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DECLARATION OF

THE ORCHARD VILLAS, A CONDOMINIUM

Prepared by and after recording mail to:

Lance R. Fife
CLIFTON & SINGER, LLP
9131 Anson Way, Suite 208
Raleigh, North Carolina 27615

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THE ORCHARD VILLAS, A CONDOMINIUM

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TABLE OF CONTENTS

To

Declaration of The Orchard Villas, A Condominium

ARTICLE I. DEFINITIONS....1

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

2.1 Name of Condominium....5
2.2 Name of Association....5
2.3 County....5
2.4 General Description of the Real Estate....5
2.5 Division of Property into Separately Owned Units....5
2.6 Alterations of Units....5
2.7 Description of Units....5
2.8 Use of Common Elements....7
2.9 Description of Limited Common Elements....7
2.10 Allocated Interests....7
2.11 Title Exceptions....8
2.12 Nature of Interest in Units....8
2.13 Separate Tax Listings....8
2.14 Unit Owners Rights and Duties....8

ARTICLE III. RESERVATION OF DEVELOPMENT AND SPECIAL DECLARANT RIGHTS

3.1 Reservation of Special Declarant Rights....8
3.2 Transfer of Special Declarant Rights....8

ARTICLE IV GRANT AND RESERVATION OF EASEMENTS

4.1 Encroachments....11
4.2 Easements through Walls....11
4.3 Easements to Repair, Maintain, Restore and Reconstruct....11
4.4 Easements for Utilities....11
4.5 Declarant's Easements....12
4.6 Easements to Run with Land....12

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

5.1 Compliance with Declaration, Bylaws and Rules and Regulations.....12
5.2 Administration of Condominium.....12
5.3 Restrictions on Use, Occupancy and Alienation.....13
5.4 Use by Declarant.....16
5.5 Restrictions, Conditions and Covenants to Run With Land.....17
5.6 Enforcement.....17
5.7 Liens.....17
5.8 Utilization of Clubhouse.....17

ARTICLE VI. ASSESSMENTS FOR COMMON EXPENSES 18

6.1 Assessment Liens.....18
6.2 Personal Liability of Transferees; Statement; Liability of Institutional Lender.....19
6.3 Prohibition of Exemption from Liability for Contribution Toward Common Expenses.....19
6.4 Working Capital Fund.....19

ARTICLE VII. MANAGEMENT, MAINTENANCE, REPAIRS, REPLACEMENTS ALTERATIONS AND IMPROVEMENTS TO THE CONDOMINIUM.....19

7.1 Common Elements.....19
7.2 Common Expense Associated with Limited Common Elements or Benefiting less Than All Units.....20
7.3 Units.....20
7.4 Waiver of Claims.....20
7.5 Right of Entry.....20
7.6 Architectural Control.....21

ARTICLE VIII. INSURANCE.....21

8.1 General.....21
8.2 Responsibility for Obtaining Coverage.....22
8.3 Types of Coverage.....22
8.4 Premiums to be Common Expenses.....23
8.5 Policy Provisions.....23
8.6 Association as Insurance Trustee.....24
8.7 Distribution of Insurance Proceeds.....25
8.8 Insurance Unavailable.....25
8.9 Individual Policy for Unit Owners.....25
8.10 FNMA Requirements.....25

ARTICLE IX. CASUALTY DAMAGE 25

9.1 Duty to Repair 25
9.2 Disposition of Insurance Proceeds in the Event Casualty Damage Not Repaired 26

ARTICLE X. TERMINATION OF THE CONDOMINIUM; CONDEMNATION; AMENDMENT TO THE DECLARATION 26

10.1 Termination 26
10.2 Condemnation 26
10.3 Amendment 27

ARTICLE XI. MORTGAGE PROTECTION 27

11.1 Introduction 27
11.2 Percentage of Eligible Mortgagees 27
11.3 Notice of Actions 27
11.4 Consent Required 27
11.5 Inspection of Books 30
11.6 Financial Statements 30
11.7 Enforcement 30
11.8 Attendance at Meetings 30

ARTICLE XII PROVISIONS RELATING TO THE ASSOCIATION 30

12.1 Creation of Association 30
12.2 Bylaws 30
12.3 All Units Bound 30
12.4 Duties and Powers 30
12.5 Declarant Control Period 31

ARTICLE XIII GENERAL PROVISIONS 31

13.1 Conflict with the Act 31
13.2 Interpretation of Declaration 31
13.3 Captions 31
13.4 Exhibits 31
13.5 Invalidity 31
13.6 Waiver 31
13.7 Law Controlling 31
13.8 Notice to Purchaser 31

DECLARATION OF

THE ORCHARD VILLAS, a CONDOMINIUM

THIS DECLARATION, made this _____ day of _____, 2008, by Apex OV, LLC, a Virginia limited liability company (hereinafter referred to as the "Declarant"), for itself, its successors and assigns, pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, entitled the North Carolina Condominium Act ("Act").

WITNESSETH:

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.14 "Declarant Control Period" shall mean the period commencing on the date hereof and continuing until the earlier of the following five dates: i) the date two years after all Declarants have ceased to offer Units for sale in the ordinary course of business, or ii) the date upon which Declarant surrenders control of the Condominium, or iii) the date 120 days after the Declarant has conveyed 75% of the Units to the Unit Owners other than a Declarant, iv) the date two years after any development right to add new Units was last exercised by Declarant, or v) three years after the first Unit was conveyed.

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

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

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

1.18 "Identifying Number" shall mean the address, which identifies only one unit in the condominium.

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

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

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

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

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

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

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

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

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

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

1.29 "Residential Purposes" means use for dwelling purposes.

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

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

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

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

ARTICLE II

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

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

2.2 Name of Association. The name of the association of unit Owners shall be known as The Orchards Villas Condominium Unit Owners Association, Inc.

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

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

2.5 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into Units and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.6 relating to alteration of Units. Declarant shall create no more than 86 units plus a clubhouse within the Condominium. A Unit may never be altered pursuant to the provisions of Section 47C-2-113 of the Act so as to subdivide Units.

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

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

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

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

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

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

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

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

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

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

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

(vii) the space in the attached garage;

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

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

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

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

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

(iii) fireplace brick chimneys.

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

2.9 Description of Limited Common Elements. Except to the extent that an item which would otherwise be a Limited Common Element is defined as a part of a Unit pursuant to Section 2.7, the Limited Common Elements are as defined above in Article I, and in Sections 47C-2-101(2) and 47C-2-102(4) of the Act, and include those portions of the heating and air conditioning systems for any Unit which are located upon any of the Common Elements, but do not include individual heating or air conditioning units located within a Unit which exclusively serve such a Unit and constitute a part thereof. References herein to Common Elements shall include Limited Common Elements, unless the context clearly indicates otherwise. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy the Limited Common Elements associated with and/or assigned to such Unit Owner's Unit.

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

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

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

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

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

ARTICLE III

RESERVATION OF DEVELOPMENT AND SPECIAL DECLARANT RIGHTS

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

3.2 Transfer of Special Declarant Rights.

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) A successor to only the right reserved in the Condominium Documents to maintain models, sales offices, and signs, if he is not an affiliate of a Declarant, may not exercise any other Special Declarant Right, and is not subject to any liability or obligation as Declarant.

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

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

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

ARTICLE IV

GRANT AND RESERVATION OF EASEMENTS

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

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

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

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

the Unit by its Occupants. The Association shall have the authority to grant permits, licenses and easement over the Common Elements for the purposes recited above.

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

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

ARTICLE V

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

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

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

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

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

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

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

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

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

(f) Insurance Violations. Nothing shall be done or kept in or upon any Unit, Limited Common Element or the Common Elements which will increase the rate of insurance for the Condominium without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or upon

the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling.

