable without damage to the Unit and movable personal property, shall, unless otherwise provided by written agreement between Landlord and Tenant, be the property of Landlord and remain on the Unit at the expiration or sooner termination of this Lease.

SECTION EIGHT
Damage to Unit

If the Unit, or any part thereof, shall be partially damaged by fire or other casualty not due to Tenant's negligence or willful act or that of Tenant's employee, family, agent, or visitor, the Unit shall be promptly repaired by Landlord and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the Unit may have been untenable; but, if the Unit should be damaged other than by Tenant's negligence or willful act or that of Tenant's employee, family, agent, or visitor to the extent that Landlord shall decide not to rebuild or repair, the term of this Lease shall end and the rent shall be prorated up to the time of the damage. Tenant shall be liable for the cost of reconstruction or repair of the Unit caused by Tenant's negligence or willful act.

EX-808-31380

SECTION NINE
Dangerous Materials

Tenant shall not keep or have on or in the Unit any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on or in the Unit or that might be considered hazardous or extra hazardous by any responsible insurance company or the insurance company insuring the common areas of the Condominium.

SECTION TEN
Utilities

Tenant shall be responsible for arranging for and paying for all utility services required for the Unit.

SECTION ELEVEN
Maintenance and Repair

Tenant will, at Tenant's sole expense, keep and maintain the Unit and appurtenances in good and sanitary condition and repair during the term of this Lease and any renewal thereof. Tenant shall not cause any unsafe or unsanitary condition in the Unit or in the common areas of the Condominium. In particular, Tenant shall (1) keep the fixtures in the Unit in good order and repair; (2) keep the electric bills current; (3) at Tenant's sole expense, make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from Tenant's misuse, waste, or neglect or that

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of Tenant's employee, family, agent, or visitor; (4) dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner; (5) not deliberately or negligently destroy, deface, damage, or remove any part of the Unit or knowingly permit any person to do so; (6) comply with any and all obligations imposed upon Tenant by current applicable building and housing codes; and (7) be responsible for all damage, defacement, or removal of any property inside the Unit in Tenant's exclusive control unless said damage, defacement, or removal was due to ordinary wear and tear, acts of Landlord or Landlord's agent, defective products supplied or repairs authorized by Landlord, acts of third parties not invitees of Tenant, or natural forces. Notwithstanding the foregoing, major maintenance and repair of the Unit involving anticipated or actual costs in excess of _____ Dollars (\$_____) per incident not due to Tenant's misuse, waste, or neglect or that of Tenant's employee, family, agent, or visitor, shall be the responsibility of Landlord or Landlord's assigns. Tenant agrees that no signs shall be placed or painting done on or about the Unit by Tenant or at Tenant's direction.

SECTION TWELVE
Right of Inspection

Landlord and Landlord's agents shall have the right at all reasonable times during the term of this Lease and any renewal

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thereof to enter the Unit for the purpose of inspecting the Unit. Landlord shall also have the right to enter the Unit within sixty (60) days of termination of the initial term of this Lease or any renewal thereof to post a "For Rent" sign and at any time to post a "For Sale" sign in any window in the Unit selected by Landlord. Sale of the Unit prior to termination of this Lease shall be subject to Tenant's leasehold interest in the Unit unless Landlord and Tenant otherwise agree.

SECTION THIRTEEN
Holdover by Tenant

Should Tenant remain in possession of the Unit with the consent of Landlord after the expiration of this Lease, a new tenancy from month to month shall be created between Landlord and Tenant, which tenancy shall be subject to all the terms and conditions hereof but shall be terminable on thirty (30) days' written notice given by either Landlord or Tenant to the other party. If Tenant stays in the Unit after expiration of the term of this Lease without Landlord's permission, Landlord may summarily eject Tenant from the Unit in accordance with applicable law.

SECTION FOURTEEN
Surrender of Unit

At the expiration of this Lease term, Tenant shall leave and surrender the Unit hereby rented in as good state and condition as

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the Unit was at the commencement of this Lease, reasonable use and wear thereof and damages by the elements excepted (except any such damage caused by Tenant's negligence). Regardless of the state and condition of the Unit at the beginning of this Lease, Tenant shall leave the Unit in a broom-clean condition and shall clean all fixtures, appliances, bath tubs, sinks, tile floors, and toilets to a state of cleanliness reasonably satisfactory to Landlord.

SECTION FIFTEEN
Default

If Tenant defaults in the payment of rent, or any part thereof, at the time hereinbefore specified, or if Tenant defaults in the performance of or compliance with any other term or condition hereof, the Lease, at the option of Landlord, shall terminate and be forfeited, and to the extent permitted by applicable law, Landlord may re-enter the Unit and remove all persons therefrom. Landlord shall give Tenant written notice of any default or breach of this Lease other than nonpayment of rent; termination and forfeiture of the Lease shall not result if, within ten (10) days of receipt of such notice, Tenant has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

EX-138-80584

SECTION SIXTEEN
Late Fees

Tenant acknowledges that rent is due and payable on the first day of each month. If Landlord accepts any payment of rent that is not made on the first day of each month, Tenant agrees to pay to Landlord as part of the rent due for the next month a late fee in an amount equal to the greater of Fifteen Dollars (\$15.00) or five percent (5%) of the monthly installment of rent for any rental payment that is received by Landlord after the sixth day of the month. Tenant shall pay this late fee only one time for each late rental payment. A late fee for a specific late rental payment may not be deducted from the subsequent rental payment so as to cause the subsequent rental payment to be in default.

SECTION SEVENTEEN
Abandonment

If at any time during the term of this Lease Tenant abandons the Unit or any part thereof, Landlord may, at Landlord's option, enter the Unit by any means without being liable for any prosecution therefore, and without becoming liable to Tenant for damages or for any payment of any kind whatever, and may, at Landlord's discretion, as agent for Tenant, relet the Unit, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenant payable under this Lease during the balance of the unexpired term, if this Lease

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had continued in force, and the net rent for such period realized by Landlord by means of such reletting. If Landlord's right of re-entry is exercised following abandonment of the Unit by Tenant, then Landlord may consider any personal belongings of Tenant left in the Unit to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and in accordance with applicable law and Landlord is hereby relieved of all liability for doing so.

SECTION EIGHTEEN
Subordination to Condominium Documents

The terms of this Lease shall be subject in all respects to the Condominium Documents of Brighthurst/Bishops Ridge Condominium. For purposes of this Section, Condominium Documents shall mean the Declaration of Condominium of the Condominium and all amendments thereto and the Articles of Incorporation, the Bylaws, and Rules and Regulations of the Association. In the case of any conflict between the Condominium Documents and this Lease, the Condominium Documents shall control. Tenant may request copies of the Condominium Documents from the Secretary of the Association and agrees to pay the reasonable cost for such copies.

SECTION NINETEEN
Rules and Regulations

Tenant shall observe faithfully and comply strictly with all Rules and Regulations promulgated by the Board of Directors of the

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Association. The Rules and Regulations in force on the date hereof are attached to the Lease as Exhibit B and are incorporated by reference herein. Landlord may terminate Tenant's tenancy upon Tenant's consistent violation of the Rules and Regulations after notice.

