

DECLARATION OF CONDOMINIUM
FOR
LOCHRIDGE LAKESIDE CONDOMINIUM

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Prepared by and Hold for

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FOR

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Prepared by and Hold for: J. Kemp Sherron, III
Wyrick, Robbins, Yates & Ponton

NORTH CAROLINA

DECLARATION OF CONDOMINIUM

WAKE COUNTY

Tempo Developers, Inc. d/b/a Lochridge Lakeside, Inc., a Virginia corporation authorized to do business in North Carolina, (or any successor or assign who acquires all or part of the Condominium Property for development) hereinafter referred to as "Developer," does hereby make, declare and establish this Declaration of Condominium as and for the plan of dwelling ownership of Lochridge Lakeside Condominium, being the property and improvements hereinafter described:

I.

ESTABLISHMENT OF CONDOMINIUM

Developer is the owner of the fee simple title to that certain real property situated in Wake County, State of North Carolina, which property is more particularly described in Exhibit "A" Phase I, attached hereto and incorporated herein by reference, and on which property there will be constructed one (1) building lettered "A" and containing a total of twelve (12) condominium living units and their supporting facilities, areas designated for at least twenty-four (24) parking spaces and other appurtenant improvements. The buildings are of wood frame construction. Building "A" is a three (3) story building containing twelve (12) units. Developer does hereby submit the above described property and improvements to condominium ownership under the provisions of Chapter 47C of the General Statutes of North Carolina (North Carolina Condominium Act) and hereby declares the same to be a condominium to be known and identified as "Lochridge Lakeside Condominium". Hereinafter in this Declaration, Lochridge Lakeside Condominium is sometimes referred to as "Condominium."

Developer presently intends, but is not obligated, to expand Lochridge Lakeside Condominium beyond the twelve (12) units within Phase I described above to include up to seven (7) additional phases with a maximum of ninety (90) Units. The original phase and additional phases, if constructed, would contain the number of Units indicated:

<u>Phase No.</u>	<u>Number of Units</u>
Phase I	12
Phase II	12
Phase III	12
Phase IV	12
Phase V	12
Phase VI	6
Phase VII	12
Phase VIII	12

The total number of Units in all phases would not exceed ninety (90). Phases II through VIII, if constructed, will be located on the land described in Exhibit "A," "Phases II through VIII," attached hereto and incorporated herein by reference. The methods and procedures for expanding the Condominium to include these additional phases and the effects of such expansion are described in Articles IV and XXVII of this Declaration.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof as Exhibit "B," consisting of ____ pages, is a survey of the land and graphic descriptions, plans of the improvements constituting the Condominium, and the specifications therefor, identifying the Condominium Units and Common Areas and Facilities, as said terms are hereinafter defined, and their respective locations, approximate dimensions and principal building materials. Each Condominium Unit is identified by specific combination letter and numerical designation on Exhibit "C," and no Condominium Unit bears the same designation as any other Condominium Unit.

III.

DEFINITIONS

The Condominium consists of Condominium Units and Common Areas and Facilities, as said terms are hereinafter defined.

A. Condominium Units as the term is used herein shall mean and comprise the twelve (12) separately identified Dwelling Units which are designated in Exhibit "B" to this Declaration of Condominium and on Exhibit "C" hereto, excluding, however, all spaces and improvements lying:

1. Beneath the subflooring material of all floors;

2. Beneath the interior surfacing material (sheet rock) of all perimeter walls, interior bearing walls and/or bearing partitions;

3. Above the interior surfacing material (sheet rock) of the ceilings;

and further excluding all pipes, ducts, wires, conduits and other facilities for the furnishing of utilities and other services to Condominium Units and Common Areas and Facilities up to and including the point of entry of such pipes, ducts, wires and conduits through the interior surfacing material for walls and ceilings and subflooring surfacing material for floors. All pipes, ducts, wires, conduits, and other such facilities shall become a part of the respective Condominium Units at such point of entry. All exterior doors, window frames, panes and screens shall be part of the respective Condominium Units, provided, however, that the exterior decoration and painting of the exterior surface of such doors and window frames shall be the responsibility of the Association, as hereinafter defined.

B. Common Areas and Facilities, sometimes referred to herein as "Common Property" or "Common Elements," shall mean and comprise all of the real property, improvements and facilities of the Condominium other than the Condominium Units and all personal property held and maintained for the use and enjoyment of all the Owners of Condominium Units.

C. Certain portions of the Common Areas and Facilities are reserved for the use of a particular Condominium Unit to the exclusion of other Units and are designated as "Limited Common Areas and Facilities," sometimes referred to as "Limited Common Elements." Limited Common Elements and the Condominium Units to which they are reserved are as follows:

As shown on Exhibit "B" the walks, halls, stairs (except stairs located wholly within a unit), and balconies (except balconies which serve only one unit as hereinafter described) located in each Building are reserved for the use of the Owners of Units in those Buildings, their families, guests, invitees and lessees.

As shown on Exhibit "B" there is either a concrete patio, wooden deck or balcony located immediately to the rear of the Condominium Units. Such patios, decks and balconies are Limited Common Elements and shall serve the Units to which they are attached.

As shown on Exhibit "B" there are garages and carports located on the Property. The garages and carports are Limited Common Elements and shall serve the Unit Owner who has purchased said garage and/or carport as provided in Article IV-C hereof.

The terms "Association of Unit Owners," "Building," "Common Areas and Facilities" (sometimes herein referred to as "Common Property"), "Common Profit," "Majority" or "Majority of Unit Owners," "Property," "Recordation," and "Unit Designation," unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, as used herein, have the meaning set out in Section 3 of Chapter 47A of the General Statutes of North Carolina, known as the Unit Ownership Act, as that statute exists as of the date of the filing of this Declaration, and the terms "Common Expenses," "Declaration," "Unit," "Condominium," and "Unit Owner," unless it is plainly evident from the context of the Declaration that a different meaning is intended, shall, as used herein, have the meaning set out in Section 1-103 of Chapter 47C of the General Statutes of North Carolina, known as the North Carolina Condominium Act, as that statute exists as of the date of the filing of this Declaration.

IV.

OWNERSHIP OF CONDOMINIUM UNITS AND APPURTENANT INTEREST IN COMMON PROPERTY

A. Each Condominium Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Condominium Unit, an undivided interest in the Common Property. The Owner of an undivided interest in the Common Property shall enjoy all easements, rights, and obligations which are applicable to said Common Property. The undivided interest appurtenant to each Condominium Unit as of the date of this Declaration is as set out on Exhibit "C" attached hereto and made a part hereof. The proportional interest in the Common Property that is appurtenant to each Condominium Unit as shown in said Exhibit has been determined by a ratio formulated upon the relation that the approximate square footage of each Unit bears to the then aggregate square footage of all of the Units having an interest in the Common Property.

B. In the event Developer and all of the Condominium Unit Owners, acting through the Developer as their Attorney-in-Fact as provided in Article XXVII-B hereof, elect to add additional phases to the Condominium, then the percentage undivided interest in the Common Property appurtenant to each Condominium Unit will change and shall be as set forth in an appropriate Amendment to Exhibit "C." The proportional interest in the Common Property appurtenant

to each Condominium Unit shown in Exhibit "C" has been determined by a ratio formulated upon the relation that the approximate square footage of each Unit in the Condominium bears to the aggregate square footage of all of the Units having an interest in the Common Property. In the event Developer elects to add additional phases to the Condominium, Developer shall, in each instance, file an amendment to this Declaration containing an amended Exhibit "C" stating that the percentage undivided interest in the Common Area appurtenant to each Unit then a part of the Condominium at the time of such filing is as shown on the amended Exhibit "C." Each Unit Owner shall be deemed by his acceptance of the deed to a Condominium Unit to have consented to the powers of amendment herein reserved by Developer and to any amendments previously or thereafter executed by Developer pursuant to this Article IV and to Article XXVII-B hereof. Further, each Unit Owner and each Institutional Lender, as hereinafter defined, shall be deemed by the Owner's acceptance of a deed to a Condominium Unit to have appointed Developer their Attorney-in-Fact to give, execute and record the consent of said Owner and Institutional Lender to any and all amendments executed pursuant to this Article and to Article XXVII-B. Except as provided herein, the percentage of undivided interest in the Common Property assigned to each Condominium Unit shall not be changed except with the unanimous consent of all of the Owners of all of the Condominium Units and with the consent of all of the Institutional Lenders, as defined in Article XXIX hereof, holding first mortgages or first deeds of trust on the Condominium Units.

C. The Owners of a Condominium Unit shall have the right to purchase no more than two (2) garages and/or carports for as long as there are garages and/or carports available. Each Owner shall own such garages and/or carports as an appurtenance to the ownership of each Condominium Unit. No garages and/or carports shall be owned by anyone who is not also an Owner of a Condominium Unit. All Owners of a Condominium Unit, in the aggregate, shall own no more than two (2) garages and/or carports at any time. All garages and/or carports purchased initially from Declarant shall be purchased for a price separate from the price paid for any Unit. An Owner may sell garages and/or carports together with or separately from any Unit. The garages and/or carports are Limited Common Elements and shall serve the Unit Owner who has purchased said garage and/or carport. The Owner of each garage and carport shall pay a proportionate share of the maintenance, insurance, electrical and other charges as set forth in Exhibit "G" attached hereto and made a part hereof. The proportional interest in the garages and carports has been determined with regard to the total number of garages and the total number of carports within each group of covered parking areas. The election to add additional phases to the Condominium and to add additional groups of covered parking areas shall not effect the proportional interest of each garage and/or carport owner in the Limited Common Element made up of each group of covered parking spaces.

RESTRICTIONS AGAINST FURTHER SUBDIVIDING OF
CONDOMINIUM UNITS: SEPARATE CONVEYANCE
OF APPURTENANT COMMON PROPERTY PROHIBITED

No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown on Exhibit "B" hereto. The undivided interest in the Common Property declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the undivided interest in Common Property appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien into, to or upon a Condominium Unit shall be null, void and of no effect insofar as the same purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Property, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire Condominium Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Condominium Unit, which describes said Condominium Unit by the numerical designation assigned thereto in Exhibits "B" and "C" without limitation or exception, shall be deemed and construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Property. Nothing herein contained shall be construed as limiting or preventing ownership of any Condominium Unit and its appurtenant undivided interest in the Common Property by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

Any Unit Owner may make any improvements or alterations in the interior of his Unit as long as same will not impair the structural integrity of any improvement or otherwise lessen the support of any portion of the Condominium.

If a Unit Owner acquires an adjoining unit, or a part of an adjoining unit, then such Unit Owner shall have the right, subject to the provisions set forth in Article XVI hereof, to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition

may in whole or in part be a general common element, so long as no portion of any bearing wall or bearing column is weakened or removed and no portion of any common element other than that partition is damaged, destroyed or endangered. Such creation of doorways or other apertures shall not be deemed an alteration of boundaries within the meaning of the North Carolina Condominium Act or of the provisions of this Declaration relative to relocation of boundaries between units.

VI.

THE CONDOMINIUM SUBJECT TO RESTRICTIONS

The Condominium Units, Common Property and Limited Common Areas shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said Condominium Units, Common Property and Limited Common Areas and setting forth the obligations and responsibilities incident to ownership of each Condominium Unit and its appurtenant undivided interest in the Common Property, and said Condominium Units, Common Property and Limited Common Areas are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the Condominium.

VII.

PERPETUAL NON-EXCLUSIVE EASEMENT IN
COMMON PROPERTY

The Common Property shall be, and the same is hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of Condominium Units in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of Condominium Units. This easement shall specifically include, among other things, the right of ingress and egress to each Unit. Notwithstanding anything above provided in this Article, Lochridge Lakeside Condominium Association, Inc., hereinafter identified, shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Condominium Unit, his family, guest and invitees, may be entitled to use the Common Property, including the right to make permanent and temporary assignments of parking spaces, and to establish regulations concerning the use thereof. No boats or trailers, of owners, members or their guests shall be parked in any part of the Common Area except within the area designated for such parking.

VIII.

EASEMENT FOR UNINTENTIONAL AND
NON-NEGLIGENT ENCROACHMENTS

In the event that any Condominium Unit shall encroach upon any Common Property, or any other Condominium Unit or Units, as a result of initial construction or for any reason not caused by the purposeful or negligent act of the Condominium Unit Owner, or agents of such Owner, then an easement appurtenant to such Condominium Unit shall exist for the continuance of such encroachment upon the Common Property or upon a Condominium Unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Property shall encroach upon any Condominium Unit, then an easement shall exist for the continuance of such encroachment of the Common Property upon any Condominium Unit for so long as such encroachment shall naturally exist. If any Condominium Unit or Common Property shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such Unit and/or Common Property in accordance with Article XXII hereof, there exist encroachments of portions of the Common Property upon any Condominium Unit or upon any portion of the Common Property, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

IX.