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

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

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

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

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

(l) Animals. Except as hereinafter provided, no animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or on the Common Elements. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in a Unit, provided that: (i) the maintaining of

animals shall be subject to such rules and regulations as the Board may from time to time promulgate, including, without limitation , the right to place limitations on the size, number and type of such pets, and the right to levy enforcement charges against persons who do not clean up after their pets; and (ii) the right of an Occupant to maintain an animal in a Unit shall be subject to termination if the Board, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Condominium or other Units or Occupants. In addition, any animal defined as "vicious" or "dangerous" pursuant to the provisions of North Carolina General Statutes, as the same may be amended from time to time, or prohibited by any federal, state, or local law, regulation, or ordinance, is specifically prohibited.

(m) Sex Offenders. Neither a Unit nor the Common Elements, nor any portion of either thereof, may be occupied or resided therein or thereon, for any purpose, either temporarily or permanently, by any person who is:

i. Adjudicated, classified, labeled, or otherwise designated under any applicable section of the North Carolina General Statutes as amended from time to time, as a "sexual predator", "habitual sex offender", "child-victim offender", and/or "child-victim predator", (or any replacement or substitute term or variation therefrom resulting from any amendment to applicable portions of the North Carolina General Statutes)

ii. Required to be registered under the Sate of North Carolina's Sex Offender Registration and Notification Laws; and/or

iii. Required by applicable laws to register with a designated registering agency, hereby requiring notice to be given pursuant to the North Carolina Offender Registration and Notification law or similar law from another jurisdiction; each of whom is referred to herein as a "sex offender".

1. The violation of the foregoing restriction shall entitle the Declarant or Declarant's successor (who owns any Unit or has the right to expand the Condominium), the Association, and each Unit Owner, the right to enjoin such sex offender from occupying, or continuing to occupy, or residing in or continuing to reside in, a Unit or in or on the Common Elements.

2. The violation of the foregoing restriction shall entitle the Association to institute and prosecute to conclusion, in the name of the Owner or Owners of a Unit which a sex offender occupies or is residing

in, as the Owner or Owners' agent for this sole purpose, proceedings to evict such person occupying or residing in that Unit.

3. Each Unit Owner, by acquisition of a fee simple interest in a Unit, understands and agrees that the remedies at law for damages in the event of the violation of the provisions of subsection (m) hereof are inadequate in that an award of damages would not resolve the problems inherent in having a sexual offender occupying space in or residing in the Condominium, and that irreparable harm to all other Unit Owners would result from the occupancy or the residency of a sex offender in the Condominium.

4. Notwithstanding the foregoing, the party seeking relief pursuant to the provisions of subsections (1) or (2) hereof shall be entitled to recover all costs of enforcement, including court costs and reasonable attorney fees.

5. In the case of the Association seeking and obtaining relief pursuant to this section, the costs of enforcement, shall be a charge on the Unit occupied by or resided in by the sex offender, and the subject of a Special Individual Unit Assessment against that Unit and its Owner or Owners, and a lien thereon, and may be enforced by the same means and in the same manner as provided by North Carolina law and as provided in this Declaration with respect to the violation of restrictions.

6. The foregoing restriction is not intended to create nor shall it be interpreted to create a duty by the Declarant, any Unit Owner, the Association, or its Board, to inquire about, to take any affirmative action to determine the status of, or to disclose the occupancy or residency or prospective occupancy or residency, of a sex offender in the Condominium.

n. Unmanned Guardhouse. It is anticipated that the guardhouse as reflected on the recorded plat will be unmanned, and therefore, unit owners should lock their doors and take any and all reasonable precautions against potential criminal activity.

5.4 Use by Declarant.

(a) The provisions of this Article or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also

shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed four and the size of any such relocated reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

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

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

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

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

5.8 Utilization of Clubhouse.

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

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

ARTICLE VI

ASSESSMENTS FOR COMMON EXPENSES

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

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

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

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

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

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

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

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

ARTICLE VII

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

7.1 Common Elements.

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

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by

reason of his intentional acts or the intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

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

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

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

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

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

7.5 Right of Entry

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous conditions or situation originating in or threatening that Unit or any of the Limited Common Elements or the Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the

Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

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

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

ARTICLE VIII

INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

CASUALTY DAMAGE

9.1 Duty to Repair. Except as provided in Section 9.2, in the event of damage to or destruction of a Building and/or the Common Elements as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the Building and/or the Common Elements (including any damaged Unit, but not including any decoration or coverings for walls, ceilings or floors, or other furniture, furnishing,

fixtures or equipment in the Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit, in which event the Board shall repair or replace such damaged property, but only to the extent of such coverage), and the Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost for such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any surplus insurance proceeds remaining after repairs have been completed shall be treated as a common surplus. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act. Any reconstruction or repair shall be in accordance with the plans and specifications of the original Building(s) and/or Common Elements or according to plans and specifications approved by the Board.

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

ARTICLE X

TERMINATION OF THE CONDOMINIUM; CONDEMNATION; AMENDMENT OF THE DECLARATION

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

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

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

ARTICLE XI

MORTGAGE PROTECTION

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

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

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

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

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

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

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

(e) Any judgment rendered against the Association.

11.4 Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the

Condominium Documents by the Association or Unit Owners described in this Section11.4 (a) may be effected without the vote of a least 67% of the Unit Owners (or any greater Unit Owner Vote required in the Act) unless such rights are reserved to the Declarant as Special Declarant Rights in the Condominium Documents and until approved in writing by a at least 51% of the votes of the Unit estates that are subject to Mortgages held by the Eligible Mortgagees. A change to any of the provisions governing the following subject areas would be considered material:

(i) Voting rights;

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

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

(iv) Responsibility for maintenance and repairs;

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

(vi) Redefinition of any Unit Boundaries;

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

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

(ix) Hazard or fidelity insurance requirements;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII

PROVISIONS RELATING TO THE ASSOCIATION

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

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

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

12.4 Duties and Powers. The duties and powers of the Association shall be those set forth in this Declaration, and the Articles of Incorporation and Bylaws of the

Association, including the power and authority to levy assessments as provided for in the Bylaws.

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

ARTICLE XIII

GENERAL PROVISIONS

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

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

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

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

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

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

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

13.8 Notice to Purchaser. Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offender registered under North Carolina General Statutes 14-208. Such information may be obtained by contacting your local police department or checking online at the North Carolina Sex Offender registry.

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

THE APEX OV, LLC, a Virginia Corporation

By: CH Construction of NC, LLC, a North Carolina, LLC, Managing Member.

By: _____

STATE OF Virginia

Henrico **COUNTY**

I Sheryl S. Tyner a Notary Public of the County of Henrico, State of Virginia, do hereby certify that Roger A. Glover, III who is/are known to me or proved to me on the basis of satisfactory evidence to be the person(s) described, personally appeared before me this day, each acknowledging to me that he/she/they voluntarily signed the foregoing instrument for the purpose stated therein, and in the capacity indicated.

Witness my had and official seal this the 11th day of August, 2008.

My Commission Expires: 2/28/2011

Sheryl S. Tyner
Notary Public

SHERYL S. TYNER NOTARY PUBLIC MY COMMISSION NUMBER 7107009 COMMONWEALTH OF VIRGINIA

EXHIBIT "A"

to

Declaration of The Orchard Villas, a Condominium

Legal Description

New Recombined Area for Tract 2 containing 18.9245 acres, more or less, and being shown on a map entitled "Recombination Plat, Properties of Susan Castlebury, Trustee and Janius Earl Maynard" by Bass, Nixon & Kennedy, recorded in Book of Maps 2007, Page 1017, Wake County Registry.

EXHIBIT "B"

to

Declaration of The Orchard Villas, a Condominium

Liens, Defects and Encumbrances

1. There is an outstanding deed of trust in favor of Resource Bank recorded in Book 12535, Page 674, Wake County Registry. Each unit will be released from this deed of trust at closing.