SECTION TWENTY
Binding Effect

The covenants, agreements, and conditions herein contained shall inure to the benefit of and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto, and all covenants are to be construed as conditions of this Lease.

SECTION TWENTY-ONE
Governing Law

This Lease shall be governed by, construed, and enforced in all respects in accordance with the laws of the State of North Carolina.

SECTION TWENTY-TWO
Additional Agreement

Landlord and Tenant shall attach to this Lease as Exhibit C any additional agreements between Landlord and Tenant pertaining to the rental of the Unit, which exhibit is incorporated herein by reference.

2003/08/06

IN WITNESS WHEREOF, Landlord and Tenant have executed and sealed this Lease on the day and year first above written.

_____(SEAL)
Tenant

_____(SEAL)
Landlord

_____(SEAL)
Tenant

cc: Brighthurst/Bishops Ridge
Condominium Association, Inc.

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Exhibit A

Tenant Security Deposit Act

§ 42-43

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§ 42-44

CH. 42. LANDLORD AND TENANT

§ 42-50

§ 42-44. General remedies and limitations.

- (a) Any right or obligation declared by this Chapter is enforceable by civil action, in addition to other remedies of law and in equity.
- (b) Repealed by Session Laws 1979, c. 820, s. 8.
- (c) The tenant may not unilaterally withhold rent prior to a judicial determination of a right to do so.
- (d) A violation of this Article shall not constitute negligence per se. (1977, c. 770, s. 1; 1979, c. 820, s. 8.)

CASE NOTES

Common-Law Standards of Care Retained. — By providing that a violation of this Article does not constitute negligence per se, the General Assembly left intact established common-law standards of ordinary and reasonable care. *Brooks v. Francis*, 57 N.C. App. 556, 291 S.E.2d 889 (1982).

By providing that a violation of this article does not constitute negligence per se, the General Assembly left intact established common-law standards of

ordinary and reasonable care, the violation being only evidence of negligence. *Lenz v. Ridgewood Assocs.*, 55 N.C. App. 115, 284 S.E.2d 702 (1981), cert. denied, 305 N.C. 300, 290 S.E.2d 702 (1982).

Violation as Evidence of Negligence. — Violation of the duty to maintain premises in fit and habitable condition is evidence of negligence. *Brooks v. Francis*, 57 N.C. App. 556, 291 S.E.2d 889 (1982).

§§ 42-45 to 42-49: Reserved for future codification purposes.

ARTICLE 6.

Tenant Security Deposit Act.

§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and insured bank or savings institution located in the State of North Carolina or the landlord may, at his option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of said deposits. The landlord or his agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where his deposit is currently located or the name of the insurance company providing the bond. (1977, c. 914, s. 1.)

Legal Periodicals. — For a survey of 1977 law on property, see 56 N.C.L. Rev. 1111 (1978).

For comment on landlords' eviction remedies in the light of *Spinks v. Taylor*,

303 N.C. 256, 278 S.E.2d 501 (1981), and the 1981 Act to Clarify Landlord Eviction Remedies in Residential Tenancies, see 60 N.C.L. Rev. 885 (1982).

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§ 42-51

CH. 42. LANDLORD AND TENANT

§ 42-54

CASE NOTES

Cited in *Borders v. Newton*. — N.C. App. —, 315 S.E.2d 731 (1984).

§ 42-51. Permitted uses of the deposit.

Security deposits for residential dwelling units shall be permitted only for the tenant's possible nonpayment of rent, damage to the premises, nonfulfillment of rental period, any unpaid bills which become a lien against the demised property due to the tenant's occupancy, costs of re-renting the premises after breach by the tenant, costs of removal and storage of tenant's property after a summary ejectment proceeding or court costs in connection with terminating a tenancy. Such security deposit shall not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half months' rent if a tenancy is month to month, and two months' rent for terms greater than month to month. These deposits must be fully accounted for by the landlord as set forth in G.S. 42-52. (1977, c. 914, s. 1; 1983, c. 672, s. 3.)

Effect of Amendments. — The 1983 amendment, effective July 1, 1983, and applicable to writs of possession for real property and orders that are issued on or after that date, inserted "costs of removal and storage of tenant's property after a summary ejectment proceeding" near the end of the first sentence.

§ 42-52. Landlord's obligations.

Upon termination of the tenancy, money held by the landlord as security may be applied as permitted in G.S. 42-51 or, if not so applied, shall be refunded to the tenant. In either case the landlord in writing shall itemize any damage and mail or deliver same to the tenant, together with the balance of the security deposit, no later than 30 days after termination of the tenancy and delivery of possession by the tenant. If the tenant's address is unknown the landlord shall apply the deposit as permitted in G.S. 42-51 after a period of 30 days and the landlord shall hold the balance of the deposit for collection by the tenant for at least six months. The landlord may not withhold as damages part of the security deposit for conditions that are due to normal wear and tear nor may the landlord retain an amount from the security deposit which exceeds his actual damages. (1977, c. 914, s. 1.)

§ 42-53. Pet deposits.

Notwithstanding the provisions of this section, the landlord may charge a reasonable, nonrefundable fee for pets kept by the tenant on the premises. (1977, c. 914, s. 1.)

§ 42-54. Transfer of dwelling units.

Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within 30 days, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

§ 42-55

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§ 42-55

CH. 42. LANDLORD AND TENANT

§ 42-56

- (1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under this section to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address; or
- (2) Return the portion of such payment or deposit remaining after any lawful deductions made under this section to the tenant. (1977, c. 914, s. 1.)

§ 42-55. Remedies.

If the landlord or the landlord's successor in interest fails to account for and refund the balance of the tenant's security deposit as required by this Article, the tenant may institute a civil action to require the accounting of and the recovery of the balance of the deposit. In addition to other remedies at law and equity, the tenant may recover damages resulting from noncompliance by the landlord: and upon a finding by the court that the party against whom judgment is rendered was in willful noncompliance with this Article, the court may, in its discretion, allow a reasonable attorney's fee to the duly licensed attorney representing the prevailing party, such attorney's fee to be taxed as part of the cost of court. (1977, c. 914, s. 1.)

§ 42-56. Application of Article.

The provisions of this Article shall apply to all persons, firms, or corporations engaged in the business of renting or managing residential dwelling units, excluding single rooms, on a weekly, monthly or annual basis. (1977, c. 914, s. 2.)

44 through 45

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Exhibit B

Rules and Regulations

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EXHIBIT B

COMMON RULES FOR BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS

1. Each unit shall be used for a single family residence and for no other purpose.
2. There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities including stairwells without the prior written consent of the Board of Directors.
3. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the Common areas and facilities, or which would be in violation of any law.
4. No sign of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors except for one "FOR SALE" or "FOR LEASE" sign which may be displayed in one window and which may be no greater than 18" X 24".
5. No more than 2 pets are allowed per unit.
5. No animals, including household pets, livestock or poultry of any kind shall be raised or bred in any Unit or in the Common areas and facilities.
7. No noxious, offensive, unlawful, or improper activity, including in connection with the keeping of household pets as permitted by these common rules, shall be carried on in any Unit, or in the Common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Unit Owners.
8. Nothing shall be altered or constructed in or removed from the Common areas and facilities except with the prior written consent of the Board or Directors.
9. Except with the written consent of the Board of Directors, no natural barriers in the form of trees, bushes or shrubs, and no man-made structures in the form of fences, shall be permitted on or about the Common areas and facilities, except such natural barriers and man-made structures as of 11-11-87.
10. Dogs and other pets shall be walked in areas on a leash, and owners are responsible for cleaning up animals remains. Animal remains shall not be disposed of off patios or decks. Pet owners will be liable for any problems or damages created by their pets.