RESTRAINT UPON SEPARATION AND PARTITION
OF COMMON PROPERTY

Recognizing that the proper use of the Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Property in common with the Owners of all other Condominium Units, and that it is in the interest of all Owners that the ownership of the Common Property be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Property appurtenant to each Condominium Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division.

X.

ADMINISTRATION OF THE CONDOMINIUM
BY LOCHRIDGE LAKESIDE CONDOMINIUM ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a non-profit North Carolina corporation known and designated as

Lochridge Lakeside Condominium Association, Inc. has been organized, and said corporation shall administer the operation and management of the Condominium 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 said Articles of Incorporation and Bylaws are annexed hereto and expressly made a part hereof as Exhibits "D" and "E" respectively. The Owner or Owners of each Condominium Unit shall automatically become members of said corporation upon his, their or its acquisition of an ownership interest in title to any Condominium Unit and its appurtenant undivided interest in the Common Property, and the membership of such Owner or Owners shall terminate automatically upon such Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said corporation or to any of the rights or privileges of such membership except as set forth in Article XXIX hereof. In the administration of the operation and management of the Condominium, Lochridge Lakeside Condominium Association, Inc. shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Condominium Units and Common Property as the Board of Directors of said Association may deem to be in the best interests of the Association. Lochridge Lakeside Condominium Association, Inc. is hereinafter referred to as "Association."

XI.

RESIDENTIAL USE RESTRICTIONS APPLICABLE TO CONDOMINIUM UNITS

Each Condominium Unit is hereby restricted to residential use by the Owner thereof, his immediate family, guests, invitees and lessees. Any Lease or rental agreement for a Unit shall be in writing and for a period of at least thirty (30) days. Such leases shall provide that the terms of the lease are subject to the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the terms of the lease. No Owner of any Condominium Unit shall permit the use of his Unit for transient hotel or commercial purposes. Corporate or partnership members, other than the Developer, shall permit the use of a Condominium Unit owned by it only by its principal officers, directors or partners, or other guests or lessees. Such corporate or partnership member shall annually sign and deliver to the Association a written statement

designating the name of the party (or parties) entitled to use such Condominium Unit, together with a written covenant of such party in favor of the Association whereby the party agrees to comply with the terms and provisions of this Declaration of Condominium and with the rules and regulations which may be promulgated by the Association from time to time and acknowledging that the party's right to use such Condominium Unit shall exist only so long as the corporation or partnership shall continue to be a member of the Association. Upon demand by the Association to any corporate or partnership member to remove a party for failure to comply with the terms and provisions of the Declaration of Condominium and/or the rules and regulations of the Association or for any other reason, the corporate or partnership member shall forthwith cause such party to be removed, failing which, the Association, as agent of the Owner, may take such action as it may deem appropriate to accomplish such removal, and all such action by the Association shall be at the cost and expense of the Owner who shall reimburse the Association therefor upon demand, together with such attorneys' fees as the Association may have incurred in the process of removal.

Anything in this Declaration to the contrary notwithstanding, Developer shall have the right to maintain sales offices and model units as follows: 4 Units as models and sales offices, and to display advertising signs upon the Common Property during the period of Unit sales. Such right shall terminate when all Units in all phases of the Condominium are sold, or on December 31, 1994, whichever occurs first.

Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than Developer, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for models or sales offices. The total number of such offices or models maintained at any time by Developer shall not exceed the number set out above, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

XII.

USE OF COMMON PROPERTY SUBJECT TO RULES OF ASSOCIATION

The use of Common Property, including the Limited Common Areas and Facilities, by the Owner or Owners of all Condominium Units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be

hereafter prescribed and established by the Association including, but not limited to, the following:

1. The right of the Association to limit the number of guests.
2. The right of the Association to prohibit animals, livestock or poultry of any kind from being kept or maintained in any Common Area or in any dwelling, except that dogs, cats or other household pets may be kept or maintained within a member's unit provided that they are not kept or maintained for commercial purposes, and no animal shall be permitted upon the Common Area unless the same is under leash.
3. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations.
4. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility whether owned or leased by the Association for use by the Member.

XIII.

THE CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES: RESTRICTIONS AGAINST NUISANCES

No immoral, improper, offensive or unlawful use shall be made of any Condominium Unit or of the Common Property, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed. No Owner of any Condominium Unit shall permit or suffer anything to be done or kept in his Condominium Unit, or on the Common Property, which will increase the rate of insurance on the Condominium, or which will obstruct or interfere with the rights of other occupants of the Condominium or annoy them by unreasonable noises, nor shall any Owner undertake any use or practice which shall create and constitute a nuisance to any other Owner of a Condominium Unit, or which interferes with the peaceful possession and property use of any other Condominium Unit or the Common Property.

XIV.

RIGHT OF ENTRY INTO CONDOMINIUM UNITS IN EMERGENCIES

In case of any emergency originating in or threatening any Condominium Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the

Association, or any other person authorized by it, or the Managing Agent, shall have the right to enter such Condominium Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

XV.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON PROPERTY

Whenever it may be necessary to enter any Condominium Unit for the purpose of performing any maintenance, alteration or repair to any portion of the Common Property, the Owner of each Condominium Unit shall permit Unit Owners or their representatives, or the duly constituted and authorized Agent of the Association, to enter such Condominium Unit for such purpose, provided that the entry shall be made only at reasonable times and with reasonable advance notice.

XVI.

LIMITATION UPON RIGHT OF OWNERS TO
ALTER AND MODIFY CONDOMINIUM UNITS;
NO RIGHT TO ALTER COMMON PROPERTY

No Owner of a Condominium Unit shall permit any structural modification or alteration to be made to such Condominium Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in their sole discretion, that such structural modifications or alterations would adversely affect or in any manner endanger the Condominium in part or in its entirety.

The Association, through the Board of Directors (or its Architectural Control Committee), shall regulate the external design, appearance, use, location and maintenance of the Condominium and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. No Owner shall cause any improvements, alteration, repairs or changes to be made on the exterior of the Condominium (including painting or other decoration, the installation of electrical wiring, television or radio antennas or any other objects or devices which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first had and obtained. No Unit Owner shall cause any object to be fixed to the Common Property or to any Limited Common Area (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of

the Common Property or Limited Common Area without the written consent of the Association being first had and obtained. The Association may contract for the provision of central television antennas for the convenience of the members, or, in the absence of the availability thereof, may supply cablevision and the cost of either of these may be included in annual or special assessments.

Any Unit Owner desiring to make any improvement, alteration or change described above shall submit the plans and specifications therefor, showing the nature, kind, shape, height, materials and location of the same, to the Board of Directors which shall evaluate such plans and specifications in light of the purpose of this Article as set forth above. As a condition to the granting of approval of any request made under this Article, the Association may require that the Unit Owner requesting such change be liable for any cost of maintaining, repairing and insuring the approved alteration. If such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Association. Thereafter, the Unit Owner, and any subsequent Owner of the Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that the cost of maintaining, repairing and insuring such alteration shall be a part of the annual assessment or charge set forth in Article XXIV, and subject to the lien rights described in said Article.

XVII.

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON PROPERTY AND ASSESSMENT THEREFOR

The Association shall have the right to make or cause to be made such alterations or improvements to the Common Property (including the right to grant and establish upon, over and across the Common Property such easements as are necessary or desirable for providing service or utilities to the Units and the Common Property) which do not materially prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be Common Expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of any Owner or Owners requesting the same, then the cost of making, maintaining, repairing and insuring such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

The Association shall have the right to grant easements, leases, licenses and concessions through or over the Common Property which do not materially prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit.

Portions of the Common Property may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by a Developer, agree to that action, provided that all the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. An agreement to convert Common Property or subject it to a security interest must be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed, by the requisite number of Unit Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in every county in which a portion of the Condominium is situated, and is effective only upon recordation.

An easement is hereby established over the Common Areas and Facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

All Units shall be subject to easements for the encroachment of initial improvements constructed on adjacent Units by the Developer or Developer's agents to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.

Developer reserves the right to subject the Property to a contract with Carolina Power and Light Company for the installation of above ground or underground electric cables and lines and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the Owner of each Unit within said property.

XVIII.

MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS

Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit which, if omitted, would affect

the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Condominium Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans or other appliances or equipment, including any utility fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the exterior surfaces of any and all walls, ceilings and floors within his Unit including painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his Condominium Unit. Wherever the maintenance, repair and replacement of any item for which the Owner of a Condominium Unit is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The Owner of a Condominium Unit who has exclusive use of any Limited Common Area shall maintain such at his own expense. All glass doors, window frames, panes and screens are a part of the respective Condominium Units and shall be maintained by the respective Unit Owners.

XIX.

MAINTENANCE AND REPAIR BY THE ASSOCIATION

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Property, including those portions thereof which contribute to the support of the buildings, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Property for the furnishing of utility and other services to the Condominium Units and said Common Property, and should any incidental damage be caused to any Condominium Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Property, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of a Condominium Unit Owner, his immediate

family, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair, or replacement.

The maintenance responsibility of any private streets and driveways owned by the Association shall rest with the Association pursuant to the provisions of the Cary Town Code.

XX.

INSURANCE, AUTHORITY TO PURCHASE

Insurance policies upon the Property (other than title insurance) shall be purchased by the Association in the name of the managing agent or Board of Directors of the Association, as Trustees for the Condominium Unit Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Unit Owners, the Association and their respect servants, agents and guests. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Condominium Unit, his personal property and for his personal liability as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

XXI.

INSURANCE COVERAGE TO BE MAINTAINED: USE
AND DISTRIBUTION OF INSURANCE AND CONDEMNATION PROCEEDS

A. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium, meaning the Condominium Units and Common Property:

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(1) Casualty insurance covering the buildings and all improvements upon the land and all personal property included within the Property described in Exhibit "A" hereto or as it may be amended from time to time, except such personal property as may be owned by the Condominium Unit Owners, shall be procured in an amount equal to 100% of the current replacement cost (exclusive of excavation, foundations, streets and parking facilities) as determined annually by the insurance company affording such coverage. Such policy shall contain an Agreed Amount Endorsement or an Inflation Guard Endorsement, if available. By way of illustration and not of limitation, such casualty insurance shall cover fixtures, installations or additions, or equal replacements thereof, comprising a part of the building within each individual Condominium Unit (as that term is defined in Article III hereof) in accordance with the original Condominium plans and specifications. In determining the amount of coverage for such fixtures, installations or additions, the Board of Directors of the Association shall annually set the standard allowance for such items as carpeting, bathroom and kitchen cabinets, wall covering, vinyl floor covering, ceramic tile, kitchen appliances, shelves, etc., which were included in the original Condominium plans and specifications. By way of illustration and not of limitation such casualty insurance shall not cover furniture, furnishings or other household or personal property owned by, used by or in the care, custody, or control of a Condominium Unit Owner (whether located within or without the Unit), or fixtures, installations or additions that are placed in an individual Condominium Unit by the Owner thereof at his expense. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(2) A comprehensive policy of public liability insurance insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles and liability for property of others, and, if available, may include coverage for water damage.

(3) The Board of Directors shall maintain fidelity coverage against dishonest acts by the Association's officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. If the Association employs a professional property management person or firm to manage the Association and to receive and disburse the monies of the Association, then such professional management person or firm shall have adequate fidelity coverage against

dishonest acts and the existence of such coverage shall satisfy the requirement of this paragraph XXI. If the Association elects to manage its own affairs and directly receive and disburse its own funds (or, if in addition to professional management, the officers or directors of the Association can and do directly receive or disburse the monies of the Association), then the Board of Directors shall provide the coverage set forth in this paragraph.

Any such fidelity bonds shall name the Association as an obligee; shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Association, including reserves; shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Association and to any Institutional Lender who has given the notice required under Article XXIX of this Declaration.

(4) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Condominium Unit Owners as a group to a Condominium Unit Owner.

(5) Such property and liability insurance shall provide that each Unit Owner is an insured person with respect to liability arising out of said Unit Owner's interest in the Common Property or membership in the Association; that the insurer waives his right to subrogation against the Unit Owner or members of his household; that no act or omission by a Unit Owner, unless acting on behalf of the Association, will preclude recovery under the policies; and that if, at the time of loss under a policy, there is other insurance, the Association's coverage will be the primary coverage.

B. Premiums upon insurance policies purchased by the Association shall be paid by the Association as Common Expense to be assessed and collected from all of the Owners of Condominium Units.