2. Building and zoning laws and ordinances of Wake County and state and federal regulations.

3. The provisions of Articles of Incorporation, Bylaws of The Orchard Villas Condominium Unit Owners Association, Inc., and Declaration of The Orchard Villas, A Condominium, and Rules and Regulations for The Orchard Villas, a Condominium.

4. The Condominium plans.

5. Existing streets, rights of way, alleys, utility easements and other easements of record, if any; restrictions of record, if any.

6. The provisions of North Carolina General Statutes, Chapter 47C.

7. Current ad valorem taxes for Wake County.

8. Tri-party agreement, Storm Water Control Structure, Encroachment, Maintenance Temporary Construction, and Right-Of-Way Agreement recorded in Book 12535, Page 644, Wake County Registry.

9. First Amendment to Tri-Party Easement, Storm Water Control Structure, Encroachment, Maintenance Temporary Construction, and Right-Of-Way Agreement recorded in Book 12535, Page 662, Wake County Registry.

10. Building restriction lines, easements and other facts shown on plat recorded in Book of Maps 2002, Page 1367.

11. One hundred-foot undisturbed buffer, and 30' Town of Apex electrical and communications easement (Book 6000 / Page 442, Book of Maps 2002/ Page

1367) as shown on plat recorded in Book of Maps 2007, Page 1017, Wake County Registry.

12. Easement(s) to the North Carolina State Highway Commission recorded in Book 2048, Page 243, Wake County Registry.

13. Right(s)-Of-Way to North Carolina Department of Transportation recorded in Book 5935, Page 291; Book 5451, Page 605 and Book 6000, Page 435, Wake County Registry.

14. Electrical and communication System Right of Way Agreement with Town of Apex recorded in Book 6000, Page 442, Wake County Registry.

15. Conveyance and Agreement with Department of Transportation recorded in Book 5935, Page 291, Wake County Registry.

16. Right(s)-Of-Way of US Highway 64.

17. Cross Conveyance of Right of Way Easement with C.H. Jewley, an N.C. Partnership, recorded in Book 6176, Page 933, Wake County Registry.

18. Southern Bell Easement recorded in Book 914, Page 1945, Wake County Registry.

19. PUD Approval, Conditional Use Permit, and Ordinance Amending Map from Town of Apex recorded in Book 11721, Page 892 and Book 12387, Page 2360, Wake County Registry.

20. Time Warner entertainment easement recorded in Book 13079, Page 0730, Wake County Registry.

21. Peachtree Landing Encroachment Agreement with Town of Apex as recorded in Book 13045 Page 0109, Wake County Registry.

EXHIBIT "C"

to

Declaration of The Orchard Villas, a Condominium

Plat of Survey and Plans

The Plat of Survey for The Orchard Villas, a condominium dated July 14, 2008 prepared by Bass, Nixon & Kennedy, Inc., entitled Condominium Plat for Phase 1A of The Orchard Villas, a condominium and the plans for Phase 1A of The Orchard Villas, a condominium prepared by JohannasDesignGroup, which were attached to this Declaration at the time it was filed for record are duly recorded in the Wake County Registry in File number _____, and are incorporated herein by reference as though fully set out herein.

EXHIBIT "D"

to

Declaration of The Orchard Villas, a Condominium

Unit Designation and Percentage Interest in Common Elements

Unit Number	Floor Plan	Par Value	Identifying Number	% Interest in Common Elements and of Common Expenses
1-1	Chateau	1.100	1535 Orchard Villas Ave	11.70212
1-2	Villa	1.000	1537 Orchard Villas Ave	10.63829
1-3	Chateau	1.100	1533 Orchard Villas Ave	11.70212
1-4	Windsor	1.100	1531 Orchard Villas Ave	11.70212
2-1	Canterbury	1.300	1525 Orchard Villas Ave	13.82978
2-2	Canterbury	1.300	1527 Orchard Villas Ave	13.82978
2-3	Canterbury	1.300	1523 Orchard Villas Ave	13.82978
2-4	Abbey	1.200	1521 Orchard Villas Ave	12.76595
			TOTAL % INTEREST	99.99994

EXHIBIT "E"

to

Declaration of The Orchard Villas, a Condominium

Bylaws

BK013231PG01598

BYLAWS OF

THE ORCHARD VILLAS CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

Prepared by:

Lance R. Fife
Clifton & Singer, L.L.P.
9131 Anson Way, Suite 208
Raleigh, North Carolina 27615

TABLE OF CONTENTS

to

Bylaws of

The Orchard Villas Condominium Unit Owners Association, Inc.

ARTICLE I. PLAN OF CONDOMINIUM 1

1.1 Unit Ownership 1
1.2 Applicability of Bylaws 1
1.3 Persons Bound 1
1.4 Definitions 1

ARTICLE II UNIT OWNERS 1

2.1 Name and Nature of Association 1
2.2 Place of Meetings 2
2.3 Annual Meetings 2
2.4 Substitute Annual Meetings 2
2.5 Special Meetings 2
2.6 Notice of Meetings 2
2.7 Quorum 3
2.8 Voting Rights 3
2.9 Majority Vote 3
2.10 Proxies 3
2.11 Waiver of Notice 3
2.12 Informal Action by Unit Owners 3

ARTICLE III. EXECUTIVE BOARD 4

3.1 Number 4
3.2 Initial Members 4
3.3 Election 4
3.4 Term and Qualification 5
3.5 Removal 5
3.6 Vacancies 6
3.7 Compensation 6
3.8 Executive Committees 6
3.9 Powers and Duties 6
3.10 Managing Agent 8
3.11 Duties of Declarant 8

ARTICLE IV MEETINGS OF DIRECTORS 10

4.1 Organizational Meeting 10
4.2 Regular Meeting 10
4.3 Special Meetings 10
4.4 Notice of Meetings 10
4.5 Waiver of Notice 10
4.6 Quorum 11
4.7 Manner of Acting 11
4.8 Organization 11
4.9 Informal Action of Board 11
4.10 Minutes 11
4.11 Liability of the Board and Officers 11
4.12 Attendance of Unit Owners 12

ARTICLE V. OFFICERS 12

5.1 Number 12
5.2 Election and Term 12
5.3 Removal 12
5.4 Compensation 12
5.5 Chairman of the Board 12
5.6 Vice Chairman 12
5.7 Secretary 12
5.8 Treasurer 13
5.9 Assistant Secretaries and Treasurers 13

ARTICLE VI. OPERATION OF THE PROPERTY 13

6.1 Assessment and Determination of Common Expenses 13
6.2 Payment of Assessments 14
6.3 Special Assessments 15
6.4 Collection of Assessments 15
6.5 Default in Payment of Assessment 15
6.6 Lien and Personal Obligation 15
6.7 Priority of Assessment Lien 16
6.8 Owner's Non-Use 16
6.9 Foreclosure of Liens for Unpaid Assessments 16
6.10 Statement of Common Expenses 16
6.11 Abatement and Enjoinment of Violations by Unit Owners 16
6.12 Maintenance and Repair 17
6.13 Restriction on Unit Owners 18
6.14 Duty to Report 18
6.15 Additions, Alterations or Improvements by the Association 18
6.16 Additions or Improvements by Unit Owners 18
6.17 Use of Common Elements and Facilities 18

6.18 Right of Access 18
6.19 Rules of Conduct 19
6.20 Remedies Cumulative 19
6.21 Nonwaiver of Remedies 19

ARTICLE VII. RECORDS AND AUDITS 19

7.1 Reports 19
7.2 Common Expense Funds 20
7.3 Audits 20

ARTICLE VIII. AMENDMENTS TO BYLAWS 21

8.1 Notice 21
8.2 Adoption 21
8.3 Limitation 21
8.4 Execution and Recording 21

ARTICLE IX. CONDEMNATION 21

9.1 General 21
9.2 Common Element 21
9.3 Units 22
9.4 Termination 22

ARTICLE X. MISCELLANEOUS 23

10.1 Ad valorem Taxes 23
10.2 Notification to Mortgagees 23
10.3 Severability 23
10.4 Successors Bound 23
10.5 Gender, Singular, Plural 23
10.6 Principal Office – Registered Office 23
10.7 Other Offices 23
10.8 Seal 23
10.9 Fiscal Year 24

BYLAWS

OF

THE ORCHARD VILLAS CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.