Adopted November 11, 1987

EX-3437354

Exhibit C

Additional Agreements

103340/0345

I, _____, am the owner of _____
Brighthurst Drive. My tenants are:

Their telephone number is _____ in case they
need to be reached for an emergency.

Date of Lease _____ Expiration _____

I also authorize my tenants to use the swimming pool. They
have read the Rules and Regulations of the Brighthurst/Bishops
Ridge Condominium Association, Inc. and will adhere to them as any
homeowner would.

Signature (Owner)

Date

Signature (Tenant)

Date

Signature (Tenant)

Date

Mail to HRW, Inc., P.O. Box 51728, Raleigh, North Carolina
27609

CC/FCB032

Return To: Henry W. Jones, Jr.
P. O. Box 2021
Raleigh, NC 27602

5K4343760520

PROMULGATIONS OF THE BOARD OF DIRECTORS

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM ASSOCIATION, INC.

The Board of Directors of Brighthurst/Bishops Ridge Condominium Association, Inc. (hereinafter referred to as the "Association"), pursuant to its powers under the Declaration of Condominium of Brighthurst/Bishops Ridge Condominium and the Articles of Incorporation and Bylaws of the Association, has promulgated, as of June 8, 1988, the following:

1. Common Rules for Brighthurst/Bishops Ridge Homeowners, a copy of which is attached hereto as Exhibit A;
2. Rules for Storage of Firewood, a copy of which is attached hereto as Exhibit B;
3. Brighthurst/Bishops Ridge Pool Rules, a copy of which is attached hereto as Exhibit C;
4. Notice pertaining to an increase in dues assessed Unit Owners for payment of the common expenses of the Association, a copy of which is attached hereto as Exhibit D; and
5. Approved form of Lease Agreement for rental of Condominium Units, a copy of which is attached hereto as Exhibit E.

Any prospective purchaser or tenant of a Unit at Brighthurst/Bishops Ridge Condominium wishing to inquire whether the Board of Directors has made additional promulgations concerning the operation of the Association and the Condominium should contact Ms. Carol Haden or Mr. Robert Hassol at HRW, Inc., the property manager, at Post Office Box 51728, 3900 Merton Drive, Suite 101,

RECEIVED
NOTICE OF DEEDS
COUNTY CLERK
JAN 10 1989

88 SEP -7 PM 12:28

RECEIVED
NOTICE OF DEEDS
COUNTY CLERK
JAN 10 1989

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Raleigh, North Carolina 27609, telephone number 783-9530. The Board of Directors is not obligated to record its promulgations, and all such promulgations will be binding upon a purchaser or a tenant of a Unit at the Condominium.

The status of payment of dues assessed against any Unit may be obtained from Ms. Haden or Mr. Hassol at HRW, Inc.

The Association has executed this instrument by its duly authorized officers this the 10th day of August, 1988.

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM
ASSOCIATION, INC.

ATTEST:

 *Francis C. Bagbey*
Francis C. Bagbey
Secretary

By:

Thad Wester
Name: Thad Wester
Title: President

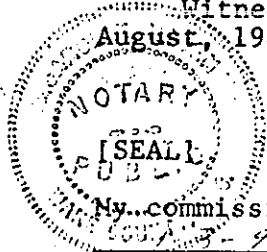
(CORPORATE SEAL)

NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that Francis C. Bagbey personally came before me this day and acknowledged that he is the Secretary of Brighthurst/Bishops Ridge Condominium Association, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 10th day of August, 1988.



Carol E. Haden
Notary Public

My commission expires:

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate

of *Carol E. Haden*

Notary 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.

KENNETH C. WILKINS Register of Deeds

By

Kenneth C. Wilkins
Asst. / Deputy Register of Deeds

EXHIBIT A

EXHIBIT A

COMMON RULES FOR BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS

1. Each unit shall be used for a single family residence and for no other purpose.
2. There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities including stairwells without the prior written consent of the Board of Directors.
3. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the Common areas and facilities, or which would be in violation of any law.
4. No sign of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors except for one "FOR SALE" or "FOR LEASE" sign which may be displayed in one window and which may be no greater than 18" X 24".
5. No more than 2 pets are allowed per unit.
6. No animals, including household pets, livestock or poultry of any kind shall be raised or bred in any Unit or in the Common areas and facilities.
7. No noxious, offensive, unlawful, or improper activity, including in connection with the keeping of household pets as permitted by these common rules, shall be carried on in any Unit, or in the Common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Unit Owners.
8. Nothing shall be altered or constructed in or removed from the Common areas and facilities except with the prior written consent of the Board of Directors.
9. Except with the written consent of the Board of Directors, no natural barriers in the form of trees, bushes or shrubs, and no man-made structures in the form of fences, shall be permitted on or about the Common areas and facilities, except such natural barriers and man-made structures as of 11-11-87.
10. Dogs and other pets shall be walked in areas on a leash, and owners are responsible for cleaning up animals remains. Animal remains shall not be disposed of off patios or decks. Pet owners will be liable for any problems or damages created by their pets.

Adopted November 11, 1987

BK4343PG0623

Exhibit B

BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM
RULES FOR STORAGE OF FIREWOOD

1. Owners and tenants of units in 1001 Brighthurst Drive, 1021 Brighthurst Drive, Washington Townes, and ground floor units in 1000 Brighthurst Drive shall store firewood on their individual balcony or terrace areas.
2. The owners and tenants of units in 1000 Brighthurst Drive other than those described, at their own cost and expense, may collectively store firewood in racks approved by the Board of Directors. Racks for the storage of firewood must be located on the western landing area of the second and third floors of 1000 Brighthurst Drive. Only one such rack may be located on each of these floors. Storage of firewood in these common areas by owners or tenants of units in 1000 Brighthurst Drive shall be at their own risk of loss. The owners and tenants of units in 1000 Brighthurst Drive using such common areas for storage of firewood shall indemnify and hold harmless Brighthurst/Bishops Ridge Condominium Association, Inc. and its directors and officers from and against any loss, claim, expense, damage, or injury suffered or incurred by or asserted against the Association, its officers or directors arising out of the storage of firewood in the common areas of 1000 Brighthurst Drive.
3. Firewood may be stored in the common areas of 1000 Brighthurst Drive as described in paragraph 2 only during the period October 1 through April 15. After April 15 the owners and tenants in 1000 Brighthurst Drive using racks for the storage of firewood as permitted under these rules must disassemble and remove such racks and remove any remaining firewood.
4. Except as described in paragraph 2 with respect to the storage of firewood in the common areas of 1000 Brighthurst Drive, no owner or tenant of a unit in the Brighthurst/Bishops Ridge Condominium may store firewood in any common areas of the condominium, including under stairways or outside the entry way door of a unit.
5. No owner or tenant of a unit in the Brighthurst/Bishops Ridge Condominium shall store or place any firewood in a manner that causes an adverse or undesirable effect or result to any area outside such unit. For example, storage of wood over a drain may cause water to build up and overflow into another unit and damage the walls or ceiling of that unit.
6. The Association may remove any firewood stored in a manner in violation of these rules within 3 days after delivery of a written request to a unit owner or tenant violating these rules to move the firewood to an approved location. The reasonable cost of removal and disposition of such firewood shall be the liability of such unit owner or tenant.