C. All insurance policies purchased by the Association and all condemnation awards attributable to the Common Property shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses and condemnation shall be paid to the Association. The Association shall hold such proceeds in trust for the benefit of the Association, the Condominium Unit Owners and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to Common Property: in undivided shares for each Condominium Unit Owner and his mortgagee, if any, which shares as to each Condominium Unit are shown on Exhibit "C" attached hereto.

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

(a) Partial destruction when the Condominium is to be restored: for the Owners of damaged Condominium Units in proportion to the costs of repairing the damage suffered by each damaged Condominium Unit.

(b) Total destruction of the Condominium or where the Condominium is not to be restored: for all Condominium Unit Owners, the share of each being set forth in Exhibit "C."

D. In the event a mortgagee endorsement has been issued as to a Condominium Unit, the share of the Condominium Unit Owner shall be held for the mortgagee and the Condominium Unit Owner as their interests may appear.

E. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial Condominium Unit Owners in the following manner:

(1) 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 as elsewhere provided. Any proceeds remaining after defraying such costs shall become "Common Surplus" as that term is defined in Article XXV.

(2) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Condominium Unit Owners, remittances to Condominium Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(3) If the damage for which the proceeds were paid is to be repaired or reconstructed, and the proceeds are insufficient to complete the same, such shortage shall be a "Common Expense" as that term is defined herein.

XXII.

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE; DAMAGE TO OR CONDEMNATION OF COMMON PROPERTY; DAMAGE TO OR CONDEMNATION OF CONDOMINIUM UNITS

A. If any part of the Common Property shall be damaged by casualty or shall be condemned by public authority, the

determination of whether or not to reconstruct or repair the same shall be made as follows:

(1) Partial destruction shall be deemed to mean destruction or condemnation which renders less than two-thirds (2/3) of the Condominium Units untenable. In the event of partial destruction, the Common Property shall be reconstructed or repaired unless this Declaration is terminated by the unanimous vote of all of the Condominium Unit Owners at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.

(2) Total destruction shall be deemed to mean destruction or condemnation which renders two-thirds (2/3) or more of the Condominium Units untenable. In the event of total destruction, the Common Property shall not be reconstructed or repaired if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, or if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, the Condominium Unit Owners elect not to rebuild by an 80% vote including 100% approval of Owners of Units not to be rebuilt or Owners to whom are assigned the Limited Common Elements not to be rebuilt.

(3) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications contained herein and on file with and approved by the Town of Cary, North Carolina.

B. If the damage is only to those parts of one or more Condominium Units for which the responsibility for maintenance and repair is that of the Condominium Unit Owner, then the Condominium Unit Owner shall be responsible for reconstruction and repair after casualty or condemnation. In all other instances, the responsibility of reconstruction and repair after casualty or condemnation shall be that of the Association as follows:

(1) Immediately after the casualty or condemnation causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty or condemnation. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems necessary or appropriate.

(2) When the damage is to both Common Property and Condominium Units or to Common Property only the insurance or condemnation proceeds shall be payable to the Association and shall be applied first to the cost of repairing the Common Property and the balance to the Condominium Units.

C. Each Condominium Unit Owner shall be deemed to have delegated to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association and to negotiate with governmental authorities any condemnation claims. The Board of Directors shall be designated to represent the Unit Owners in any proceedings, negotiations, settlements, or agreements with insurance companies, governmental authorities, or otherwise, whether with regard to insurance claims, condemnation claims, or otherwise. The Unit Owners and Institutional Lenders hereby appoint the Board of Directors of the Association as attorney-in-fact for this purpose.

XXIII.

ASSOCIATION TO MAINTAIN REGISTER
OF OWNERS AND MORTGAGEES

The Association shall at all times maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the sale or transfer of any Condominium Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Condominium Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Condominium Unit. Further, the Owner of each Condominium Unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any Condominium Unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any Condominium Unit may, if he desires, notify the Association of the existence of any mortgage or mortgages held by such party on any Condominium Unit and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

XXIV.

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Condominium Units. To administer properly the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses which are sometimes herein referred to as "Common Expense." To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the Unit Owners and their Condominium

Units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation, management of and capital improvements to the Condominium, the following provisions shall be operative and binding upon the Owners of all Condominium Units.

A. Unless specifically otherwise provided for in this Declaration of Condominium, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his Condominium Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the undivided interest in Common Property appurtenant to each Condominium Unit bears to the total undivided interest in Common Property appurtenant to all Condominium Units as shown on Exhibit "C" attached hereto.

B. Assessments provided for herein shall be payable in monthly installments as determined by the Board of Directors of the Association. Such assessments shall commence for each Unit on the first day of the first month following the recordation of this Declaration in the Wake County Public Registry.

C. In addition to the annual assessment authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Unit Owners owning two-thirds (2/3rds) of the Common Areas and Facilities who are voting in person or by proxy at a meeting duly called for such purposes.

D. In order to insure that the Association will have sufficient monies available to meet operational needs during the initial months of the Condominium's existence, the Association has established a Working Capital Fund. At the earlier of the time of the closing of the first sale of each Unit or of the transfer of control of the Project to the Association, the purchaser, or Developer, as applicable, shall pay into such Fund an amount equal to two-twelfths (2/12ths) of the current annual assessment established by the Association. No such payments made into the Working Capital Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held in a segregated fund and administered by the Association in accordance with the terms of this Declaration and the Bylaws. While the Developer is in control of the Owner's Association, it cannot use any of the Working Capital Funds to defray its expenses, reserve contributions, or construction costs, or to make up any budget deficits. When unsold Units are sold, the Developer may use funds collected at closing to reimburse itself for funds it paid the Association for each unsold Unit's share of the Working Capital Fund.

E. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall reasonably project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, and the budget shall take into account projected and anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with subparagraph "G" hereof, items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies of said Budget shall be delivered to each Owner of a Condominium Unit and the assessment for said year shall be established based upon such budget, although the lack of delivery of a copy of said Budget to each Owner shall not affect the liability of any Owner for such assessment.

F. Until December 31st of the year in which the first Unit is conveyed to an Owner, the maximum annual assessment shall be as set out on Exhibit "C". From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership of the Association. From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of the Unit Owners owning two-thirds (2/3rds) of the Common Areas and Facilities who are voting in person or by proxy, at a meeting duly called for such purpose.

G. The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, shall designate therein a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Property (Capital Improvement Fund). This Fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Property, as well as the replacement of portions of the Common Property. The amount to be allocated to the Capital Improvement Fund shall be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate

the need for replacement of Common Property. The amount collected for the Capital Improvement Fund may be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Property. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operation and maintenance. Each Unit Owner shall be deemed to own a portion of the Capital Improvement Fund equal to his proportionate interest in the Common Property as shown on Exhibit "C" and the Association shall annually notify each Unit Owner of the amount of his balance in the Capital Improvement Account. However, such balance shall not be subject to withdrawal by a Unit Owner.

H. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid unto the Association by any Owner of a Condominium Unit, the same may be commingled with monies paid to the Association by the other Owners of Condominium Units. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Property, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Condominium Unit. When the Owner of a Condominium Unit shall cease to be a member of the Association by reason of his divestment of ownership of such Condominium Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Condominium.

I. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within ten (10) days of the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law (not to exceed ten (10%) percent per annum) until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association. All monies owing to the Association shall be due and payable at the main office of the Association in the State of North Carolina.

J. The Owner or Owners of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment thereof owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally, for the interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorneys' fee, whether suit be brought or not.

K. No Owner of a Condominium Unit may exempt himself from liability for any assessment levied against him or his Condominium Unit by waiver of the use of enjoyment of any of the Common Property, or by abandonment of the Condominium Unit or in any other way.

L. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefor, and that such proper operation and management results in benefit to all of the Owners of Condominium Units, and that the payment of such common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant undivided interest in the Common Property, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorneys' fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit and its appurtenant undivided interest in Common Property. The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any Condominium Unit from the date on which the payment of any assessment or installment thereof become delinquent, and shall be entitled to the appointment of a Receiver for said Condominium Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be

entitled to interest of ten percent (10%) per annum on any such advances made for such purpose. All persons, firms or corporation who shall acquire, by whatever means, any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

M. The lien herein granted unto the Association shall be enforceable from and after the time of recording of a Claim of Lien in the Public Records of Wake County, North Carolina, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and the date when due. If an assessment remains unpaid for thirty (30) days, it becomes a lien upon the filing of such Claim of Lien in the office of the Clerk of Superior Court and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such Claims of Lien shall include only assessments which are due and payable when the Claim of Lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such Claims of Lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such Claim of Lien, the same shall be satisfied of record. A lien is extinguished if suit is not brought within three (3) years of the filing.

The lien provided for herein shall be subordinate to the lien of any first mortgage or deed of trust and any person, firm or corporation acquiring title to any Condominium Unit and its appurtenant undivided interest in Common Property by virtue of any foreclosure of a first deed of trust, deed in lieu of foreclosure of a first deed of trust or judicial sale relating to a first deed of trust, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Condominium Unit and its appurtenant undivided interest in Common Property subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Condominium Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Condominium Units as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

N. Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit Owner. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Condominium Unit is to be leased, sold or mortgaged, at the time when payment of any assessment is due to the Association and the Owner of said Condominium Unit shall be in default (whether or not a Claim of Lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds shall be applied by the lessee or purchaser first to payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent or proceeds of purchase to the Owner of any Condominium Unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Condominium Unit, the Purchaser thereof shall be jointly and severally liable with Seller for all unpaid assessments against Seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the Purchaser to recover from Seller the amounts paid by Purchaser therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing the Association.

XXV.

COMMON SURPLUS

"Common Surplus," meaning all funds and other assets of the Association (including excess receipts of the Association such as assessments, rents, profits and revenues from whatever source) over the amount of the Common Expense, shall be owned by the Owners of all Condominium Units in the same proportion that the undivided interest in the Common Property appurtenant to each Owner's

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Condominium Unit bears to the total of all undivided interests in the Common Property appurtenant to all Condominium Units; provided, however, that said Common Surplus shall be held by the Association in the manner prescribed 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 indemnity as herein provided, 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 Owners of Condominium Units in accordance with their undivided interests in the Common Surplus as declared herein.

XXVI.

TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

A. The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument to that effect duly recorded; and, provided, that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, in either case by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the Property as provided in subparagraph "C" below. The termination shall become effective when such agreement has been recorded in the public records of Wake County, North Carolina. The termination agreement must be executed and the termination agreement must specify a date after which the agreement will be void unless recorded before that date.

B. If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Wake County, North Carolina.

C. After termination of the Condominium, the Condominium Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Condominium Unit or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Area and Facilities previously

owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held for the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.

D. Following termination, an action or suit may be brought upon the application of any Condominium Unit Owner to have the property partitioned or sold in lieu of partition. In addition, the Board of Directors, pursuant to a vote of not less than three-fourths (3/4ths) of its members, may bring an action or suit to have the property sold in lieu of partition. In such latter event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. The members of the Board of Directors, acting collectively as agent of all Condominium Unit Owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

XXVII.

AMENDMENT OF DECLARATION OF CONDOMINIUM

This Declaration of Condominium may be amended in the following manner:

A. An Amendment or Amendments to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to this Declaration of Condominium being proposed by said Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the Members of the Association for a date no sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed Amendment or Amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed Amendment or Amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of

the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of the members owning Units in the Condominium in order for such Amendment or Amendments to become effective. During the twenty-year period beginning with the date of this Declaration, an affirmative vote of Unit Owners owning ninety percent (90%) of the undivided interests in the Common Areas and Facilities shall be required to amend this Declaration. From and after the expiration of said twenty-year period, an affirmative vote of Unit Owners owning seventy-five percent (75%) of the undivided interests in the Common Areas and Facilities shall be required. Upon adoption such Amendment or Amendments to this Declaration of Condominium shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment or Amendments, so certified and executed with the same formalities as a Deed, shall be recorded in the Public Records of Wake County, North Carolina, within ten (10) days from the date on which the same becomes effective, such Amendment or Amendments to specifically refer to the recording date identifying the Declaration of Condominium. Thereafter a copy of said Amendment or Amendments in the form in which the same were placed of record by the officers of the Association shall be delivered to the Owners of all Condominium Units, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such Amendment or Amendments. At any meeting held to consider such Amendment or Amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

B. Developer shall have the right to file an amendment to this Declaration at any time and from time to time prior to December 31, 1994, without the further consent of the Unit Owners, to incorporate into the Condominium (i) any or all of the additional land described in Exhibit "A," "Phases II through VIII," and (ii) the seventy-eight (78) additional Condominium Units in Phases II through VIII, to be constructed on the land described in Exhibit "A," "Phases II through VIII." In the event that this Declaration is so amended, the terms "Condominium" and "Property" as used herein shall be deemed to mean and include the property described in Exhibit "A," "Phase I" and "Phases II through VIII," as the case may be, and all improvements and structures now or hereafter placed by Developer thereon, all easements, rights and appurtenances thereto, and all articles of personal property provided by Developer and intended for use in connection therewith. Upon any such amendment that includes the land and additional Units in Phases II through VIII, the undivided

interest appurtenant to each Condominium Unit will change and shall be as set out in the appropriate amendment to Exhibit "C."