ARTICLE I

PLAN OF CONDOMINIUM

1.1 Unit Ownership. The property located in the Town of Apex, Wake County, State of North Carolina, and more particularly described in the Declaration of The Orchard Villas, a Condominium (the "Declaration"), will be submitted to the provisions of the North Carolina Condominium Act (the "Act") by instrument to be recorded in the Office of the Register of Deeds for Wake County, North Carolina, and shall be known as The Orchard Villas, a Condominium (the "Condominium").

1.2 Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property of the Condominium, and to the use and occupancy thereof including all additional phases which may be added thereto.

1.3 Persons Bound. All present and future owners, mortgagees, Lessees and Occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to these Bylaws or the Declaration upon the same being passed and recorded in the manner set forth in the Condominium Documents. The acceptance of a deed of conveyance or the entering into of lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

1.4 Definitions. The word, phrases and terms listed in the Bylaws shall have the meanings as set forth in the Declaration, to which these Bylaws are attached, unless the context clearly indicates a different meaning therefore.

ARTICLE II

UNIT OWNERS

2.1 Name and Nature of Association. THE ORCHARD VILLAS CONDOMINIUM UNIT OWNERS ASSOCIATION, INC. (the "Association") shall be a nonprofit corporation, organized under the laws of the State of North Carolina, and the membership shall be comprised of all of the Unit Owners as herein provided, which Association shall be governed by the Board as herein provided.

2.2 Place of Meetings. All meetings of the Association shall be held at the property, or at such place, within or without the State of North Carolina, as shall be designated in a notice of the meeting.

2.3 Annual Meetings. The annual meeting of the Association shall be held each year in November at such date and time as shall be designated by the Board of Directors, for the purpose of electing directors of the Association and for the transaction of such other business as may be properly brought before the meeting.

2.4 Substitute Annual Meetings. If the annual meeting shall not be held on the date designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 2.5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

2.5 Special Meetings. Special meetings of the Unit Owners Association may be called at any time or at the request of the Chairman, a majority of the Board of Directors, or upon written request by the Unit Owners owning at least 20% in Allocated Interest in the Common Elements exclusive of those Units held by the Declarant. Notice of a special meeting called at the demand of Unit Owners shall be given within thirty (30) days after the date of receipt by the Secretary of the demand or demands requiring the call of such special meeting.

2.6 Notice of Meetings. Written or printed notice stating the date, time and place of the meeting shall be given not less than ten (10) nor more than sixty (60) days before the date thereof, either personally or by mail, at the direction of the person or persons calling the meeting, to each Unit Owner entitled to vote at such meeting and each other Unit Owner entitled to notice pursuant to the Articles of Incorporation or applicable law.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called. In the case of an annual meeting, the notice of meeting need not specifically state the purpose or purposes thereof or the business to be transacted thereat unless such statement is expressly required by the provisions of these Bylaws or by applicable law.

If a meeting is adjourned for more than 120 days after the date fixed for the original meeting, or if a new record date is fixed for the adjourned meeting, or if the date, time and place for the adjourned meeting is not announced prior to adjournment, then notice of the adjourned meeting shall be given as in the case of an original meeting; otherwise, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

A Unit Owner's attendance at a meeting constitutes a waiver by such Unit Owner of (a) objection to lack of notice or defective notice of the meeting, unless the Unit Owner at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice of the meeting, unless the Unit Owner objects to considering the matter before it is voted upon.

2.7 Quorum. The presence in person or represented by proxy at any meeting of the Voting Members (as defined in Section 2.8 of this Article) having 50% of the total votes which may be cast for the election of the Board shall constitute a quorum. If there is no quorum at the opening of a meeting of Unit Owners, such meeting may be adjourned from time to time by the vote of a majority of the Voting Members present, either in person or by proxy; and, at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The Voting Members at a meeting at which a quorum is present may continue to do business until adjournment, not withstanding the withdrawal of enough Voting Members to leave less than a quorum.

2.8 Voting Rights. There shall be one person with respect to each Unit ownership who shall be entitled to vote at any meeting of the Unit Owners (the "Voting Member"). The Voting Member may be the Owner, or one of the group composed of all of the Owners of Unit, or may be some other person designated by such Owners to act as proxy on his or their behalf, and who need not be an Owner. Each Owner or group of Owners shall be entitled to one vote for each Unit owned. No votes allocated to a Unit or Units owned by the Association may be cast.

2.9 Majority Vote. The vote of a majority of the Voting Members present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by the Declaration, these Bylaws or by law.

2.10 Proxies. The Voting Members may vote either in person or by agents duly authorized by written proxy executed by such Unit Owner or his duly authorized attorney-in-fact. A proxy shall be valid only for the particular meeting designated therein, unless the person executing it specifies therein the length of time for which it is to continue in force, which time shall not extend beyond one year from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be dated and filed with the Secretary or duly acting Secretary of the Association, either during or prior to the meeting in question. A proxy is void if it is not dated.

2.11 Waiver of Notice Any Unit Owner may at any time waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Association shall constitute a waiver of notice of such meeting except where a Unit Owner attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and he/she does so object.

2.12 Informal Action by Unit Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Voting Members and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE III

EXECUTIVE BOARD

3.1 Number. The business and property of the Condominium shall be managed and directed by the Executive Board (the "Board"), composed of three persons, or by such executive committees as the Board may establish pursuant to the Bylaws. The size of the Board may be increased or decreased from time to time upon the affirmative vote of three-fourths of all Unit Owners, provided that said Board shall not be less than three in number.

3.2 Initial Members. The initial members of the Board (referred to as "Directors" herein) shall be selected by the Declarant, and need not be Unit Owners. Such initial directors shall serve at the discretion of the Declarant from the date upon which the Declaration is recorded in the Office of the Register of Deeds for Wake County, until such time as their successors are duly elected and qualified.

The names and addresses of the persons who shall serve on the initial Board from the date upon which the Declaration is so recorded in the Wake County Public Registry until such time as their successors are duly elected and qualified, are as follows:

NAME	ADDRESS
Douglas O. Tice, III	6912 Three Chopt Road, Suite C Richmond, Virginia 23226
Roger A. Glover, III	6912 Three Chopt Road, Suite C Richmond, Virginia 23226
Custis L. Coleman, Jr.	6912 Three Chopt Road, Suite C Richmond, Virginia 23226

3.3 Election. Except as provided herein, the directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected. Notwithstanding anything herein to the contrary, the Board shall consist of three Directors during the period that Declarant is entitled to appoint a majority of the Directors. The Declarant shall have the right to appoint all of the Directors until the earlier of the following five dates: (a) within 120 days after the date by which 75% of the Units (including any Units which may be created pursuant to Special Declaration Rights) have been conveyed to Unit purchasers other than Declarant; (b) two years after all Declarants have ceased to offer Units for sale in the ordinary course of business; (c) two years after any development right to add additional Units under the Act was last exercised; (d) three years after the first Unit was conveyed, or (e) the date upon which Declarant surrenders control of the Condominium.