Adopted by the Board of Directors of the Association on
December 9, 1987.

BK4343P60624

Exhibit C
BRIGHTHURST/BISHOPS RIDGE POOL RULES

THE POOL IS FOR THE EXCLUSIVE USE OF BRIGHTHURST/BISHOPS RIDGE RESIDENTS AND THEIR GUESTS. THE HOMEOWNERS WHO RENT THEIR UNITS RELINQUISH THEIR POOL RIGHTS TO THE RENTER AND ARE REQUESTED NOT TO USE THE POOL. RESIDENTS WILL BE RESPONSIBLE FOR ALL ACTIONS AND CONDUCT OF THEIR GUESTS. THE HOMEOWNERS ASSOCIATION ASSUMES NO LIABILITY OR RISK FOR ANY BODILY INJURIES, DEATHS, OR LOSS OR DAMAGE TO ANY PERSONAL PROPERTY TO ANYONE USING THE POOL FACILITY.

ALL PERSONS USING THE POOL AND POOL AREA DO SO AT THEIR OWN RISK. THIS RULING APPLIES TO GUESTS.

POOL HOURS ARE FROM 9:00 am UNTIL 10:00 pm.

CHILDREN UNDER THE AGE OF 14 WILL NOT BE PERMITTED IN THE POOL AREA UNLESS ACCOMPANIED BY AN ADULT.

NO ANIMALS ARE ALLOWED INSIDE THE POOL GATE.

NO RUNNING OR ROUGH PLAY IS ALLOWED IN OR AROUND POOL AREA.

BATHING ATTIRE MUST BE WORN. NO DIAPERS OR CUT-OFF TYPE CLOTHING WILL BE PERMITTED IN THE POOL.

UNDUE NOISE PROHIBITED AT ALL HOURS.

BEVERAGES ARE ALLOWED IN CANS, PAPER AND PLASTIC CONTAINERS ONLY. THESE ARE TO BE DISPOSED OF PROPERLY. GLASS CONTAINERS ARE NOT ALLOWED WITHIN THE FENCED POOL AREA. DISPOSE OF CIGARETTE BUTTS IN AN APPROPRIATE PLACE AND NOT ON POOL DECK.

THE REPLACEMENT COST OF ANY PROPERTY DAMAGE WILL BE CHARGED TO THE PERSON CAUSING THE DAMAGE.

ANY INDIVIDUAL BRINGING A RADIO TO THE POOL AREA MUST BE CONSIDERATE OF THOSE AROUND THEM AND KEEP THE VOLUME DOWN.

THE BOARD OF DIRECTORS RESERVES THE RIGHT TO REFUSE ENTRY OR DENY PRIVILEGES TO ANYONE AT ITS SOLE DISCRETION.

GRILLS WILL NOT BE ALLOWED IN POOL AREA.

PRIVATE PARTIES WILL BE ALLOWED ON A TRIAL BASIS AFTER 5:00 PM, SUNDAY THROUGH THURSDAY. RESERVATIONS FOR SUCH PARTIES SHOULD BE MADE WITH THE MANAGEMENT COMPANY. DUE TO THE SMALL SIZE OF THE AREA, PARTIES WILL BE LIMITED TO 50 PERSONS. THE RESIDENT REQUESTING THE PARTY WILL BE REQUIRED TO PAY A \$50.00 REFUNDABLE DEPOSIT TO BE APPLIED TO ANY DAMAGES AND CLEANING COSTS. THE GROUNDS SHALL BE CLEANED AFTER THE PARTY. IF THERE ARE NO DAMAGES AND THE GROUNDS ARE APPROPRIATELY CLEANED, THE DEPOSIT WILL BE RETURNED. SHOULD THIS PRIVILEGE BECOME ABUSED OR FOUND NOT TO BE FEASIBLE, PRIVATE POOL PARTIES WILL BE DISCONTINUED.

NO FURNITURE IS ALLOWED IN THE POOL.

DUE TO THE SMALL SIZE OF THE BRIGHTHURST/BISHOPS RIDGE POOL, EACH UNIT WILL BE LIMITED TO A MAXIMUM OF TWO (2) GUESTS ON ANY GIVEN DAY. WHILE IT IS UNDERSTANDABLE THAT THERE WILL BE OCCASIONS WHEN RELATIVES OR OUT OF TOWN GUESTS ARE VISITING, WHICH WILL NECESSITATE INVITING MORE THAN 2 GUESTS PER UNIT, RESIDENTS ARE ASKED NOT TO ABUSE THIS PRIVILEGE.

CHAIRS WHICH ARE PROVIDED BY THE HOMEOWNERS ASSOCIATION ARE FOR THE ENJOYMENT OF ALL PERSONS WHO WISH TO USE THEM. THEY ARE TO BE USED ON A FIRST COME, FIRST SERVE BASIS AND INDIVIDUALS MAY NOT RESERVE THEM FOR THE FUTURE USE OF SOMEONE WHO HAS YET TO ARRIVE AT THE POOL AREA.

FAILURE TO COMPLY WITH ANY OF THE FOREGOING RULES AND REGULATIONS MAY RESULT IN THE VIOLATOR BEING BARRED FROM THE USE OF THE POOL AND POOL AREA.

Exhibit D

BRH348.90625

TO: ALL BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS
FROM: BRIGHTHURST/BISHOPS RIDGE BOARD OF DIRECTORS

Just a reminder of the notice that went out in October.

Dues will increase effective January 1, 1988. The new amounts are as follows:

PRESENT ASSESSMENT	ASSESSMENT BEGINNING 1-1-88
\$56.00	\$61.00
63.00	69.00
75.00	82.00
85.00	93.00

Please make your checks payable to Brighthurst/Bishops Ridge HOA and mail them to our management company in the enclosed envelopes.

A late fee of \$10.00 became effective October 1, 1987, and is applied to any balance not paid by the last day of the month.

The Board has adopted Common Rules and Regulations for our Community. A copy of these rules are printed on the reverse side of this notice. Please retain for your future information.

The Board meets on the second Wednesday of each month. Volunteers are always needed for committees. If you would like to assist the board in the operation of our community, please contact any board member or the office of HRW, Inc. at 783-9530.