The materials used in the construction of any additional Units in Phases II through VIII shall be of comparable quality as those used in the original twelve (12) Units, the layout, size and architectural style of the additional Units shall be substantially the same as and compatible with the original Units, and the Units will be substantially completed prior to being incorporated into the Condominium. No amendment made by Developer in accordance with this paragraph shall divest an Owner of any portion of his dwelling Unit without the consent of such Owner and no such amendment shall materially alter the plan of development set forth herein without the consent of such Owner and no such amendment shall materially alter the plan of development set forth herein without the consent of all Owners affected thereby. Each Unit Owner shall be deemed, by his acceptance of a deed to a Condominium Unit, to have consented to the powers of amendment herein reserved by Developer and to amendments previously or thereafter executed by Developer pursuant thereto. Each Unit Owner and each Institutional Lender shall further be deemed by the Owner's acceptance of a deed to a Condominium Unit to have appointed Developer their respective Attorney-in-Fact to give, execute and record the consent of said Owner and said Institutional Lender to any and all amendments to this Declaration which Developer may wish to execute pursuant to the powers herein reserved.

To meet possible unforeseen or varying demands for the number and type of Units, or to meet particular requirements of prospective purchasers, lending institutions or title insurance companies or for any other reason, the Developer reserves the right, subject to the limitations of the Condominium Act and other applicable governmental regulations, to change the size, layout, location, and undivided interest of any Unit for which a Purchase Contract has not yet been executed by the Developer or with respect to which the purchaser is in default, provided such changes do not change the undivided interest of any Unit already conveyed or under an executed Purchase Contract as to which the purchaser is not in default. The Developer reserves the right to modify the plans and specifications for the project during construction as long as such modifications do not substantially change the layout of a Unit under an executed Purchase Contract as to which the purchaser is not in default. Field changes and other modifications may or may not be reflected by change orders or on the plans and specifications. The Developer also reserves the right to substitute for any of the materials, equipment and appliances described in the Condominium instruments or Purchase Contract, materials, equipment and appliances of equal or better quality.

C. Except as expressly set forth in this Declaration, no alteration in the percentage of ownership in Common Property appurtenant to each Condominium Unit, or alteration of the basis for sharing Common Expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of basis of ownership of Common Surplus, shall be made without the prior written consent of all of the Owners of all Condominium Units and all of the Institutional Lenders holding first mortgages or first deeds of trust on the Condominium Units.

D. No material alteration, amendment, or modification of this Declaration, the Articles of Incorporation, or Bylaws of the Association shall become effective without the prior written consent of Institutional Lenders (as defined in Article XXIX) holding the first mortgage loans on Units representing at least fifty-one percent (51%) of the votes in the Association being first had and obtained. Implied approval of a material alteration, amendment, or modification may be assumed when an Institutional Lender fails to submit a response to a written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested. Any change to the provisions of this Declaration, the Articles of Incorporation or Bylaws that affects any of the following shall be deemed material: voting rights, assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interest in the Common Areas or Limited Common Areas, or rights to their use; boundaries of any Unit; convertibility of Units into Common Areas or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Owners' Association to establish self management; restoration or repair of the Condominium; any provisions that expressly benefit Institutional Lenders; and any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs.

E. No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Developer shall be made without the written consent of said party being first had and obtained.

XXVIII.

REMEDIES IN EVENT OF DEFAULT

The Owner or Owners of each Condominium Unit shall be governed by and shall comply with the provisions of this Declaration of Condominium, and the Articles of Incorporation and Bylaws of the Association, as any of the same are now constituted or as they may be amended from time to time. A default by the Owners of any Condominium Unit shall entitle the Association or the Owners of other Condominium Units to the following relief:

A. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or Bylaws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner.

B. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceeding arising because of an alleged default by a Unit Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court, but in no event shall any Unit Owner be entitled to such attorneys' fees.

D. The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to the Association or the Owners of a Condominium Unit, pursuant to any terms, provisions, covenants or conditions of the Declaration of Condominium or other above-mentioned documents, shall be deemed to

be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

F. The failure of Developer to enforce any right, privilege, covenant, or condition which may be granted to it by this Declaration of Condominium or other above-mentioned document shall not constitute a waiver of the right of Developer to thereafter enforce such right, provision, covenant or condition in the future.

G. The failure of an Institutional Lender or Institutional Lenders, as said terms are herein defined, to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration of Condominium or other above-mentioned documents shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

XXIX.

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS; RIGHTS RESERVED UNTO THE VETERANS ADMINISTRATION

A. "Institutional Lender" or Institutional Lenders," as the terms are used herein, shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences, the Veterans' Administration, the Federal Housing Administration and eligible insurers and governmental guarantors. In addition to any other rights set forth in this Declaration, so long as any Institutional Lender or Institutional Lenders shall hold any first mortgage upon any Condominium Unit or Units, such Institutional Lender or Institutional Lenders shall have the following rights:

1. To approve the company or companies with whom casualty insurance is placed, and to be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

2. To examine, at reasonable times and upon reasonable notice, the books and records of the Association and to be furnished at least one copy of the annual financial statement and report of the Association, prepared by a certified public accountant designated by the Association, such financial statement and report to be furnished by May 15 of each calendar year.

3. To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering: (1) any proposed Amendment to this Declaration of

Condominium, or the Articles of Incorporation and Bylaws of the Association; (2) the proposed termination or abandonment of the Condominium; (3) the effectuation of any decision to terminate professional management of the Association and assume self-management by the Association. Such notice shall state the nature of the Amendment or action being proposed.

4. To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Condominium Unit encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing.

5. To be given notice of any condemnation loss or casualty loss which affects a material portion of the Common Areas or a material portion of any Unit.

6. To be given notice of any proposed action that requires the consent of a specified percentage of mortgage holders.

Whenever any Institutional Lender or Institutional Lenders desire the provisions of this Article to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by Registered Mail or Certified Mail, identifying the Condominium Unit or Units upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Condominium Units owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender or Institutional Lenders.

B. So long as Developer retains the rights to appoint a majority of the Board of Directors of the Association as set forth in Article XXX hereof, the following actions will require the prior approval of the Veterans Administration: amendment of the Declaration, including amendments under Article XXVII-B to add additional phases to the Condominium; dedication of any Common Areas and Facilities; and the annexation of additional properties.

XXX.

RIGHT OF DEVELOPER TO REPRESENTATION
ON BOARD OF DIRECTORS OF THE ASSOCIATION

For a period commencing on the date hereof and continuing until the earlier of: (i) one hundred twenty (120) days after the conveyance of 75% of the Units, including Units which may be created

4636.2.5122D

pursuant to special Developer rights, to Unit Owners other than Developer, or (ii) two (2) years after Developer ceases to offer Units for sale in the ordinary course of business, or (iii) two (2) years after any development right to add new Units was last exercised, Developer shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association. Notwithstanding Developer's right to control the Board of Directors, (i) not later than sixty (60) days after conveyance of 25% of the Units (including Units which may be created pursuant to special Developer rights) to Unit Owners other than Developer, at least one member and not less than 25% of the members of the Board of Directors shall be elected by Unit Owners other than Developer, and (ii) not later than sixty (60) days after conveyance of 50% of the Units (including Units which may be created pursuant to special Developer rights) to Unit Owners other than Developer, not less than 33% of the members of the Board of Directors shall be elected by Unit Owners other than Developer.

In the event of dissolution of Developer at a time when it is the Owner of a Condominium Unit, then the rights of the Developer shall pass to and may be exercised by its successors receiving ownership of any such Condominium Unit in dissolution.

Whenever Developer shall be entitled to designate and select any person or persons to serve on any Board of Directors 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 Bylaws of the Association, and Developer shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Developer need not be a resident of the Condominium. However, Developer shall be responsible for the payment of any assessments which may be levied by the Association against any Condominium Unit or Units owned by the said Developer, and for complying with the remaining terms and provisions hereof in the same manner as any other owner of a Condominium Unit or Units.

XXXI.

TORT AND CONTRACT LIABILITY

Neither the Association nor any Unit Owner except the Developer is liable for the Developer's torts in connection with any part of the Condominium which the Developer has the responsibility to maintain. An action alleging a wrong done by the Association must be brought against the Association and not against a Unit owner. If

an action is brought against the Association for a wrong which occurs during any period of Developer control, and if the Association gives the Developer who controls the Association reasonable notice of an opportunity to defend against the action, such Developer is liable to the Association (1) for all tort losses not covered by insurance carried by the Owner, and (2) all losses which the Association would not have incurred but for a breach of contract. Developer's liability includes all litigation expenses, including reasonable attorneys' fees, incurred by the Association. Any statute of limitation affecting the Association's right of action is tolled until the period of Developer's control terminates.

XXXII.

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

XXXIII.

LIBERAL CONSTRUCTION

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural and the masculine gender shall include the feminine or neuter. The Article headings are for convenience of reference only and shall not be considered terms of this Declaration.

XXXIV.

DECLARATION OF CONDOMINIUM BINDING ON ASSIGNS AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit and its appurtenant undivided interest in Common Property. This Declaration of Condominium shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become Owners of Condominium Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

4636.2.5122D

XXXV.

AGENT FOR SERVICE OF PROCESS

The following named individual is designated as the person to receive service of process for the Association:

J. Kemp Sherron, III
4101 Lake Boone Trail, Suite 300
Raleigh, North Carolina 27607

XXXVI.

MASTER COVENANTS

The property described on Exhibit "A" hereto is subject to the Declaration of Master Covenants, Conditions and Restrictions for Lochmere recorded in Book 3361, Page 681 and rerecorded in Book 4161, Page 445, Wake County Registry (the "Master Covenants"), which provide for the payment of annual dues in addition to the dues or assessments provided for in this Declaration.

IN WITNESS WHEREOF, Tempo Developers, Inc., d/b/a Lochridge Lakeside, Inc., has caused this Declaration of Condominium to be executed under seal by its duly authorized officers, this the day of _____, 19__.

TEMPO DEVELOPERS, INC., d/b/a
LOCHRIDGE LAKESIDE, INC.

By: _____
Robert E. Gray, Jr., President

ATTEST:

Secretary

(Affix Corporate Seal)

4636.2.5122D

NORTH CAROLINA

WAKE COUNTY

I, the undersigned Notary Public, do hereby certify that Robert E. Gray, Jr., personally appeared before me this day and acknowledged that he is President of Tempo Developers, Inc., d/b/a Lochridge Lakeside, Inc., a corporation, and that by authority duly given and as the act of the corporation the foregoing Declaration of Condominium was signed by its President, sealed with its corporate seal and attested by its _____ Secretary.

WITNESS my hand and notarial seal this _____ day of _____, 19____.

Notary Public

My Commission Expires:

4636.2.5122D

Exhibit "A" to Declaration of
Condominium for Lochridge Lakeside

Phase I

Being all of Phase I, according to map entitled "Lochridge
Lakeside, Phase I, Block A, Cary, North Carolina," dated
February 14, 1989, prepared by Runa A. Cooper, Land Surveyors,
P. A., and recorded in Book 1989, Page _____, Wake County Registry.