The Declarant can turn over control of the Association to such Unit Owners other than the Declarant prior to such dates in its sole discretion by causing all or part of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Declarant to elect directors and assume control of the Association. Provided at least 30 days' notice of Declarant's decision to cause its appointees to resign is given to Unit Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Declarant refuse or fail to assume control.

Within 60 days after conveyance of 25% of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than the Declarant, at least one director and not less than 25% of the directors of the Board shall be elected by Unit Owners other than the Declarant. Within 60 days after conveyance of 50% of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than the Declarant, not less than 33% of the directors shall be elected by Unit Owners other than the Declarant.

Within 60 days after the Unit Owners other than the Declarant are entitled to elect such director or directors, or sooner if the Declarant has elected to accelerate such event as aforesaid, the Association shall call, and give not less than 10 days nor more than 50 days notice of a meting of the Unit Owners to elect such director or directors of the Board. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

3.4 Term and Qualification. Each Director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At the first meeting of the Association in which the Unit Owners other than the Declarant are entitled to elect a majority of the directors, the directors of the Board shall be divided into two classes, the first class to consist of two Directors, the second class to consist of one Director. The Directors of the first class shall initially hold office for a term of two years, and the Director of the second class shall initially hold office for a term of one year. At all annual elections thereafter, a number of directors shall be elected by the Voting Members to succeed those directors whose terms then expire. Each such director shall serve for a two year term. Nothing herein contained shall be construed to prevent the election of a director to succeed himself. Each Director, except those selected by the Declarant pursuant to the Bylaws, shall be one of the Unit Owners or co-owners, provided; however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a Director.

3.5 Removal. Directors may be removed from office with or without cause by the affirmative vote of at least 67% of the Voting Members. If any Directors are so removed, new Board members may be elected at the same meeting; provided, however, that the person(s) selected by Declarant cannot be removed without the prior written consent of Declarant.

3.6 Vacancies. A vacancy occurring in the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining director; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or a special meeting of Unit Owners called for that purpose. The Voting Members may elect a director at any time to fill any vacancy not filled by the Board.

In the event that Declarant, in accordance with the rights herein established, selects any person to serve on the Board, Declarant shall have the absolute right at any time, in its sole discretion, to replace such person with another person to serve on the Board. Replacement of any person designated by Declarant to serve on the Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board. The removal of any such Board member and the designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

3.7 Compensation. The Board shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners other than the Declarant having two-thirds of the total votes.

3.8 Executive Committees. The Board may, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, designate two or more of its members to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board in the management of the Condominium.

The Board may, in like manner, create such other committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium.

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

(a) Determining the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

(b) Collecting the Common Expenses from the Unit Owners.

(c) Supervising the operation, care, upkeep and maintenance of the Common Elements.

(d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

(e) Adopting and amending such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety, and general welfare of the owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Unit Owners and occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(f) Opening bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Selling, mortgaging, voting the votes appurtenant to, or otherwise dealing with Units acquired by the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to Units on behalf of all Unit Owners.

(h) Maintaining and repairing any Unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the Common Elements or any other portion of the Property, and a Unit Owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Unit Owner; provided, however, that the Board shall levy a specific assessment against such Unit Owner for the costs of said maintenance or repair, including a reasonable amount for supervision.

(i) Entering any Unit when necessary in connection with any maintenance of construction for which the Board is responsible; provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practical, and any damage caused thereby shall be repaired by the Board, with such expenses being treated as a Common Expense.

(j) Signing all agreements, contracts, deeds and vouchers for the payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. Provided, however, that any contracts or leases executed on behalf of the Association prior to the passage of control of the Board to the Association must be terminable by the Association without penalty on not less than 90 days' written notice. In the absence of such determination by the Board, such document shall be signed by the Treasurer and countersigned by the Chairman.

(k) Obtaining insurance for the Property, including the Units, pursuant to the applicable provisions of the Declaration.

(l) Making or contracting for repairs, additions, and improvements to, or alterations or restorations of, the Property in accordance with the other provisions of

these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding.

(m) Contracting for all goods, services and insurance, payment for which is to be made from the Common Expense fund.

(n) Instituting, defending, or intervening in litigation or administrative proceedings in the name of or on behalf of the Association or two or more Unit Owners on matters affecting the Condominium.

(o) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of the Common Elements; provided, however, that the consent of the Unit Owners of at least two-thirds of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of $10,000.

(p) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levying reasonable fines for violations of the Declaration, the Bylaws, or rules and regulations established by the Association, all in accordance with Sections 47C-3-107 and 47C-3-107A of the Act.

(q) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use.

(r) Exercising (i) all powers specifically set forth in the Declaration, the Articles of Incorporation, these Bylaws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a non-profit North Carolina corporation.

3.10 Managing Agent. The Board may engage the services of any person, firm, or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize, other than the powers set forth in subdivisions (a), (e), (g), (h), (i), (p), (q) and (r) of Section 3.9 of this Article III. Any management agreement for the Condominium shall be terminable by either party without cause or without payment of a termination fee or penalty upon 90 days or more written notice thereof and the terms of such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods. Any management agreement shall be terminable by either party for cause upon the giving of not less than 30 days' written notice. When professional management has been previously utilized, any decision to establish self-management by the Association shall require the prior consent of 67 percent of the Unit Owners and the approval of 51 percent of the Eligible Mortgagees, counting one vote for each First Mortgage owned.

3.11 Duties of Declarant. Within a reasonable time after Unit Owners other than the Declarant elect a majority of the members of the Board (but not more than 60 days after such event), the Declarant shall deliver control of the Association and shall deliver

to the Association all property of the Unit Owners and of the Association held or controlled by the Declarant, including, if applicable:

(a) The original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Declarant must certify by affidavit that it is a complete copy of the actual recorded Declaration.

(b) A copy of the Articles of Incorporation of the Association.

(c) A copy of the Bylaws of the Association.

(d) The minute books, including all minutes, and other books and records of the Association.

(e) Any rules and regulations which have been adopted.

(f) Resignations of resigning officers and Board members.

(g) Association funds or the control thereof.

(h) A copy of the plans and specifications utilized in the construction or remodeling of improvements on the Property and the supplying of equipment, and for the construction and installation of all mechanical components servicing the improvements and the Condominium, with a certificate, in affidavit form, of an officer of the Declarant or an architect or engineer authorized to practice in North Carolina, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium and the construction and installation of the mechanical components serving the Improvements and the Property.

(i) Insurance policies.

(j) Copies of any Certificates of Occupancy which may have been issued for the Condominium.

(k) Any other permits issued by governmental bodies applicable to the Condominium in force or issued within one year prior to the date the Unit Owners take control of the Association.

(l) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.

(m) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Declarant's records.

(n) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners

have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

(o) All other contracts to which the Association is a party.

ARTICLE IV

MEETINGS OF DIRECTORS

4.1 Organizational Meeting. The first meeting of the initial Board designated in these Bylaws shall be held at such time as the Declarant shall determine, but in no event later than one year from the date of incorporation of the Association. The first meeting of the first Board elected at that point after which Unit Owners other than the Declarant are entitled to elect a majority of the directors shall be held within 15 days following the meeting of the Unit Owners at which the Board was elected. No notice shall be necessary to the newly elected members of the Board in order to legally constitute such meeting, provided that a quorum is present.

4.2 Regular Meeting. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting or substitute annual meeting of shareholders. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

4.3 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board (if there shall be a person holding such office), or any two directors. Such meetings may be held either within or without the State of North Carolina

4.4 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

A director's attendance at or participation in a meeting shall constitute a waiver by such director of notice of such meeting, unless the director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or to the transaction of business at the meeting and does not thereafter vote for or assent to action taken at the meeting

4.5 Waiver of Notice. Any member of the Board may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice of such meeting except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and he does so object.