Exhibit E

304346-30526

LEASE AGREEMENT

By this Agreement, hereinafter referred to as the "Agreement" or the "Lease," made and entered into on _____, 19____, between _____, herein referred to as "Landlord," and _____, herein referred to as "Tenant," Landlord leases to Tenant the premises known as _____ Brighthurst Drive, Raleigh, North Carolina 27605, together with all appurtenances, for a term of _____ years, to commence on _____, 19____ and to end on _____, 19____ at _____ o'clock _____.m.

SECTION ONE
Rent

Tenant agrees to pay, without demand, to Landlord as rent for the Unit the sum of _____ Dollars (\$_____) per month in advance on the first day of each calendar month beginning _____, 19____ at _____, _____, or at such other place as Landlord may designate in writing to Tenant.

SECTION TWO
Security Deposit

On execution of this Lease, Tenant shall deposit with Landlord the sum of _____ Dollars (\$_____) as security for the faithful performance by Tenant of the terms

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hereof, to be returned to Tenant, without interest, on the full and faithful performance by Tenant of the provisions hereof. Landlord shall hold and treat the deposit in accordance with the terms of the Tenant Security Deposit Act, a copy of which is attached hereto as Exhibit A.

SECTION THREE Quiet Enjoyment

Landlord covenants that on paying the rent and performing the covenants and agreements herein contained, Tenant shall peacefully and quietly have, hold, and enjoy the Unit for the agreed term.

SECTION FOUR Use of Unit

The Unit shall be used and occupied by Tenant exclusively as a private single family residence, and neither the Unit nor any part thereof shall be used at any time during the term of this Lease by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family residence. No room may be rented, and no transient tenants may be accommodated by Tenant. Tenant shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the Unit, during the term of this Lease.

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SECTION FIVE
Condition of Unit

Tenant stipulates that Tenant has examined the Unit, including the grounds and all buildings and improvements of the Brighthurst/Bishops Ridge Condominium (the "Condominium") of which the Unit is a part, and that they are, at the time of this Lease, in good order and repair and in a safe, clean, and tenantable condition.

SECTION SIX
Assignment and Subletting

Without the prior written consent of Landlord, which consent Landlord may withhold in its absolute discretion, Tenant shall not assign this Lease or sublet or grant to another any concession or license to use the Unit or any part thereof. A consent by Landlord to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of Landlord or an assignment or subletting by operation of law shall be void and shall, at Landlord's option, terminate this Lease.

SECTION SEVEN
Alterations and Improvements

Tenant shall make no alterations to the Unit or construct or make any improvements to the Unit without the prior written consent of Landlord and if required, by the Board of Directors of Brighthurst/Bishops Ridge Condominium Association, Inc. (the

W68A6-3529

"Association"). All alterations, changes, and improvements built, constructed, or placed on or in the Unit by Tenant, with the exception of fixtures removable without damage to the Unit and movable personal property, shall, unless otherwise provided by written agreement between Landlord and Tenant, be the property of Landlord and remain on the Unit at the expiration or sooner termination of this Lease.

SECTION EIGHT
Damage to Unit

If the Unit, or any part thereof, shall be partially damaged by fire or other casualty not due to Tenant's negligence or willful act or that of Tenant's employee, family, agent, or visitor, the Unit shall be promptly repaired by Landlord and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the Unit may have been untenable; but, if the Unit should be damaged other than by Tenant's negligence or willful act or that of Tenant's employee, family, agent, or visitor to the extent that Landlord shall decide not to rebuild or repair, the term of this Lease shall end and the rent shall be prorated up to the time of the damage. Tenant shall be liable for the cost of reconstruction or repair of the Unit caused by Tenant's negligence or willful act.

EX-10303-01-030

SECTION NINE
Dangerous Materials

Tenant shall not keep or have on or in the Unit any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on or in the Unit or that might be considered hazardous or extra hazardous by any responsible insurance company or the insurance company insuring the common areas of the Condominium.

SECTION TEN
Utilities

Tenant shall be responsible for arranging for and paying for all utility services required for the Unit.

SECTION ELEVEN
Maintenance and Repair

Tenant will, at Tenant's sole expense, keep and maintain the Unit and appurtenances in good and sanitary condition and repair during the term of this Lease and any renewal thereof. Tenant shall not cause any unsafe or unsanitary condition in the Unit or in the common areas of the Condominium. In particular, Tenant shall (1) keep the fixtures in the Unit in good order and repair; (2) keep the electric bills current; (3) at Tenant's sole expense, make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from Tenant's misuse, waste, or neglect or that

EXH 34380531

of Tenant's employee, family, agent, or visitor; (4) dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner; (5) not deliberately or negligently destroy, deface, damage, or remove any part of the Unit or knowingly permit any person to do so; (6) comply with any and all obligations imposed upon Tenant by current applicable building and housing codes; and (7) be responsible for all damage, defacement, or removal of any property inside the Unit in Tenant's exclusive control unless said damage, defacement, or removal was due to ordinary wear and tear, acts of Landlord or Landlord's agent, defective products supplied or repairs authorized by Landlord, acts of third parties not invitees of Tenant, or natural forces. Notwithstanding the foregoing, major maintenance and repair of the Unit involving anticipated or actual costs in excess of _____ Dollars (\$_____) per incident not due to Tenant's misuse, waste, or neglect or that of Tenant's employee, family, agent, or visitor, shall be the responsibility of Landlord or Landlord's assigns. Tenant agrees that no signs shall be placed or painting done on or about the Unit by Tenant or at Tenant's direction.

SECTION TWELVE
Right of Inspection

Landlord and Landlord's agents shall have the right at all reasonable times during the term of this Lease and any renewal

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thereof to enter the Unit for the purpose of inspecting the Unit. Landlord shall also have the right to enter the Unit within sixty (60) days of termination of the initial term of this Lease or any renewal thereof to post a "For Rent" sign and at any time to post a "For Sale" sign in any window in the Unit selected by Landlord. Sale of the Unit prior to termination of this Lease shall be subject to Tenant's leasehold interest in the Unit unless Landlord and Tenant otherwise agree.

SECTION THIRTEEN
Holdover by Tenant

Should Tenant remain in possession of the Unit with the consent of Landlord after the expiration of this Lease, a new tenancy from month to month shall be created between Landlord and Tenant, which tenancy shall be subject to all the terms and conditions hereof but shall be terminable on thirty (30) days' written notice given by either Landlord or Tenant to the other party. If Tenant stays in the Unit after expiration of the term of this Lease without Landlord's permission, Landlord may summarily eject Tenant from the Unit in accordance with applicable law.

SECTION FOURTEEN
Surrender of Unit

At the expiration of this Lease term, Tenant shall leave and surrender the Unit hereby rented in as good state and condition as

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the Unit was at the commencement of this Lease, reasonable use and wear thereof and damages by the elements excepted (except any such damage caused by Tenant's negligence). Regardless of the state and condition of the Unit at the beginning of this Lease, Tenant shall leave the Unit in a broom-clean condition and shall clean all fixtures, appliances, bath tubs, sinks, tile floors, and toilets to a state of cleanliness reasonably satisfactory to Landlord.