EXHIBIT "A" (Continued)

PHASES II THROUGH VIII

BEGINNING at an existing iron pipe in the southern boundary line of property now or formerly owned by Saint Francis United Methodist Church, and running with said boundary line, South 87 degrees 47 minutes 17 seconds East 304.51 feet to a point; running thence with a new line, South 24 degrees 59 minutes 21 seconds West 93.34 feet to a point; running thence South 12 degrees 43 minutes 18 seconds East 101.78 feet to a point; running thence South 41 degrees 53 minutes 52 seconds East 107.79 feet to a point; running thence South 31 degrees 20 minutes 02 seconds East 107.76 feet to a point; running thence South 67 degrees 29 minutes East 120.24 feet to a point; running thence South 50 degrees 56 minutes 10 seconds East 90.65 feet to a point; running thence South 06 degrees 35 minutes 31 seconds West 178.84 feet to a point; running thence South 07 degrees 56 minutes 55 seconds West 162.02 feet to a point; running thence South 28 degrees 06 minutes 14 seconds West 227.74 feet to a point; running thence South 17 degrees 14 minutes 20 seconds West 224.01 feet to a point; running thence South 42 degrees 42 minutes 49 seconds West 127.11 feet to a point; running thence North 47 degrees 17 minutes 11 seconds West 22.24 feet to a point; running thence North 81 degrees 26 minutes 44 seconds West 95.78 feet to a point; running thence North 10 degrees 34 minutes 42 seconds West 32.20 feet to a point; running thence North 45 degrees 19 minutes 58 seconds West 62.69 feet to a point; running thence along a curve to the left with a radius of 175.36 feet and an arc distance of 104.82 feet to a point; running thence North 04 degrees 52 minutes 46 seconds East 132.61 feet to a point; running thence along a curve to the right with a radius of 234.66 feet and an arc distance of 156.59 feet to a point; running thence North 43 degrees 06 minutes 46 seconds East 100 feet to a point; running thence along a curve to the left with a radius of 173.48 feet and an arc distance of 249.51 feet to a point; running thence along another curve to the left with an radius of 278.97 feet and an arc distance of 277.94 feet; running thence North 03 degrees 05 minutes 32 seconds West 160.34 feet to a point; running thence North 13 degrees 01 minutes 50 seconds West 289.45 feet to the point and place of BEGINNING, being that 8.0555 acres as shown on a Boundary Plat entitled LOCHRIDGE LAKESIDE, by Runa A. Cooper, Land Surveyors, dated June 29, 1988, and recorded in Book of Maps 1988, Page 913, Wake County Registry.

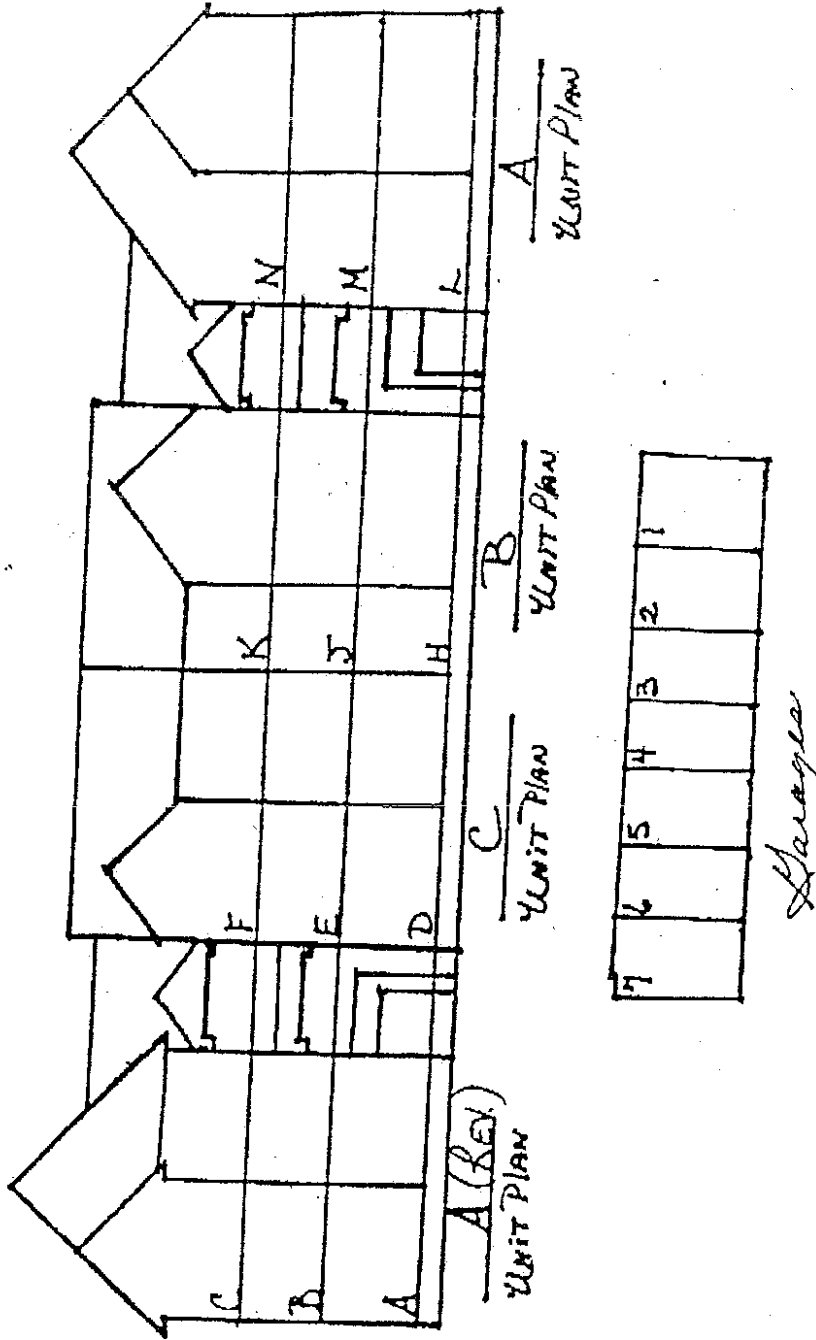
SAVED AND EXCEPTED herefrom is that property described herein as Phase I, Lochridge Lakeside.

EXHIBIT "B" TO
DECLARATION OF CONDOMINIUM
FOR
LOCHRIDGE LAKESIDE CONDOMINIUM

Exhibit "B", which includes the plats, plans and specifications, is incorporated herein by reference, is recorded of even date herewith and can be found in the Condominium plans of the Wake County Registry in the Condominium File Number set forth at the beginning of this Declaration.

Exhibit "C"

<u>Unit Number</u> <u>(Building - Unit)</u>	<u>Model Type</u>	<u>Approximate Area</u> <u>Square Ft.</u>	<u>Percentage</u> <u>Ownership</u>	<u>Initial</u> <u>Monthly</u> <u>Assessment</u>
Lot 1 - 329 - A	A-Rev.	1483	8.95	\$78.00
Lot 2 - 329 - B	A-Rev.	1483	8.95	78.00
Lot 3 - 329 - C	A-Rev.	1483	8.95	78.00
Lot 4 - 329 D	C	1267	7.65	65.00
Lot 5 - 329 E	C	1267 *Model	7.65	65.00
Lot 6 - 329 F	C	1267	7.65	65.00
Lot 7 - 329 H	B	1287	7.78	65.00
Lot 8 - 329 J	B	1287 *Model	7.78	65.00
Lot 9 - 329 K	B	1287	7.78	65.00
Lot 10- 329 L	A	1483	8.95	78.00
Lot 11- 329 M	A	1483	8.95	78.00
Lot 12- 329 N	A	1483 *Model	8.95	78.00
<u>Total</u>		16,560	99.99%	



Bldg. A
329 GLEN ECHO LANE

EXHIBIT "F"

(UNIT TYPES)

<u>Model Type</u>	<u>Description</u>
A and A Rev.	Models "A" and "A Rev." are one (1) story units with a kitchen, dining room, living room with fireplace, three (3) bedrooms and two (2) bathrooms, all as shown on the plans.
B	Model "B" is a one (1) story unit with a kitchen, dining room, living room with fireplace, two (2) bedrooms and two (2) bathrooms, all as shown on the plans.
C	Model "C" is a one (1) story unit with a kitchen, dining room, living room with fireplace, two (2) bedrooms and two (2) bathrooms, all as shown on the plans.

EXHIBIT "G"

GARAGES AND CARPORTS (Limited Common Element)

<u>Type</u>	<u>Unit Number</u>	<u>Proportional Interest</u>
Garage	A-1	1/7th
Garage	A-2	1/7th
Carport	A-3	1/7th
Carport	A-4	1/7th
Carport	A-5	1/7th
Garage	A-6	1/7th
Garage	A-7	1/7th

STATE OF NORTH CAROLINA

COUNTY OF ~~DURHAM~~ Granville

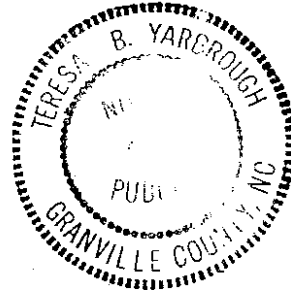
I, Teresa B. Yarbrough, a Notary Public of the County and State aforesaid, certify that W. Guy Sager Jr. personally came before me this day and acknowledged that he is Secretary of C. RICHARD DOBSON BUILDER, INC., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her/himself as its Secretary.

WITNESS my hand and notarial seal, this the 13 day of October, 1994.

Teresa B. Yarbrough

Notary Public

My Commission Expires: 7-31-99



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate 2 of David R. Grant,

Teresa B. Yarbrough

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

By Joyce L. Johnson
Asst./Deputy Register of Deeds

3. The original Exhibit "A" to the Declaration, setting forth a legal description of Phase I and the Original Units, is hereby deleted and replaced by the revised Exhibit "A" attached hereto and incorporated herein by reference, setting forth a corrected legal description of Phase I and the Original Units and including in the Declaration a legal description of Phase II and the Additional Units.

4. The original Exhibit "C" to the Declaration, stating the identifying numbers, model types, and sizes of the Units; the respective percentages of undivided interest in the common areas appurtenant thereto; and the amounts of initial monthly assessments allocated to the respective Units, is hereby deleted and replaced by the revised Exhibit "C" attached hereto and incorporated herein by reference.

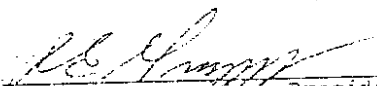
5. The original Exhibit "D" to the Declaration, setting forth the types and unit numbers of, and corresponding proportional interests relating to the costs of maintenance, insurance, electrical service, and other similar charges for, the limited common element made up of each covered parking area building housing the garages and carports conveyed to the Unit owners, is hereby deleted and replaced by the revised Exhibit "D" attached hereto and incorporated herein by reference.

6. Except as herein amended and modified, all terms and provisions of the Declaration shall remain in full force and effect.

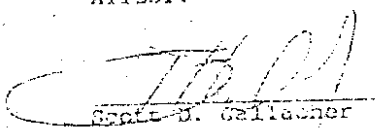
IN WITNESS WHEREOF, the Developer has caused this First Amendment to Declaration to be executed pursuant to due authority, the day and year first above written.

TEMPO DEVELOPERS, INC., d/b/a
LOCHRIDGE LAKESIDE, INC., a
Virginia Corporation authorized
to transact business in the State
of North Carolina

By:

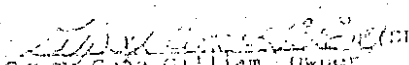

R. E. Gray, President

ATTEST:


Scott D. Gallacher
Assistant Secretary

(CORPORATE SEAL)

The following parties join in the execution of this First Amendment to Declaration of Condominium for Lochridge Lakeside Condominium to acknowledge their agreement with the revisions effected hereby, all the day and year first above written.

 (SEAL)
Gypsy Cone Gilliam, Owner
of Lot 3, Lochridge Lakeside
Condominium

COLUMBIA RIVER FEDERAL SAVINGS
AND LOAN ASSOCIATION,
a Corporation, First Lien Holder
on Lot 1, Lochridge Lakeside
Condominium

By: _____

Title: _____

ATTEST:

Title: Assistant Secretary
Mortgage Division

(CORPORATE SEAL)

COMMONWEALTH/STATE OF VIRGINIA

CITY/COUNTY OF _____

I, Kathleen E. Gallagher, a Notary Public of
the Commonwealth/State of Virginia, City/County of _____,
do hereby certify that Scott B. Gallacher
personally appeared before me this day and acknowledged that he is
Assistant Secretary of TEMPO DEVELOPERS, INC., f/b/a LOCHRIDGE
LAKESIDE, INC., a Virginia Corporation authorized to transact
business in the State of North Carolina, and that, by authority
duly given and as an act of the Corporation, the foregoing
instrument was signed in its name by its President, sealed with
its corporate seal, and attested by himself as its Assistant
Secretary.

Witness my hand and official stamp or seal, this the _____
day of _____, 1990.

Notary Public

(STAMP - SEAL)

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, PANDRA E. FLEMING, a Notary Public of
FARMINGTON County, State of North Carolina, do
hereby certify that GYPSY CONE GILLIAM personally appeared before
me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official stamp or seal, this the 11th
day of August, 1990.