4.6 Quorum. A majority of the number of directors fixed or prescribed by these Bylaws shall be required for, and shall constitute, a quorum for the transaction of business at any meeting of the Board of Directors. However, in the event of vacancies on the Board of Directors, then a quorum shall consist of a majority of the directors in office. The Directors at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

4.7 Manner of Acting. Except as otherwise provided in these Bylaws or required by applicable law, the affirmative vote of a majority of the directors present at a meeting of the Board of Directors shall be the act of the Board of Directors, if a quorum is present when the vote is taken.

4.8 Organization. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board (if there shall be a person holding such office), or, in the absence or at the request of the Chairman of the Board, by any person selected to preside by vote of a majority of the directors present. The Secretary, or in the absence or at the request of the Secretary, any person designated by the person presiding at the meeting, shall act as secretary of the meeting.

4.9 Informal Action of Board. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

4.10 Minutes. The Board shall keep minutes of its proceedings, which shall be available for inspection by the Unit Owners during reasonable business hours.

4.11 Liability of the Board and Officers. The Directors and the officers provided for in Article V hereof shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the Directors and the officers against all contractual liability to others arising out of contracts made by the Board or the officers on behalf of the Condominium, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Directors or any officer shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent that they are Unit Owners and have liability as such. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or the officers, or out of the aforesaid indemnity in favor of the directors or the officers, shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board, by the managing agent or by the officers on behalf of the Condominium shall provide that the members of the Board, the managing agent or the officers, as the case may be, are acting only as agents for the Unit Owners, and shall have no personal liability thereunder.

4.12 Attendance of Unit Owners. Regular meetings of the Board shall not be open to Unit Owners; provided, however, Unit Owners may request to attend meetings of the Board for a specific purpose a stated in a written request to Board, which request shall be approved unless the Board shall find a compelling reason to deny the request.

ARTICLE V

OFFICERS

5.1 Number. The principal officers of the Condominium shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairman, Assistant Secretaries, Assistant Treasurers and other officers as the Board may from time to time elect. Any two or more offices may be held by the same person, except the offices of Chairman and Secretary.

5.2 Election and Term. The officers of the Condominium shall be elected by the Board. The Chairman, Vice Chairman, Secretary and Treasurer shall be elected from among the Board, and all other officers, if any, need only be a Unit Owner. The officers elected by the initial Board are not required to be Unit Owners. The election of the officers may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one year, or until his death, resignation, removal, disqualification, or until his successor is elected and qualifies.

5.3 Removal. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause.

5.4 Compensation. No officer shall receive any compensation from the Condominium for acting as such.

5.5 Chairman of the Board. The Chairman of the Board shall be the principal executive officer of the Condominium, and, subject to the control of the Board, shall supervise and control the management of the Condominium. The Chairman shall, when present, preside at all meetings of the Board and of the Unit Owners and, in general, shall perform all duties incident to the office of Chairman of the Board, including the preparation, execution, certification, and recordation, with the Secretary, of amendments to the Declaration on behalf of the Association, and such other duties as may be prescribed from time to time by the Board.

5.6. Vice Chairman. The Vice Chairman, and if there be more than one, the Vice Chairmen, designated by the Board, shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board or by the Board.

5.7 Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Directors. He shall give, or cause to be given, all notices required by law and by these Bylaws. He shall have general charge of

the minute books and records of both the Association and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of secretary, including the preparation, execution, certification, and recordation, with the Chairman, of amendments to the Declaration on behalf of the Association, and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board.

5.8 Treasurer. The Treasurer shall have custody of all Condominium funds and securities, and shall receive, deposit or disburse the same under the direction of the Board. He shall keep full and accurate account of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board on or before the 15th day of the second month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three years. The Treasurer shall also prepare and file all reports and returns required by federal, state or local law, and shall perform all other duties as may be assigned to him from time to time by the Chairman of the Board or by the Board.

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

ARTICLE VI

OPERATION OF THE PROPERTY

6.1 Assessment and Determination of Common Expenses. The Board shall from time to time, and at lease annually, prepare a budget for the Condominium, for the purpose of determining the amount of the Annual Assessments to be collected from the Unit Owners in order to provide for the Common Expenses of the Condominium, and allocate and access such Common Expenses among the Unit Owners, according to their Percentage of Interest in the Common Elements as set forth in the Declaration, taking into consideration any expected income and any surplus from the prior year's operations. The Common Expenses shall include, without limitation: the expenses, costs and charges incurred in connection with the administration, operation and management of the Condominium property; the cost of maintenance, repair, replacement and restoration of the Common Elements, or any part thereof; the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of the Declaration; such amounts as the Board may deem proper for the convenience, comfort and well-being of the Unit Owners, and for the operation, management and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacement or improvement to the Common Elements and those Limited Common Elements the Association is obligated to maintain, and to make up any deficit in

the Common Expenses for any prior year; in proper cases, the cost of administration and of maintenance and repair of the Limited Common Elements; and any other expenses lawfully agreed upon.

In establishing a reserve fund for replacements, the Board shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall then set the required capital contribution in an amount sufficient to permit meeting by equal annual installments over the applicable period the projected capital needs of the Association with respect to both amount and timing.

Within 30 days after adoption by the Board of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all Unit Owners and shall give notice of a date for a meeting of the Unit Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary and notice. Notwithstanding Section 4.6 of these Bylaws, a quorum need not be present at the meeting. The budget is ratified unless at the meeting a majority of all the Unit Owners (whether or not present at the meeting) votes to reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

6.2 Payment of Assessments. All Unit Owners shall be obligated to pay (a) Annual Assessments of Common Expenses assessed by the Board pursuant to the provisions of Section 6.1; (b) special assessments to be established and collected as provided herein, and (c) specific assessments against any Unit which are established pursuant to the terms of these Bylaws. Annual Assessments shall be due and payable in monthly installments on the first day of every month. A late payment charge in an amount to be determined by the Board shall be assessed for any installment not paid by the tenth of the month. Any installment not paid during the month in which it is due shall be subject to the late payment charge and shall accrue interest as provided in Section 6.5, and shall constitute a lien on the Unit as provided in Section 6.6.

No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit, together with his interest in the Common Elements (and Limited Common Elements, if any). A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Assessments assessed against such Unit prior to the acquisition by the purchaser of such Unit only if the purchaser expressly assumes such obligation in writing; provided, however the lien assessed against such Unit shall remain in full force and effect. Any such purchaser shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments against the seller, and the Unit conveyed shall not be subject to a lien for any unpaid assessments in excess of the amount shown on the statement. Provided, however, that an Institutional Lender or other purchaser of a Unit at a foreclosure sale of such Unit or an Institutional Lender who takes a deed in lieu of foreclosure shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the foreclosure sale or deed in lieu of foreclosure. Such unpaid Common Expenses shall be deemed to

be Common Expenses collectible from all of the Unit Owners, including such purchaser, his successors or assigns.

6.3 Special Assessments. The Association may levy Special Assessments for Common Expenses not covered by the Annual 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 a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds of the Voting Members at a meeting duly called for this purpose. Such Special Assessments shall be charged to the Units according to their Allocated Interests in the Common Elements. In addition, the Board may levy Special Assessments against one or more, but less than all, of the Units to cover repairs or maintenance for which such Unit Owner or Owners are responsible and which they have failed to make, or for repairs or maintenance required of a Unit Owner or Unit Owners which impair the value of the Common Elements or the Unit or Units, or expenses which are incurred in the abatement of or as a result of a violation by a Unit Owner or Owners of the provisions of the Declaration, the Bylaws or the Rule and Regulations, or for fines levied for said violations, or where the Board has purchased a Unit on behalf of one or more Unit Owners. The period of assessment and manner of payment of such assessment shall be determined by the Board.