SECTION FIFTEEN
Default

If Tenant defaults in the payment of rent, or any part thereof, at the time hereinbefore specified, or if Tenant defaults in the performance of or compliance with any other term or condition hereof, the Lease, at the option of Landlord, shall terminate and be forfeited, and to the extent permitted by applicable law, Landlord may re-enter the Unit and remove all persons therefrom. Landlord shall give Tenant written notice of any default or breach of this Lease other than nonpayment of rent; termination and forfeiture of the Lease shall not result if, within ten (10) days of receipt of such notice, Tenant has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

EX-138-30584

SECTION SIXTEEN
Late Fees

Tenant acknowledges that rent is due and payable on the first day of each month. If Landlord accepts any payment of rent that is not made on the first day of each month, Tenant agrees to pay to Landlord as part of the rent due for the next month a late fee in an amount equal to the greater of Fifteen Dollars (\$15.00) or five percent (5%) of the monthly installment of rent for any rental payment that is received by Landlord after the sixth day of the month. Tenant shall pay this late fee only one time for each late rental payment. A late fee for a specific late rental payment may not be deducted from the subsequent rental payment so as to cause the subsequent rental payment to be in default.

SECTION SEVENTEEN
Abandonment

If at any time during the term of this Lease Tenant abandons the Unit or any part thereof, Landlord may, at Landlord's option, enter the Unit by any means without being liable for any prosecution therefore, and without becoming liable to Tenant for damages or for any payment of any kind whatever, and may, at Landlord's discretion, as agent for Tenant, relet the Unit, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenant payable under this Lease during the balance of the unexpired term, if this Lease

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had continued in force, and the net rent for such period realized by Landlord by means of such reletting. If Landlord's right of re-entry is exercised following abandonment of the Unit by Tenant, then Landlord may consider any personal belongings of Tenant left in the Unit to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and in accordance with applicable law and Landlord is hereby relieved of all liability for doing so.

SECTION EIGHTEEN
Subordination to Condominium Documents

The terms of this Lease shall be subject in all respects to the Condominium Documents of Brighthurst/Bishops Ridge Condominium. For purposes of this Section, Condominium Documents shall mean the Declaration of Condominium of the Condominium and all amendments thereto and the Articles of Incorporation, the Bylaws, and Rules and Regulations of the Association. In the case of any conflict between the Condominium Documents and this Lease, the Condominium Documents shall control. Tenant may request copies of the Condominium Documents from the Secretary of the Association and agrees to pay the reasonable cost for such copies.

SECTION NINETEEN
Rules and Regulations

Tenant shall observe faithfully and comply strictly with all Rules and Regulations promulgated by the Board of Directors of the

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Association. The Rules and Regulations in force on the date hereof are attached to the Lease as Exhibit B and are incorporated by reference herein. Landlord may terminate Tenant's tenancy upon Tenant's consistent violation of the Rules and Regulations after notice.

SECTION TWENTY
Binding Effect

The covenants, agreements, and conditions herein contained shall inure to the benefit of and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto, and all covenants are to be construed as conditions of this Lease.

SECTION TWENTY-ONE
Governing Law

This Lease shall be governed by, construed, and enforced in all respects in accordance with the laws of the State of North Carolina.

SECTION TWENTY-TWO
Additional Agreement

Landlord and Tenant shall attach to this Lease as Exhibit C any additional agreements between Landlord and Tenant pertaining to the rental of the Unit, which exhibit is incorporated herein by reference.

20030800007

IN WITNESS WHEREOF, Landlord and Tenant have executed and sealed this Lease on the day and year first above written.

_____(SEAL)
Tenant

_____(SEAL)
Landlord

_____(SEAL)
Tenant

cc: Brighthurst/Bishops Ridge
Condominium Association, Inc.

3383333333

Exhibit A

Tenant Security Deposit Act

§ 42-43

the landlord and subsequent written certified work on the by adequate con- and is not made obligations under

ordinary or reasonable common areas of the a safe condition, and a ity is evidence of negli- Kellett, 55 N.C. App. 17 (1981).

to keep the common ition implies the duty ole inspection and to condition which a rea- might reveal, such a would constitute nce on defendants' support a verdict for Ridgewood Assocs., 55 24 S.E.2d 702 (1981), N.C. 300, 290 S.E.2d

unit.

occupies and uses e premises permit conditions in the remises which he

and other waste in a

ng unit or used by permits; ieface, damage, or vingly permit any

osed upon the ten- ousing codes; and ent, or removal of s exclusive control al was due to ordi- or his agent, defec- ed by the landlord, tenant, or natural

ng of any breaches ept in emergency

§ 42-44

CH. 42. LANDLORD AND TENANT

§ 42-50

§ 42-44. General remedies and limitations.

- (a) Any right or obligation declared by this Chapter is enforceable by civil action, in addition to other remedies of law and in equity.
- (b) Repealed by Session Laws 1979, c. 820, s. 8.
- (c) The tenant may not unilaterally withhold rent prior to a judicial determination of a right to do so.
- (d) A violation of this Article shall not constitute negligence per se. (1977, c. 770, s. 1; 1979, c. 820, s. 8.)

CASE NOTES

Common-Law Standards of Care Retained. — By providing that a violation of this Article does not constitute negligence per se, the General Assembly left intact established common-law standards of ordinary and reasonable care. *Brooks v. Francis*, 57 N.C. App. 556, 291 S.E.2d 889 (1982).

By providing that a violation of this article does not constitute negligence per se, the General Assembly left intact established common-law standards of

ordinary and reasonable care, the violation being only evidence of negligence. *Lenz v. Ridgewood Assocs.*, 55 N.C. App. 115, 284 S.E.2d 702 (1981), cert. denied, 305 N.C. 300, 290 S.E.2d 702 (1982).

Violation as Evidence of Negligence. — Violation of the duty to maintain premises in fit and habitable condition is evidence of negligence. *Brooks v. Francis*, 57 N.C. App. 556, 291 S.E.2d 889 (1982).

§§ 42-45 to 42-49: Reserved for future codification purposes.

ARTICLE 6.

Tenant Security Deposit Act.

§ 42-50. Deposits from the tenant.

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and insured bank or savings institution located in the State of North Carolina or the landlord may, at his option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of said deposits. The landlord or his agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where his deposit is currently located or the name of the insurance company providing the bond. (1977, c. 914, s. 1.)

Legal Periodicals. — For a survey of 1977 law on property, see 56 N.C.L. Rev. 1111 (1978).

For comment on landlords' eviction remedies in the light of *Spinks v. Taylor*,

303 N.C. 256, 278 S.E.2d 501 (1981), and the 1981 Act to Clarify Landlord Eviction Remedies in Residential Tenancies, see 60 N.C.L. Rev. 885 (1982).

5043-873540

§ 42-51

CH. 42. LANDLORD AND TENANT

§ 42-54

CASE NOTES

Cited in *Borders v. Newton*. — N.C. App. —, 315 S.E.2d 731 (1984).

§ 42-51. Permitted uses of the deposit.