Pandra E. Fleming
Notary Public

My Commission Expires: 11-22-92

STATE OF Alabama
COUNTY OF Blount

I, Donald L. Smith, a Notary Public of
Blount County, State of Alabama, do
hereby certify that James L. Smith personally
appeared before me this day and acknowledged that he is
James L. Smith Secretary of COLUMBIA BANKING FEDERAL SAVINGS AND
LOAN ASSOCIATION, a Corporation, and that, by authority duly given
and as an act of the Corporation, the foregoing instrument was
signed in its name by its President, sealed with its
corporate seal, and attested by James L. Smith self as its
Secretary.

Witness my hand and official stamp or seal, this the 11th
day of August, 1990.

Donald L. Smith
Notary Public

(STATE - AL)

My Commission Expires: 11/22/92

AKK 20042

The following certificate is given by _____
Santa Fe County

Barbara R. Cook

EX-1755PG0303

EXHIBIT "A"
to
DECLARATION OF CONDOMINIUM FOR LOCHRIDGE LAKESIDE CONDOMINIUM

PHASE I

BEING all of that real property designated as "Phase 1, Bldg. A," on map entitled "Lochridge Lakeside Condominiums," dated May 31, 1990, prepared by Runa A. Cooper and Co., P. A., Land Surveyors, and recorded in Condo File No. 151, Pages 1, 2 (as rerecorded in Condo File No. 151, Page 4), and 3, all Wake County Registry, North Carolina.

PHASE II

BEING all of that real property designated as "Phase 2, Bldg. B," on map entitled "Lochridge Lakeside Condominiums," dated July 12, 1990, prepared by Runa A. Cooper and Co., P. A., Land Surveyors, and recorded in Condo File No. 151, Pages 5 through 7, Wake County Registry, North Carolina.

EXH 75579304

EXHIBIT "A" (Continued)

PHASES III through VIII

BEGINNING at an existing iron pipe in the southern boundary line of property now or formerly owned by Saint Francis United Methodist Church, and running with said boundary line, South 87 degrees 47 minutes 17 seconds East 304.51 feet to a point; running thence with a new line, South 24 degrees 59 minutes 21 seconds West 93.34 feet to a point; running thence South 12 degrees 43 minutes 18 seconds East 101.76 feet to a point; running thence South 41 degrees 53 minutes 52 seconds East 107.79 feet to a point; running thence South 31 degrees 20 minutes 02 seconds East 107.76 feet to a point; running thence South 67 degrees 29 minutes East 120.24 feet to a point; running thence South 50 degrees 56 minutes 10 seconds East 90.65 feet to a point; running thence South 06 degrees 35 minutes 31 seconds West 178.94 feet to a point; running thence South 07 degrees 56 minutes 55 seconds West 162.02 feet to a point; running thence South 28 degrees 06 minutes 14 seconds West 227.74 feet to a point; running thence South 17 degrees 14 minutes 20 seconds West 224.01 feet to a point; running thence South 42 degrees 42 minutes 49 seconds West 127.11 feet to a point; running thence North 47 degrees 17 minutes 11 seconds West 22.24 feet to a point; running thence North 81 degrees 26 minutes 44 seconds West 95.78 feet to a point; running thence North 10 degrees 34 minutes 42 seconds West 32.20 feet to a point; running thence North 45 degrees 19 minutes 58 seconds West 52.69 feet to a point; running thence along a curve to the left with a radius of 175.36 feet and an arc distance of 104.62 feet to a point; running thence North 04 degrees 52 minutes 46 seconds East 132.51 feet to a point; running thence along a curve to the right with a radius of 234.06 feet and an arc distance of 156.59 feet to a point; running thence North 43 degrees 06 minutes 46 seconds East 100 feet to a point; running thence along a curve to the left with a radius of 173.48 feet and an arc distance of 249.51 feet to a point; running thence along another curve to the left with a radius of 278.07 feet and an arc distance of 277.94 feet; running thence North 02 degrees 05 minutes 32 seconds West 160.34 feet to a point; running thence North 13 degrees 01 minutes 50 seconds West 289.45 feet to the point and place of BEGINNING, being that 8.0555 acres as shown on a Boundary Plat entitled LOCHRIDGE LAKESIDE, by Runa A. Cooper, Land Surveyors, dated June 29, 1988, and recorded in Book of Maps 1988, Page 913, Wake County Registry.

SAVED AND EXCEPTED herefrom is that property described herein as Phases I and II, respectively, Lochridge Lakeside Condominium.

644753-01305

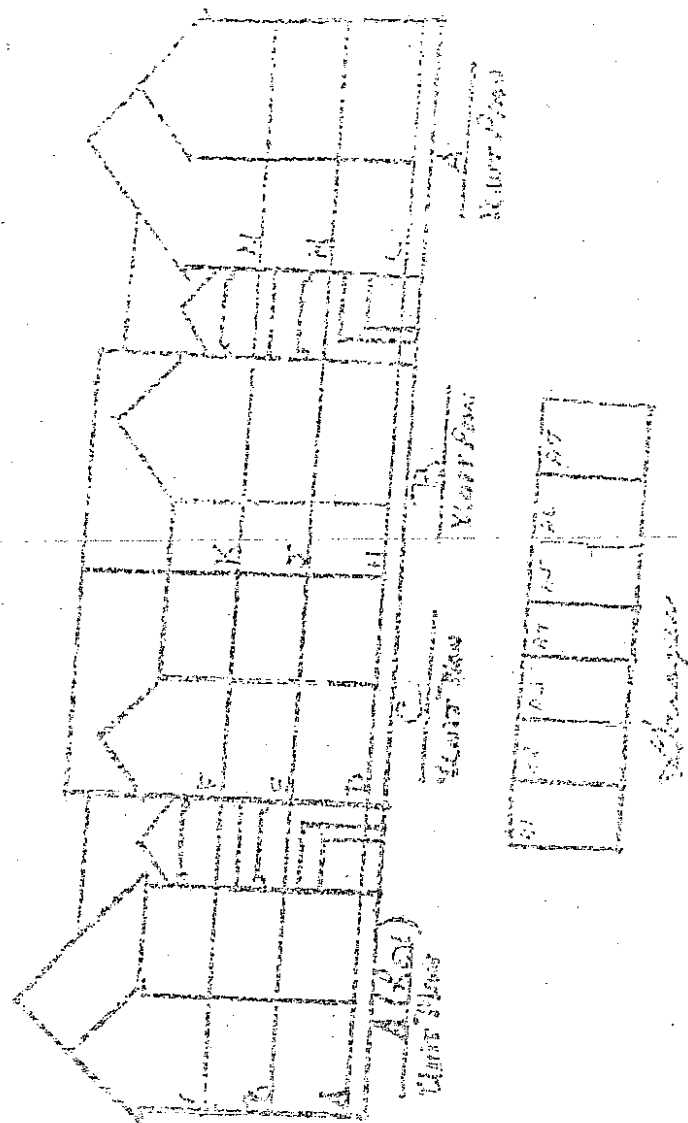
EXHIBIT "C"

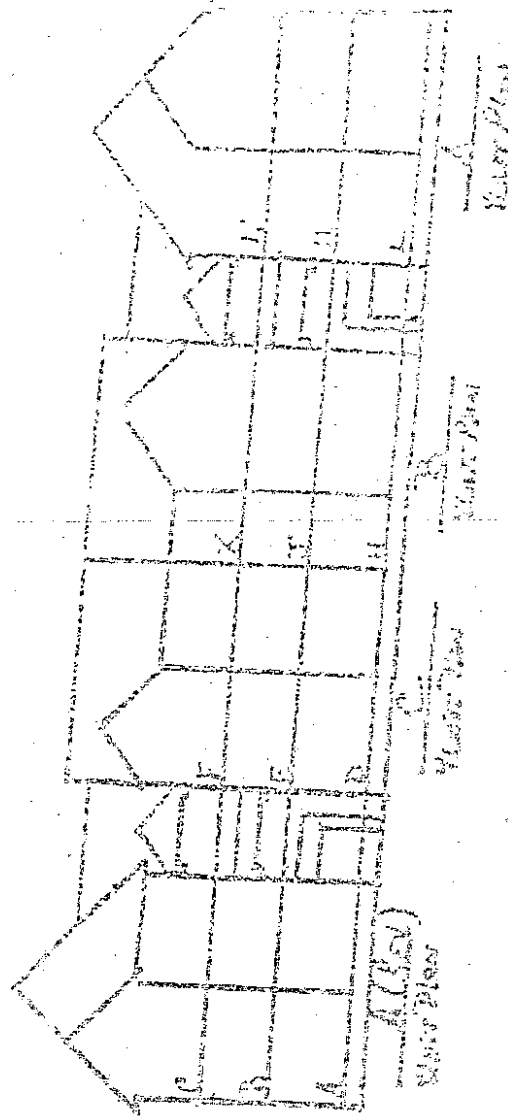
10

DECLARATION OF CONDOMINIUM FOR LOCHRIDGE LAKESIDE CONDOMINIUM

<u>Unit Number</u> (Lot-Building- Unit)	<u>Model Type</u>	<u>Approximate</u> <u>Area -</u> <u>Square Feet</u>	<u>Percentage</u> <u>Ownership</u>	<u>Initial</u> <u>Monthly</u> <u>Assessment</u>
<u>PHASE I, BUILDING A</u>				
Lot 1-329-A	A-Rev.	1,483	4.475	\$ 78.00
Lot 2-329-B	A-Rev.	1,492	4.495	78.00
Lot 3-329-C	A-Rev.	1,492	4.495	78.00
Lot 4-329-D	C	1,267	3.815	65.00
Lot 5-329-E	C	1,267 (Model)	3.815	65.00
Lot 6-329-F	C	1,267	3.815	65.00
Lot 7-329-H	B	1,287	3.875	65.00
Lot 8-329-J	B	1,267 (Model)	3.875	65.00
Lot 9-329-V	B	1,287	3.875	65.00
Lot 10-329-L	A	1,483	4.475	78.00
Lot 11-329-M	A	1,492	4.495	78.00
Lot 12-329-N	A	1,492 (Model)	4.495	78.00
<u>PHASE II, BUILDING B</u>				
Lot 13-325-A	A-Rev.	1,483	4.475	78.00
Lot 14-325-B	A-Rev.	1,492	4.495	78.00
Lot 15-325-C	A-Rev.	1,492	4.495	78.00
Lot 16-325-D	C	1,267	3.815	65.00
Lot 17-325-E	C	1,267	3.815	65.00
Lot 18-325-F	C	1,267	3.815	65.00
Lot 19-325-H	B	1,287	3.875	65.00
Lot 20-325-J	B	1,287	3.875	65.00
Lot 21-325-K	B	1,287	3.875	65.00
Lot 22-325-L	A	1,483	4.475	78.00
Lot 23-325-M	A	1,492	4.495	78.00
Lot 24-325-N	A	1,492	4.495	78.00

16,526 Square Feet 100.0000





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EXHIBIT "C"
to
DECLARATION OF CONDOMINIUM FOR LOCKRIDGE LAKESIDE CONDOMINIUM

GARAGES AND CARPORTS (Limited Common Elements)

<u>Item</u>	<u>Unit Number</u>	<u>Proportional Interest</u>
<u>PHASE I, BUILDING A</u>		
Garage	A-1	1/7th
Garage	A-2	1/7th
Carport	A-3	1/7th
Carport	A-4	1/7th
Carport	A-5	1/7th
Garage	A-6	1/7th
Garage	A-7	1/7th
<u>PHASE II, BUILDING B</u>		
Garage	B-1	1/7th
Garage	B-2	1/7th
Carport	B-3	1/7th
Carport	B-4	1/7th
Carport	B-5	1/7th
Garage	B-6	1/7th
Garage	B-7	1/7th

PRESENTED

Page 691

FOR

REGISTRATION

Prepared by and Return to: Linda Ellington, Atty., Newsom, Graham et al, P. 04 SEP 9 1579, Durham, NC 27717-1579

KENNETH C. BULLOCK

NORTH CAROLINA

RESTATED SECOND AMENDMENT TO DECLARATION OF

WAKE COUNTY CONDOMINIUM

WAKE COUNTY

FOR LOCHRIDGE LAKESIDE CONDOMINIUM

THIS RESTATED SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM FOR LOCHRIDGE LAKESIDE CONDOMINIUM is made this 29th day of July, 1994 by C. RICHARD DOBSON BUILDER, INC., a Virginia corporation authorized to transact business in the State of North Carolina (the "Developer") and LOCHRIDGE LAKESIDE CONDOMINIUM ASSOCIATION, INC. and LOCHRIDGE LAKESIDE CONDOMINIUM (hereinafter collectively referred to as the "Grantees");

W I T N E S S E T H:

THAT WHEREAS, Tempo Developers d/b/a Lochridge Lakeside, Inc. was the original developer of certain real property (hereinafter referred to as "Condominium Phase I"), located in the City of Cary, Wake County, North Carolina that was subjected pursuant to the North Carolina Condominium Act, as set forth in Chapter 47C of the General Statutes of North Carolina, to a condominium regime known as Lochridge Lakeside Condominium (hereinafter referred to as the "Condominium") by the Declaration of Condominium recorded on the 26th day of June, 1990 in Book 4729, Page 276, Wake County Registry, North Carolina (Condominium Phase I); and

WHEREAS, by the First Amendment to Declaration of Condominium recorded August 7, 1990 in Book 4755, Page 297, Wake County Registry, North Carolina (the "Amended Declaration") the Developer added the real property set forth in such Amended Declaration (known as Condominium

Phase II) to the Declaration. (The Declaration, as amended by the Amended Declaration, shall be the "Declaration"); and

WHEREAS, the original developer did reserve in the Declaration the right to (1) expand the Condominium beyond the original units, which, with the common areas, limited common areas and facilities appertaining thereto constituted the Condominium Phase I (Building #1 or "Building A") and (2) to designate common areas and create the limited common areas and facilities in the expanded Condominium area; and

WHEREAS, by the Amended Declaration, the original developer did expand the Condominium as described above by creating Condominium Phase II (Building #2 or "Building B"); and

WHEREAS, Developer purchased from the successor to the original Developer, among other properties, the property known in the Declaration as Condominium Phase III in January 1994, and in connection with such purchase, Developer also received the special declarant rights to the Phase III and accepted such rights by acknowledgement to the deed, all as set forth in N.C.G.S. 47C-3-104(e); and

WHEREAS, Developer attempted to subject Condominium Phase III to the Condominium by a document entitled "Second Amendment to Declaration of Condominium", previously recorded January 27th, 1994 in Book 5981 Page 773 Wake County Registry but, because the recordation of such document did not comply with N.C. G.S. 47C-2-101, the recording of such document had no legal effect; and

WHEREAS, it is the intention of the Developer to now subject to the Condominium the property described on Exhibit A as Condominium Phase III (Building #3 or "Building C") of the Condominium, including

the additional units constructed thereon(hereinafter the "Additional Units"), with common areas, limited common areas and facilities appertaining thereto; and

NOW, THEREFORE, this Restated Second Amendment does amend and supplement the Declaration, as amended, as follows:

1. The Developer does hereby rescind and withdraw that Second Amendment recorded in Book 5981 Page 773.

2. The Developer does hereby annex and subject to the Condominium that property described on Exhibit A hereto as Condominium Phase III, together with the Additional Units located thereon and the common areas, limited common areas and facilities appertaining thereto. The certificate of substantial completion of Building C is attached hereto and recorded herewith.

3. The Exhibit A to the Declaration setting forth the legal description as Condominium Phase I and Condominium Phase II is hereby deleted and replaced by the revised Exhibit B attached hereto and incorporated herein by reference setting forth a legal description of Condominium Phases I and II and including a legal description of Condominium Phase III and the Additional Units.

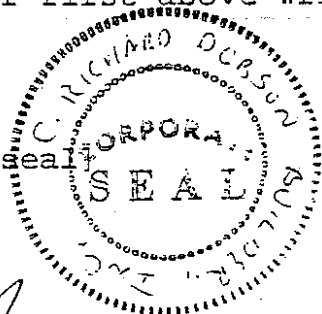
4. The Exhibit C to the Declaration, stating the identifying numbers, model types, and sizes of the Units, the respective percentages of undivided interest in the common areas appurtenant thereto; and the amounts of initial monthly assessments allocated to the respective units is hereby deleted and replaced by the revised Exhibit D attached hereto and incorporated herein by reference.

5. The Exhibit G to the Declaration, setting forth the types and unit numbers of, and corresponding proportional interests relating to the costs of maintenance, insurance, electrical service, and other similar charges for, the limited common element made up of each covered parking area building housing the garages and carports conveyed to the unit owners is hereby deleted and replaced by the revised Exhibit G attached hereto and incorporated herein by reference.

5. Except as herein amended and modified, all terms and provisions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused this Revised Second Amendment to Declaration to be executed pursuant to due authority the day and year first above written.

[corporate seal]



C. RICHARD DOBSON BUILDER, INC., a
Virginia corporation

By: _____

Chae
President

ATTEST:

W. J. Jansen
Asst. Secretary

COMMONWEALTH OF VIRGINIA

COUNTY/CITY OF Newport News

I, Raguel R. Linsen, a Notary Public of the County and State aforesaid, certify that SVEIN J. LASSEN personally came before me this day and acknowledged that he is Asst. Secretary of C. RICHARD DOBSON BUILDER, INC., a Virginia 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, sealed with its corporate seal and attested by her/himself as its _____ Secretary.

WITNESS my hand and notarial seal, this the 29th day of July, 1994.

Rachel R. Linger
Notary Public

My Commission Expires: 11-30-97

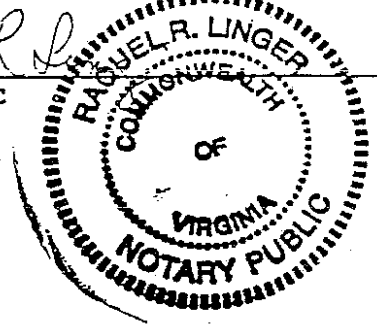


EXHIBIT A

Being all of that real property designated as Phase 3 Building C on map entitled "Lochridge Lakeside Phase 2 (for zoning) Building C" and recorded in Condo File No. 151 Pages 8 and 9, Wake County Registry.

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EXHIBIT B
to
Declaration of Condominium

PHASE I

Being all that real property designated as Phase 1, Building A on map entitled "Lochridge Lakeside Condominiums" dated May 31, 1990 prepared by Runa A. Cooper and Co. P.A. Land Surveyors and recorded in Condo File No. 151 Pages 1,2 (as recorded in Condo File No. 151, Page 4) and 3, all Wake County Registry

PHASE II

Being all that real property designated as Phase 2 Building B on map entitled Lochridge Lakeside Condominiums dated July 12, 1990 prepared by Runa A. Cooper and Co. P.A. Land Surveyors and recorded in Condo File No. 151 Pages 5 through 7 Wake County Registry.

PHASE III

Being all of that real property designated as Phase 3 Building C on map entitled Lochridge Lakeside Condominiums Phase 2 (for zoning) Building 3" and recorded in Condo File No. 151 Pages 8 & 9, Wake County Registry.

EXHIBIT C TO
DECLARATION OF CONDOMINIUM

<u>Unit Number</u> (<u>lot-Building</u> <u>Unit</u>)	<u>Model</u> <u>Type</u>	<u>Approximate</u> <u>Area</u> <u>Square Feet</u>	<u>Percentage</u> <u>Ownership</u>	<u>Initial</u> <u>Monthly</u> <u>Assessments</u>
Phase I Building A				
Lot 1-329-A	A-Rev	1,483	3.023	\$92.40
Lot 2-329-B	A-Rev	1,492	3.041	92.40
Lot 3-329-C	A-Rev	1,492	3.041	92.40
Lot 4-329-D	C	1,267	2.582	77.00
Lot 5-329-E	C	1,267	2.582	77.00
Lot 6-329-F	C	1,267	2.582	77.00
Lot 7-329-H	B	1,287	2.623	77.00
Lot 8-329-J	B	1,287	2.623	77.00
Lot 9-329-K	B	1,287	2.623	77.00
Lot 10-329-L	A	1,483	3.023	92.40
Lot 11-329-M	A	1,492	3.041	92.40
Lot 12-329-N	A	1,492	3.041	92.40
Phase II Building B				
Lot 13-325-A	A-Rev	1,483	3.023	\$92.40
Lot 14-325-B	A-Rev	1,492	3.041	92.40
Lot 15-325-C	A-Rev	1,492	3.041	92.40
Lot 16-325-D	C	1,267	2.582	77.00
Lot 17-325-E	C	1,267	2.582	77.00
Lot 18-325-F	C	1,267	2.582	77.00
Lot 19-325-H	B	1,287	2.623	77.00
Lot 20-325-J	B	1,287	2.623	77.00
Lot 21-325-K	B	1,287	2.623	77.00
Lot 22-325-L	A	1,483	3.023	92.40
Lot 23-325-M	A	1,492	3.041	92.40
Lot 24-325-N	A	1,492	3.041	92.40
PHASE III Building C				
Lot 25-321-A	A-Rev	1,428	2.911	\$92.40
Lot 26-321-B	A-Rev	1,428	2.911	92.40
Lot 27-321-C	A-Rev	1,428	2.911	92.40

Lot 28-321-D	C	1,204	2.454	77.00
Lot 29-321-E	C	1,204	2.454	77.00
Lot 30-321-F	C	1,204	2.454	77.00
Lot 31-321-H	B	1,230	2.507	77.00
Lot 32-321-J	B	1,230	2.507	77.00
Lot 33-321-K	B	1,230	2.507	77.00
Lot 34-321-L	A	1,428	2.910	92.40
Lot 35-321-M	A	1,428	2.910	92.40
Lot 36-321-N	A	1,428	2.910	92.40
			<u>100.00%</u>	

EXHIBIT G
TO DECLARATION OF CONDOMINIUM

TYPE	UNIT NUMBER	PROPORTIONAL INTEREST
------	-------------	-----------------------

PHASE I BUILDING A

Garage	A-1	1/7th
Garage	A-2	1/7th
Carport	A-3	1/7th
Carport	A-4	1/7th
Carport	A-5	1/7th
Garage	A-6	1/7th
Garage	A-7	1/7th

PHASE II BUILDING B

Garage	B-1	1/7th
Garage	B-2	1/7th
Carport	B-3	1/7th
Carport	B-4	1/7th
Carport	B-5	1/7th
Garage	B-6	1/7th
Garage	B-7	1/7th

PHASE III BUILDING C

Garage	C-1	1/7th
Garage	C-2	1/7th
Carport	C-3	1/7th
Carport	C-4	1/7th
Carport	C-5	1/7th
Garage	C-6	1/7th
Garage	C-7	1/7th

Prepared by and Return to: Robert O. Belo, Esquire, Newsom, Graham, et al., P.O. Box 51579,
Durham, NC 27717-1579

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KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

STATE OF NORTH CAROLINA

**THIRD AMENDMENT TO DECLARATION
OF CONDOMINIUM FOR LOCHRIDGE
LAKESIDE CONDOMINIUM**

COUNTY OF WAKE

THIS THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM FOR
LOCHRIDGE LAKESIDE CONDOMINIUM made this the 23 day of February, 1995 by
C. RICHARD DOBSON BUILDERS, INC., a Virginia corporation authorized to transact business
in the State of North Carolina (the "Developer") and LOCHRIDGE LAKESIDE
CONDOMINIUM ASSOCIATION, INC. and LOCHRIDGE LAKESIDE CONDOMINIUM
(hereinafter collectively referred to as the "Grantees");

WITNESSETH:

WHEREAS, there was created pursuant to Chapter 47C of the General Statutes of North
Carolina, a condominium regime known as Lochridge Lakeside Condominium (hereinafter
referred to as the "Condominium") by the Declaration of Condominium recorded on the 26th day
of June, 1990 in Book 4729, Page 276, Wake County Registry, North Carolina (Condominium
Phase I); and

WHEREAS, said regime has been amended to add additional phases on two previous
occasions and found in Book 4755, Page 297, Wake County Registry, North Carolina and Book
6279, Page 691, and re-recorded in Book 6307, Page 588, Wake County Registry, North
Carolina; and

WHEREAS, developer now wishes to subject to the Condominium the property described on Exhibit A as Condominium Phase IV (Building No. 4 or "Building D") of the Condominium, including the additional units constructed thereon (hereinafter the "Additional Units"), with common areas, limited common areas and facilities appertaining thereto; and

NOW, THEREFORE, this Third Amendment does amend and supplement the Declaration, as amended, as follows:

1. The Developer does hereby annex and subject to the Condominium that property described on Exhibit A hereto as Condominium Phase IV, together with the Additional Units located thereon and the common areas, limited common areas and facilities appertaining thereto. The certificate of substantial completion of Building D is affixed hereto or appears on the plat and map showing Phase IV referenced herein.

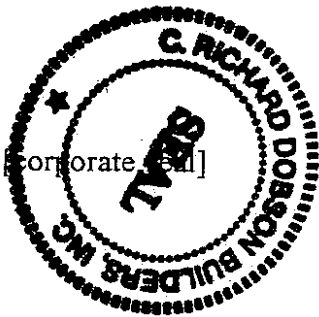
2. The Exhibit A to the Declaration setting forth the legal description as Condominium Phase I, Condominium Phase II, and Condominium Phase III is hereby deleted and replaced by the revised Exhibit B attached hereto and incorporated herein by reference setting forth a legal description of Condominium Phases I, II, and III, and including a legal description of Condominium Phase IV and the Additional Units.