6.4 Collection of Assessments. The Board shall determine Common Expenses against the Unit Owners from time to time, at least annually, and may, as the Board shall determine, take prompt action to collect any Assessments due from any Unit Owner which remain unpaid for more than 30 days from their due date.

The Board shall notify Eligible Mortgagees pursuant to the provisions of the Declaration of any amount assessed pursuant to these Bylaws which remains unpaid for more than 60 days from its due date, and in any other case where the Unit Owner of such unit is in default with respect to the performance of any obligation hereunder for a period in excess of 60 days.

6.5 Default in Payment of Assessment. In the event of default by any Unit Owner in paying to the Board any amounts assessed by the Board, such Unit Owner shall be obligated to pay a late payment charge as established by the Board from time to time, and interest at the rate of 18% on such amounts from their due date; together with all expenses, including attorneys' fees (as permitted by law), incurred by the Board in collecting such unpaid sums. If a Unit Owner shall be in default in payment of an installment of an Assessment, including but not limited to, the monthly installment based on the annual budget, the Board may accelerate the remaining installments upon ten days' written notice to such Unit Owner, whereupon the entire unpaid balance of such Assessment shall become due upon the date stated in such notice.

6.6. Lien and Personal Obligation. Each Assessment provided for in this Article, together with late payment charges, interest an expenses, including attorneys' fees (as permitted by law), shall be a charge on and a continuing lien upon the Unit against which the Assessment is made when a notice of such lien has been filed of record

in the office of the Clerk of Superior Court of Wake County, North Carolina, in the manner provided by Article 8, Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of 30 days after the same shall become due. Said notice of lien shall also secure all Assessments against the Unit becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner as a deed of trust on real property. In addition, each Unit Owner shall be personally liable for any Assessment against his unit becoming due and payable while he is the Owner of such Unit.

6.7 Priority of Assessment Lien. The lien of the Assessments provided for in this Article shall be prior and superior to all other liens except (a) ad valorem taxes and (b) all sums unpaid on deeds of trust, mortgages or other encumbrances against the Unit prior to the docketing of the Assessment lien. The sale or transfer of any Unit shall not affect the Assessment lien against such Unit. Provided, however, the sale of a Unit pursuant to the foreclosure sale or execution sale instituted by a superior lien holder or conveyance to Institutional Lenders by deed in lieu of foreclosure shall extinguish the inferior Assessment lien against the subject Unit but no such sale or transfer shall relieve each Unit from liability for any Assessments thereafter becoming due or for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Unit pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien.

6.8 Owner's Non-Use. No Unit Owner may exempt himself from liability for Assessments and his other obligations to the Association by waiver of the use or enjoyment of any portion of the Common Elements or by the abandonment or sale of his Unit.

6.9 Foreclosure of Liens for Unpaid Assessments. The Board, acting on behalf of the Association, or on behalf of any one or more individual Unit Owners, if so instructed, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosure or waiver of the Assessment lien. Where an Institutional Lender or the purchaser of a Unit obtains title to the Unit as a result of foreclosure of a Mortgage, such purchaser, its successors and assigns, shall not be liable for the share of the Common Expenses or Assessment by the Board chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense collectible from all Unit Owners, including such purchaser, it successors and assigns.

6.10 Statement of Common Expenses. The Board shall promptly provide to any Unit Owner so requesting in writing a written statement of all unpaid charges due from such Unit Owner, for which it may impose a reasonable charge at its discretion.

6.11 Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board, the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in

addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which, or as to which, such violation or breach exists, and to make any repairs, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition which may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass, but no items of construction shall be altered or demolished pursuant to this authority before judicial proceedings are instituted; (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, at the expense of the defaulting Unit Owner, the continuance of any such breach; (c) in any case of flagrant or repeated violation by a Unit Owner, to require such Unit Owner to give sufficient sureties for his future compliance with such Condominium documents; or (d) after notice and an opportunity to be heard, to levy reasonable assessments and fines in accordance with Sections 47C-3-107 and 47C-3-107A of the Act for such violations.

6.12 Maintenance and Repair.

(a) Each Unit Owner shall maintain, repair, and replace, at his sole cost and expense, all portions of his Unit which may become in need of maintenance, repair, or replacement, including the components of the heating and air conditioning system within and appurtenant to each Unit, if any, all bathroom and kitchen fixtures and appliances, light fixtures, interior, non-loadbearing walls, doors, floors, ceilings, carpeting, drapes and other items within the Unit, whether structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements not specifically set forth herein contained therein and not necessitated by the negligence, misuse or neglect of the Unit Owner, his employees, guests, agents, servants, lessees, invitees or contractors). Each Unit Owner shall clean the Limited Common Elements appurtenant to his Unit and replace all light bulbs in fixtures (if any) located in such Limited Common Elements. Each Unit Owner shall be responsible for replacing all heating and air conditioning filters, if any, required in his Unit. Each Unit Owner shall further be responsible for all damages to any and all other Units and/or to the Common Elements which his failure to undertake his maintenance responsibility may cause. All damages to the Common Elements or other Units intentionally or negligently caused by the Unit Owner, his employees, guests, agents, servants, lessees, invitees or contractors shall be promptly repaired by the Unit Owner at his sole cost and expense; provided that there is excluded from the provisions contained in this section such repairs necessitated by casualties insured against by the Association to the extent the Association receives insurance proceeds for such repairs. The Unit Owner shall be in said instance required to pay such portion of the costs of such maintenance, repair and replacement as shall exceed the amount of the applicable insurance proceeds. If the Unit Owner does not make those repairs to be made by him within 30 days from written demand by the Board, the same may be repaired by the Board and the cost thereof shall be assessed against the Unit owned by the subject Unit Owner.

(b) The Association, through its Board, shall maintain, repair and replace all portions of the Common Elements and Limited Common Elements (except as provided in Section 6.12(a) above or in the Declaration) which shall require same, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of

a Unit Owner, his employees, guests, agents, servants, lessees, invitees or contractors, in which case such expense shall be charged to such Unit Owner, or unless herein provided to the contrary), and the cost thereof shall be charged to all the Unit Owners as a Common Expense.

6.13 Restriction on Unit Owners. No Unit Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of the other Unit Owners, jeopardizes the soundness or the safety of the Condominium property, or reduces the value thereof. Each Unit Owner shall cause any work so performed or being performed on the Unit, which, in the sole opinion of the Board, violates the terms of this section, to be immediately corrected, and he shall refrain from recommencing or continuing any such work without written consent of the Board.

6.14 Duty to Report. Each Unit Owner shall promptly report to the Board or its agent any defect or need for repairs or replacement the responsibility for which is that of the Association.

6.15 Additions, Alterations or Improvements by the Association. Whenever in the judgment of the Board, the Common Elements shall require additions, alterations or improvements, the Board shall proceed with such additions, alterations or improvements, and shall assess all Unit Owners for the costs thereof, as a Common Expense, subject, however, to the provisions of Section 6.1 and 6.3.

6.16 Additions or Improvements by Unit Owners. No Unit Owner shall make any addition, alteration or improvement in or to his Unit which impairs the structural integrity or mechanical systems or lessens the support of any part of the Condominium. No Unit Owner shall make any addition, alteration or improvement which affects the exterior portion or outward appearance of such Unit, without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to such Unit Owner's Unit within 45 days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement.

6.17 Use of Common Elements and Facilities. A Unit Owner shall not interfere with the use of the Common Elements by the remaining Unit Owners and their employees, guests, agents, servants, lessees, invitees, or contractors.

6.18. Right of Access. Unit Owner shall grant a right of access to his Unit to the managing agent and/or any other person authorized by the Board or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Buildings, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance, and that any such entry is at a time reasonably convenient to the Unit Owner. In the case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the

time such request for entry is made, and whether or not such entry is at a time reasonably convenient to the Unit Owner.