Security deposits for residential dwelling units shall be permitted only for the tenant's possible nonpayment of rent, damage to the premises, nonfulfillment of rental period, any unpaid bills which become a lien against the demised property due to the tenant's occupancy, costs of re-renting the premises after breach by the tenant, costs of removal and storage of tenant's property after a summary ejectment proceeding or court costs in connection with terminating a tenancy. Such security deposit shall not exceed an amount equal to two weeks' rent if a tenancy is week to week, one and one-half months' rent if a tenancy is month to month, and two months' rent for terms greater than month to month. These deposits must be fully accounted for by the landlord as set forth in G.S. 42-52. (1977, c. 914, s. 1; 1983, c. 672, s. 3.)

Effect of Amendments. — The 1983 amendment, effective July 1, 1983, and applicable to writs of possession for real property and orders that are issued on or after that date, inserted "costs of removal and storage of tenant's property after a summary ejectment proceeding" near the end of the first sentence.

§ 42-52. Landlord's obligations.

Upon termination of the tenancy, money held by the landlord as security may be applied as permitted in G.S. 42-51 or, if not so applied, shall be refunded to the tenant. In either case the landlord in writing shall itemize any damage and mail or deliver same to the tenant, together with the balance of the security deposit, no later than 30 days after termination of the tenancy and delivery of possession by the tenant. If the tenant's address is unknown the landlord shall apply the deposit as permitted in G.S. 42-51 after a period of 30 days and the landlord shall hold the balance of the deposit for collection by the tenant for at least six months. The landlord may not withhold as damages part of the security deposit for conditions that are due to normal wear and tear nor may the landlord retain an amount from the security deposit which exceeds his actual damages. (1977, c. 914, s. 1.)

§ 42-53. Pet deposits.

Notwithstanding the provisions of this section, the landlord may charge a reasonable, nonrefundable fee for pets kept by the tenant on the premises. (1977, c. 914, s. 1.)

§ 42-54. Transfer of dwelling units.

Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or his agent shall, within 30 days, do one of the following acts, either of which shall relieve him of further liability with respect to such payment or deposit:

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- (1) Transfer the portion of such payment or deposit remaining after any lawful deductions made under this section to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address; or
- (2) Return the portion of such payment or deposit remaining after any lawful deductions made under this section to the tenant. (1977, c. 914, s. 1.)

§ 42-55. Remedies.

If the landlord or the landlord's successor in interest fails to account for and refund the balance of the tenant's security deposit as required by this Article, the tenant may institute a civil action to require the accounting of and the recovery of the balance of the deposit. In addition to other remedies at law and equity, the tenant may recover damages resulting from noncompliance by the landlord: and upon a finding by the court that the party against whom judgment is rendered was in willful noncompliance with this Article, the court may, in its discretion, allow a reasonable attorney's fee to the duly licensed attorney representing the prevailing party, such attorney's fee to be taxed as part of the cost of court. (1977, c. 914, s. 1.)

§ 42-56. Application of Article.

The provisions of this Article shall apply to all persons, firms, or corporations engaged in the business of renting or managing residential dwelling units, excluding single rooms, on a weekly, monthly or annual basis. (1977, c. 914, s. 2.)

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Exhibit B

Rules and Regulations

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EXHIBIT B

COMMON RULES FOR BRIGHTHURST/BISHOPS RIDGE HOMEOWNERS

1. Each unit shall be used for a single family residence and for no other purpose.
2. There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities including stairwells without the prior written consent of the Board of Directors.
3. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the Common areas and facilities, or which would be in violation of any law.
4. No sign of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors except for one "FOR SALE" or "FOR LEASE" sign which may be displayed in one window and which may be no greater than 18" X 24".
5. No more than 2 pets are allowed per unit.
5. No animals, including household pets, livestock or poultry of any kind shall be raised or bred in any Unit or in the Common areas and facilities.
7. No noxious, offensive, unlawful, or improper activity, including in connection with the keeping of household pets as permitted by these common rules, shall be carried on in any Unit, or in the Common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Unit Owners.
8. Nothing shall be altered or constructed in or removed from the Common areas and facilities except with the prior written consent of the Board or Directors.
9. Except with the written consent of the Board of Directors, no natural barriers in the form of trees, bushes or shrubs, and no man-made structures in the form of fences, shall be permitted on or about the Common areas and facilities, except such natural barriers and man-made structures as of 11-11-87.
10. Dogs and other pets shall be walked in areas on a leash, and owners are responsible for cleaning up animals remains. Animal remains shall not be disposed of off patios or decks. Pet owners will be liable for any problems or damages created by their pets.

Adopted November 11, 1987

EX-3437354

Exhibit C

Additional Agreements

11334090345

I, _____, am the owner of _____
Brighthurst Drive. My tenants are:

Their telephone number is _____ in case they
need to be reached for an emergency.

Date of Lease _____ Expiration _____

I also authorize my tenants to use the swimming pool. They
have read the Rules and Regulations of the Brighthurst/Bishops
Ridge Condominium Association, Inc. and will adhere to them as any
homeowner would.

Signature (Owner)

Date

Signature (Tenant)

Date

Signature (Tenant)

Date

Mail to HRW, Inc., P.O. Box 51728, Raleigh, North Carolina
27609

CC/FCB032

Prepared by and return to: Hope Derby Carmichael, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA

AMENDMENT TO DECLARATION
OF CONDOMINIUM FOR
BRIGHTHURST/BISHOPS RIDGE
CONDOMINIUM

COUNTY OF WAKE

THIS AMENDMENT to the Declaration of Condominium for Brighthurst/Bishops Ridge Condominium is made this 16th day of September, 2015, by the members of the Brighthurst/Bishops Ridge Condominium Association, Inc. ("Association").

WITNESSETH:

WHEREAS, Martin Development Group, Inc., a North Carolina corporation, caused to be recorded a Declaration of Condominium for Brighthurst/Bishops Ridge Condominium in Book 3501, Page 01 in the Wake County Registry, which was thereafter supplemented (collectively, "Declaration"); and

WHEREAS, Article 20 of the Declaration provides that the Declaration may be amended by the vote of Unit Owners owning at least 75% of the Common Interest, cast in person or by proxy at a meeting duly held; and

WHEREAS, a vote by mail ballot pursuant to N.C. Gen. Stat. § 55A-7-08 was duly noticed and held, and Unit Owners owning 76.64% of the Common Interest voted to amend the Declaration as set forth below;

NOW, THEREFORE, the undersigned does hereby declare that the first paragraph of Article 18(a) of the Declaration of Condominium for Brighthurst/Bishops Ridge Condominium is amended as follows, by deleting the language that is struck through and adding the language that is in bold and underlined:

(a) In the event of damage to or destruction of any Building as a result of fire or other casualty to the extent of less than 2/3rds in value of the Building, or if the Property is not partitioned as provided in N.C. Gen. Stat. § 47A-25, the Board of Directors shall arrange for the prompt repair and restoration of the Building (including any damage to any Unit therein, but not including any decoration or coverings for walls, ceilings, or floors, or other furniture, furnishings, fixtures or equipment in such Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit, in which event the Board shall repair or replace such damage to property), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. ~~Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense.~~ **In the event that the damage is to any portion of a Unit which a Unit Owner(s) is obligated to maintain, replace or repair, the Owner(s) shall be required to pay such portion of the costs of repair and restoration as may, by reason of the applicability of any deductibility provisions of such insurance, exceed the amount of the applicable insurance proceeds. Multiple Owners suffering damage to Units under a common insurance claim shall be responsible for payment of the deductible on a pro rata basis according to the total damage to each Unit.** Any reconstruction or repair shall be in accordance with the Plans attached hereto as Exhibit B. The determination of whether the damage or destruction "exceeds two-thirds (2/3)" the value of any Building for the purpose herein stated shall be determined by an appraisal of the value of such Building (excluding the land) as of the day immediately preceding the damage obtained by the Board of Directors from a licensed appraiser (who is a member of the American Institute of Real Estate Appraisers, the American Society of Appraisers, the Society of Real Estate Appraisers, or a comparable professional association of appraisers), when compared to the cost of repairs and restoration as determined by the Board of Directors.