3. The Exhibit C to the Declaration, stating and identifying numbers, model types, and sizes of the units, the respective percentages of undivided interest in the common areas appurtenant thereto; and the amounts of initial monthly assessments allocated to the respective units is hereby deleted and replaced by the revised Exhibit D attached hereto and incorporated herein by reference.

4. The Exhibit G to the Declaration, setting forth the types and unit numbers of, and corresponding proportional interests relating to the costs of maintenance, insurance, electrical service, and other similar charges for, the limited common element made up of each covered parking area building housing the garages and carports conveyed to the unit owners is hereby deleted and replaced by the revised Exhibit G attached hereto and incorporated herein by reference.

5. Except as herein amended and modified, all terms and provisions of the Declaration as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused this Third Amendment to Declaration to be executed pursuant to due authority the day and year first above written.



C. RICHARD DOBSON BUILDERS, INC., a
Virginia corporation

By: _____

President

ATTEST:

Secretary

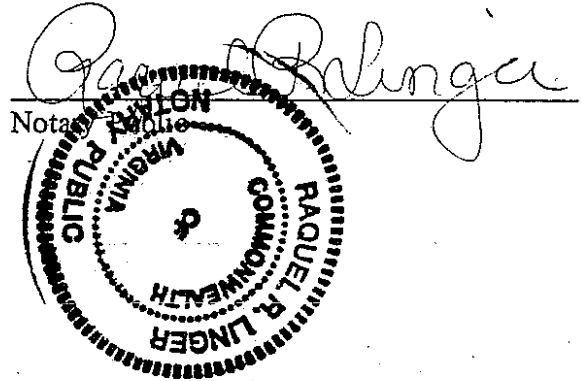
COMMONWEALTH OF VIRGINIA

COUNTY/CITY OF Newport News

I, Raquel R. Linger, a Notary Public of the County and State aforesaid, certify that H. Guy Sager, Jr. personally came before me this day and acknowledged that he is _____ Secretary of C. RICHARD DOBSON BUILDERS, INC., a Virginia 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, sealed with its corporate seal and attested by her/himself as its _____ Secretary.

WITNESS my hand and notarial seal, this the 23 day of February 1995.

My Commission Expires: 11-30-97



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate _____ of _____

Raquel R. Linger _____ 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 Regina R. Cooke
Asst./Deputy Register of Deeds

EXHIBIT A

LEGAL DESCRIPTION

Being all of that real property designated as Phase II (or 2) Building D on map entitled Lochridge Lakeside Condominiums Phase II (or 2) Building D" and recorded in Condo File No. 151 Pages 11 & 12, Wake County Registry.

EXHIBIT B

to

Declaration of Condominium

PHASE I (Building A)

Being all that real property designated as Phase 1, Building A on map entitled "Lochridge Lakeside Condominiums" dated May 31, 1990 prepared by Runa A. Cooper and Co. P.A. Land Surveyors and recorded in Condo File No. 151 Pages 1,2 (as recorded in Condo File No. 151, Page 4) and 3, all Wake County Registry

PHASE II (Building B)

Being all that real property designated as Phase 2 Building B on map entitled Lochridge Lakeside Condominiums dated July 12, 1990 prepared by Runa A. Cooper and Co. P.A. Land Surveyors and recorded in Condo File No. 151 Pages 5 through 7 Wake County Registry.

PHASE III (Building C)

Being all of that real property designated as Phase 3 Building C on map entitled Lochridge Lakeside Condominiums Phase 2 (for zoning) Building 3" and recorded in Condo File No. 151 Pages 8 & 9, Wake County Registry.

PHASE IV (Building D)

Being all of that real property designated as Phase II (or 2) Building D on map entitled Lochridge Lakeside Condominiums Phase II (or 2) Building D" and recorded in Condo File No. 151 Pages 11 & 12, Wake County Registry.

EXHIBIT C
TO DECLARATION OF CONDOMINIUM

Unit Number (lot-Building Unit)	Model Type	Approximate Area Square Feet	Percentage Ownership	Initial Monthly Assessments
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Phase I Building A (Phase I from Exhibit B)

Lot 1-329-A	A-Rev	1,483	2.2839	\$92.40
Lot 2-329-B	A-Rev	1,492	2.2978	92.40
Lot 3-329-C	A-Rev	1,492	2.2978	92.40
Lot 4-329-D	C	1,267	1.9513	77.00
Lot 5-329-E	C	1,267	1.9513	77.00
Lot 6-329-F	C	1,267	1.9513	77.00
Lot 7-329-H	B	1,287	1.9821	77.00
Lot 8-329-J	B	1,287	1.9821	77.00
Lot 9-329-K	B	1,287	1.9821	77.00
Lot 10-329-L	A	1,483	2.2839	92.40
Lot 11-329-M	A	1,492	2.2978	92.40
Lot 12-329-N	A	1,492	2.2978	92.40

Phase II Building B (Phase II from Exhibit B)

Lot 13-325-A	A-Rev	1,483	2.2839	\$92.40
Lot 14-325-B	A-Rev	1,492	2.2978	92.40
Lot 15-325-C	A-Rev	1,492	2.2978	92.40
Lot 16-325-D	C	1,267	1.9513	77.00
Lot 17-325-E	C	1,267	1.9513	77.00
Lot 18-325-F	C	1,267	1.9513	77.00
Lot 19-325-H	B	1,287	1.9821	77.00
Lot 20-325-J	B	1,287	1.9821	77.00
Lot 21-325-K	B	1,287	1.9821	77.00
Lot 22-325-L	A	1,483	2.2839	92.40
Lot 23-325-M	A	1,492	2.2978	92.40
Lot 24-325-N	A	1,492	2.2978	92.40

PHASE II Building C (Phase III from Exhibit B)

Lot 25-321-A	A-Rev	1,428	2.1992	\$92.40
Lot 26-321-B	A-Rev	1,428	2.1992	92.40
Lot 27-321-C	A-Rev	1,428	2.1992	92.40
Lot 28-321-D	C	1,204	1.8542	77.00
Lot 29-321-E	C	1,204	1.8542	77.00
Lot 30-321-F	C	1,204	1.8542	77.00
Lot 31-321-H	B	1,230	1.8943	77.00
Lot 32-321-J	B	1,230	1.8943	77.00
Lot 33-321-K	B	1,230	1.8943	77.00
Lot 34-321-L	A	1,428	2.1992	92.40
Lot 35-321-M	A	1,428	2.1992	92.40
Lot 36-321-N	A	1,428	2.1992	92.40

PHASE II Building D (Phase IV from Exhibit B)

Lot 317-A	A-Rev	1,428	2.1992	\$92.40
Lot 317-B	A-Rev	1,428	2.1992	92.40
Lot 317-C	A-Rev	1,428	2.1992	92.40
Lot 317-D	C	1,204	1.8542	77.00
Lot 317-E	C	1,204	1.8542	77.00
Lot 317-F	C	1,204	1.8542	77.00
Lot 317-H	B	1,230	1.8943	77.00
Lot 317-J	B	1,230	1.8943	77.00
Lot 317-K	B	1,230	1.8943	77.00
Lot 317-L	A	1,428	2.1992	92.40
Lot 317-M	A	1,428	2.1992	92.40
Lot 317-N	A	1,428	2.1992	92.40

 100.00%

EXHIBIT G
TO DECLARATION OF CONDOMINIUM

TYPE	UNIT NUMBER	PROPORTIONAL INTEREST
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PHASE I BUILDING A (Phase I from Exhibit B)

Garage	A-1	1/7th
Garage	A-2	1/7th
Carport	A-3	1/7th
Carport	A-4	1/7th
Carport	A-5	1/7th
Garage	A-6	1/7th
Garage	A-7	1/7th

PHASE II BUILDING B (Phase II from Exhibit B)

Garage	B-1	1/7th
Garage	B-2	1/7th
Carport	B-3	1/7th
Carport	B-4	1/7th
Carport	B-5	1/7th
Garage	B-6	1/7th
Garage	B-7	1/7th

PHASE II BUILDING C (Phase III from Exhibit B)

Garage	C-1	1/5th
Garage	C-2	1/5th
Carport	C-3	1/5th
Carport	C-4	1/5th
Carport	C-5	1/5th

PHASE II BUILDING D (Phase IV from Exhibit B)

Garage	D-1	1/7th
Garage	D-2	1/7th
Garage	D-3	1/7th
Garage	D-4	1/7th

Garage	D-5	1/7th
Garage	D-6	1/7th
Garage	D-7	1/7th

BK6316PG0700

STATE OF NORTH CAROLINA

COUNTY OF WAKE

AMENDMENT TO DECLARATION
OF CONDOMINIUM FOR LOCHRIDGE
LAKESIDE CONDOMINIUM, INC.

THIS AMENDMENT TO DECLARATION of Condominium for Lochridge
Lakeside Condominium, Inc. made on this the 6th day of OCTOBER,
1994.

WHEREAS, the Declaration of Condominium for Lochridge Lakeside
Condominium, Inc. was filed in the office of the Register of Deeds
on JUNE 26th, 1990, in Book 4729, Page 276 as amended in
Book 4755, Page 297/ and Bk 6279 pg 691 (which amendment was rerecorded Bk 6307 Pg 5
"Declaration"); and

WHEREAS, the Unit Owners within Lochridge Lakeside Condominium
wish to amend Articles XI, XXVII, and XXX of the Declaration as set
forth hereinbelow; and

WHEREAS, Article XXVII A. of the Declaration provides that the
Declaration may be amended with the approval at a meeting by an
affirmative vote of members both of Unit Owners owning ninety (90%)
percent of the undivided interest in the Common Areas and
Facilities; and

WHEREAS, a meeting of the Unit Owners has been called and
conducted as provided in Article XXVII A. of the Declaration, at
which meeting the following Amendments to the Declaration were
approved by the affirmative vote of Unit Owners owning at least
ninety (90%) percent of the undivided interest in the Common Areas
and Facilities in accordance with Article XXVII A. of the
Declaration.

KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

94 OCT 21 PM 1:53

000200

PRESENTED
FOR
REGISTRATION

IN WITNESS WHEREOF, the Lochridge Lakeside Condominium, Inc.
has caused this instrument to be signed and executed this 13th day
of October, 1994.

Lochridge LAKESIDE CONDOMINIUM, INC.

By: [Signature]

President

ATTEST:

(CORPORATE SEAL)

[Signature]
Secretary

C. RICHARD DOBSON BUILDERS, INC.

By: [Signature]

President

ATTEST:

(CORPORATE SEAL)

[Signature]
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF WAKE

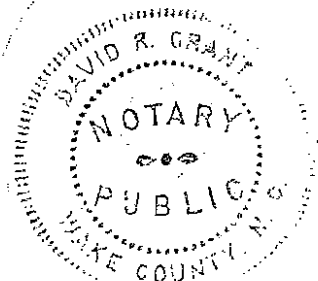
I, DAVID R. GRANT, a Notary Public of the
County and State aforesaid, certify that Reginald B. Nipper, Sr.,
personally came before me this day and acknowledged that he/she is
Secretary of The Lochridge Lakeside Condominium, Inc., a North
Carolina non-profit corporation, and that by authority duly given
and as the act of the corporation, the foregoing instrument was
signed in its name by its President, sealed with its corporate seal
and attested by Reginald B. Nipper, Sr. as its Secretary.

Witness my hand and official stamp or seal, this 12th day of
October, 1994.

[Signature]
Notary Public

My commission expires:

7/19/98



STATE OF NORTH CAROLINA

COUNTY OF ~~DURHAM~~ Granville

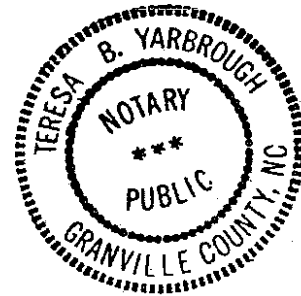
I, Teresa B. Yarbrough, a Notary Public of the County and State aforesaid, certify that W. Guy Sager Jr. personally came before me this day and acknowledged that he is Secretary of C. RICHARD DOBSON BUILDER, INC., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her/himself as its Secretary.

WITNESS my hand and notarial seal, this the 13 day of October, 1994.

Teresa B. Yarbrough

Notary Public

My Commission Expires: 7.31.99



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate is of David A. Grant
Teresa B. Yarbrough
 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

By Kenneth C. Wilkins
 Asst. Deputy Register of Deeds