6.19 Rules of Conduct. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board. Such Rules and Regulations shall be equally applicable to all Unit Owners and shall be uniform in their application and effect. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner prior to their effective date.

6.20 Remedies Cumulative. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Unit pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative, and the exercise of any one or more shall not 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.

6.21 Nonwaiver of Remedies.

(a) The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or the Unit Owner to enforce such right, provision, covenant or condition in the future.

(b) The failure of Declarant to enforce any right, privilege, covenant or condition which may be granted to it by the Condominium Documents shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.

(c) The failure of an Institutional Lender to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by the Condominium 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.

ARTICLE VII

RECORDS AND AUDITS

7.1 Reports. The Board shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board, minutes of the meetings of the Association, and financing records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit, which, among other things, shall contain the amount of each Assessment against each Unit, the date when due, the amounts paid and the balance remaining unpaid. A current copy of the Declaration, Articles of Incorporation of the Association, these Bylaws, any currently effective Rules and Regulations, and the Association's books, records and financial statements shall be available for examination by all Unit Owners, their duly authorized agents or attorneys, and all holders, guarantors, or insurers of first Mortgages secured by Units, their attorneys and authorized agents, at

convenient hours during normal business hours that shall be set and announced for general knowledge. A written annual summary of all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the second month following the close of each fiscal year. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners and to all Eligible Mortgagees who have requested the same, promptly after the end of each fiscal year.

7.2 Common Expense Funds. All sums collected by the Association, either as Assessments for the Common Expenses or as Special Assessments may be commingled in a single fund, but they shall be held for the Unit Owners for the purposes for which they are paid, and shall, subject to the right of withdrawal or refund provided herein, be credited to accounts from which shall be paid the charges for which the Assessments are made. Such accounts shall include the following, or such other and further accounts as the Board from time to time shall determine:

(a) General Common Expense Account – to which shall be credited collection of that portion of the Common Expense Assessments received for defraying the costs of operating the Condominium on a day-to-day basis, including normal maintenance and repairs, insurance and related charges; and

(b) Capital Reserve Account – to which shall be credited, all sums collected which are to be allocated for capital expenditures for the reconstruction, repair and replacement of Common Elements at a future date.

All sums collected by the Association during the fiscal year, either as assessments of the Common Expenses or as Special Assessments, and allocated to the General Common Expense Account or to any other account from which non-capital expenditures may be made, in excess of expenditures during such fiscal year made from or chargeable to said account or accounts shall be deemed contributions to capital at the end of said fiscal year, and shall be transferred to the Capital Reserve Account. All amounts credited to said Capital Reserve Account shall be contributions to capital, and shall be held in trust by the Association for future expenditures of a capital nature, and shall serve to reduce the Assessments required for said capital expenditures.

7.3 Audits. All books of account and financial records shall be kept in accordance with good and acceptable accounting practices. The Board shall have an audit of the books of account and financial records of the Association made by an independent certified public accountant immediately following the close of each fiscal year and the report of such accountant shall be received by the Board and made available for inspection by all Unit Owners and all mortgage holders on or before the 15th day of the second month following the close of each fiscal year.

ARTICLE VIII

AMENDMENTS TO BYLAWS

8.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

8.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third of the members of the Association. Directors and members of the Association not present in person or by proxy at the meeting considering the amendment may express their approval in writing provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained.

8.3 Limitation. No amendment may be adopted which would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or Eligible Mortgagees without the consent of said Declarant and Eligible Mortgagees in each instance. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or Declaration without satisfaction of the requirements therein contained. No amendment to this Section shall be valid.

8.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and Bylaws, which certificate shall be executed by the Chairman or Vice Chairman and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Declarant alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Declarant. The amendment shall be effective when the certificate and a copy of amendment is recorded in the Office of the Register of Deeds for Wake County, North Carolina.

ARTICLE IX

CONDEMNATION

9.1 General. Whenever all or any part of the Condominium Property shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner and all Eligible Mortgagees shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association as provided in this Article IX.

9.2 Common Element. If the taking is confined to the Common Elements (general or limited) on which improvements shall have been constructed, and at least 90% of the total vote of the members of the Association entitled to vote shall vote within

60 days after such taking to replace the improvements, or any part thereof, on the remaining land included in the Common Elements (general or limited) and according to the plans therefor first approved by the Association, then the Board shall arrange for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Common Elements (general or limited) is to be repaired or reconstructed as provided for herein; subject, however, to the right hereby reserved to the Association to provide by a majority vote of the Voting Members, for the disbursement by the Association of the remaining proceeds held by it (after the payment of all costs incident to such replacement) to the Unit Owners, or to any one or more of them or to their Institutional Lenders as their interests may appear in amounts disproportionate to their percentages of undivided interest in the Common Elements (general or limited) established herein, which disproportionate amounts shall correspond with the disproportionate damage sustained by the Unit Owners or any one or more of them as the Association may determine. If at least 90% of the Voting Members shall not decide within 60 days after such taking to replace said improvements, or if the taking is confined to the Common Elements (general or limited) on which no improvements shall have been constructed, the Association shall disburse the proceeds of the award provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken has been made, including the right reserved t the Association to provide for the disbursement of the remaining proceeds held by it to the Unit Owner in disproportionate amounts. All disbursements made under this Section 92 shall be in strict compliance with Section 47C-1-107 of the Act.

9.3 Units. If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements (limited or general), then the award shall be disbursed and all related matters shall be handled pursuant to and in accordance with the consent of all Unit Owners and Institutional Lenders affected, and thereafter the Board shall reallocate that Unit's Allocated Interests in a duly recorded amendment to the Declaration of Condominium in accordance with Section 47C-1-107 of the Act.

9.4 Termination. The Board shall call a meeting of all Unit Owners at least 45 days prior to any final taking by the condemning authority to determine the action to be taken pursuant to Sections 9.2 and 9.3 above. Except in the event of a taking of all the Units by eminent domain, in the event the condemnation involves more than 10% of the value of the Common Elements (limited or general) and/or more than 15% of the total value of all Units, the Condominium may be terminated at such meeting by written approval of not less than 90% of the Voting Members. Any termination agreement shall be in compliance with 47C-2-118 of the Act.

ARTICLE X

MISCELLANEOUS

10.1 Ad valorem Taxes. Each Unit shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Unit Owner shall be liable solely for the amount of tax assessed against his Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the Common Elements shall be listed for said taxes in the name of and paid by the Association. Each Unit Owner is also responsible for his pro-rata share of taxes assessed on his portion of the Common Elements if any.

10.2 Notification to Mortgagees. Any Owner who mortgages his Unit shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Condominiums." In addition to any other notification provided for in the Declaration or these Bylaws, the Association may, at the written request of a Mortgagee of any such Unit, report any unpaid assessments due from the Owner of such Unit. The Association shall notify each Mortgagee appearing in said book of the name of each company insuring the Condominium Property under the master policy and the amounts of the coverages thereunder.

10.3 Severabaility. Invalidation of any covenant, condition, restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

10.4 Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration or these Bylaws, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

10.5 Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

10.6 Principal Office – Registered Office. The initial principal office and registered office of the Association shall be located at 1520 Orchard Villas Ave, Apex, North Carolina 27523.

10.7 Other Offices. The Association may have other offices at such other places within North Carolina as the Board may from time to time determine or as the affairs of the Association may require.

10.8 Seal. The seal of the Association shall contain the name of the Association, the word "Seal," the year of incorporation and such other words and figures

as are desired by the Board. When obtained, the seal shall be impressed in the margin of this Section of Bylaws.

10.9 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Douglas O. Tice, III, Director

ATTEST:

Secretary

(Corporate Seal)



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Yellow probate sheet is a vital part of your recorded document.
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Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

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