Except as amended hereinabove, the remaining portions of the Declaration are and shall remain unchanged and in full effect. This amendment to the Declaration of Condominium for Brighthurst/Bishops Ridge Condominium shall be effective from the date of its recording in the Wake County Registry.

WHEREFORE, the President of the Association has hereunto affixed the corporate certification for the purpose of enacting the foregoing amendment.

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CERTIFICATION OF VALIDITY OF AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

By authority of its Board of Directors, Brighthurst/Bishops Ridge Condominium Association, Inc. hereby certifies that the foregoing amendment has been duly approved by Unit Owners owning 76.64% of the Common Interest, as reflected on written ballots returned to the Association and maintained with the books and records of the Association, and is, therefore, a valid amendment to the existing Declaration of Condominium for Brighthurst/Bishops Ridge Condominium.

BRIGHTHURST/BISHOPS RIDGE
 CONDOMINIUM ASSOCIATION, INC.

By: _____

President

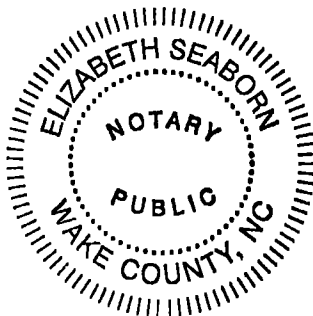
STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I, Elizabeth Seaborn, a Notary Public of the County and State aforesaid, certify that Robert Havelly, of whose identity I have personal knowledge, personally appeared before me and acknowledged that s/he voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 16th day of September, 2015.



 Notary Public

Elizabeth Seaborn
 Printed Name

My commission expires: November 3, 2019

Prepared by and return to: Mollie L. Cozart, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA

COUNTY OF WAKE

AMENDMENT TO DECLARATION
OF CONDOMINIUM FOR
BRIGHTHURST/BISHOPS RIDGE
CONDOMINIUM

THIS AMENDMENT to the Declaration of Condominium for Brighthurst/Bishops Ridge Condominium, is made this 18th day of June, 2021 by the Members of the Brighthurst/Bishops Ridge Condominium Association, Inc. (hereinafter, "the Association").

WITNESSETH:

THAT WHEREAS, Martin Development Group, Inc., a North Carolina corporation, caused to be recorded a Declaration of Condominium for Brighthurst/Bishops Ridge Condominium in Book 3501, Page 01 in the Wake County Registry, which was thereafter supplemented and amended (collectively, the "Declaration"); and

WHEREAS, Article 20 of the Declaration provides that the Declaration may be amended by the vote of Unit Owners owning at least seventy-five percent (75%) of the Common Interest, cast in person or by proxy at a meeting duly held; and

WHEREAS, a vote by mail ballot pursuant to N.C. Gen. Stat. § 55A-7-08 was duly noticed and held, and Unit Owners owning at least seventy-five percent (75%) of the Common Interest, voted to amend the Declaration as set forth below; and

NOW, THEREFORE, the undersigned does hereby declare that the Declaration of Condominium for Brighthurst/Bishops Ridge Condominium shall be amended as follows:

1. To amend Article 10 Easements, Subsection (b) of the Declaration by deleting that Subsection in its entirety and inserting in lieu thereof the following:
- (b) Each Unit Owner shall have a perpetual, non-exclusive easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public **and private** utility lines, **internet service fibers and wires**, and other common facilities located in any of the other Units and serving his Unit. Each Unit shall be subject to a perpetual non-exclusive easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public **and private** utility lines, **internet service fibers and wires**, and other common facilities serving such other Units and located in such Unit. The Board of Directors shall have the right of access to each Unit to remove violations therefrom, **to enable Unit access to internet service**, and to maintain, repair or replace the Common areas and facilities contained therein.
2. To amend Article 10 Easements, Subsection (d) of the Declaration by deleting that Subsection in its entirety and inserting in lieu thereof the following:

(d) An easement is hereby established over all Common Areas for the benefit of applicable governmental agencies for setting, removing, and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail. Subject to the provisions of Section 10-2075(e) of the Raleigh City Code, if applicable and in effect on the date of recording hereof, the Board of Directors may hereafter grant additional easements, leases, and licenses through, over or with respect to the Units and Common area facilities for internet service providers, private and public utility purposes for the benefit of the Property including the right to install, lay, maintain, repair and replace water lines, pipes, ducts, sewer lines, gas mains, telephone wires and equipment and electrical conduits, internet service fibers, and wires over, under, along and on any portion of the Common areas and facilities; and including the right to install internet service fibers, wires, and equipment over, under, along and on the Units for enabling Unit access to internet service; and each Unit Owner hereby grants the Board of Directors an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing; provided, however, no such grant shall unreasonably interfere with or obstruct ingress to or egress from any Unit and the Association will repair any damage to a Unit caused by accessing the Unit for such purposes.

3. Except as amended hereinabove, the remaining portions of the Declaration are and shall remain unchanged and in full effect.

4. This amendment shall be effective upon recordation in the Office of the Wake County Registry.

WHEREFORE, the President and Secretary of the Association has hereunto affixed the corporate certification for the purpose of enacting the foregoing amendment.

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CERTIFICATION OF VALIDITY OF AMENDMENT TO DECLARATION OF
CONDOMINIUM FOR BRIGHTHURST/BISHOPS RIDGE CONDOMINIUM

By authority of its Board of Directors, the undersigned hereby certify that the foregoing instrument has been duly approved by Unit Owners owning at least seventy-five percent (75%) of the Common Interest, as reflected on ballots returned to the Association and maintained with the books and records of the Association, and is, therefore, a valid amendment to the existing Declaration of Condominium for Brighthurst/Bishops Ridge Condominium.

BRIGHTHURST/BISHOPS RIDGE
CONDOMINIUM ASSOCIATION,
INC.

By: [Signature]
President

ATTEST:

[Signature]
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I, Tammy T. Ray, a Notary Public of the County and State aforesaid, certify that Rebecca Winstead, personally appeared before me this day and acknowledged that he/she is Secretary/Assistant Secretary of Brighthurst/Bishops Park Condominium Association, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Mary Winstead as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 18 day of June, 2021.

My commission expires: March 20, 2025 Notary Public Tammy T. Ray

