

Prepared by and return to: Gunter & Harrison, PLLC, 123 Glenwood Ave., Raleigh, NC 27603

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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
FAYETTEVILLE ROAD OFFICE PARK, A CONDOMINIUM**
WILLIE L. COVINGTON
REGISTERED OF DEEDS
DURHAM COUNTY, N.C.

This DECLARATION, made on the date hereinafter set forth by Fayetteville Road Office Partners, LLC, a North Carolina limited liability company, Declarant,

WITNESSETH:

WHEREAS, Declarant is the owner of certain property located on the west side of Fayetteville Road and the north side of Dunhill Drive, City-Out Township, Durham County, North Carolina, and more particularly described as follows (herein "Property"):

BEGINNING at a stake in the northwestern margin of Fayetteville Road and marking the northwestern intersection of Dunhill Drive and Fayetteville Road and running thence along and with the west side of Fayetteville Road along a new R/W line North 22 degrees 44' 12" East 332.72 feet to a stake, said stake marking the southeast corner of Lot #1 as shown on plat and survey hereinafter referred to and running thence North 66 degrees 49' 03" West 462.41 feet to a stake and the line of the City of Durham, now or formerly; running thence South 10 degrees 31' 08" West 537.85 feet to a stake on the North side of Dunhill Drive; running thence along and with the northern side of Dunhill Drive along a curve (counter-clockwise) in an easterly direction, said curve having a radius of 237.74 feet a distance of 123.55 feet to a point on the north side of Dunhill Drive; thence continuing with the said north side of Dunhill Drive North 79 degrees 29' 29" East 152.79 feet to a point; thence continuing with the curve (clockwise) in an easterly direction, said curve having a radius of 285.05 feet a distance of 61.32 feet to a point; thence continuing with the north side of said Dunhill Drive South 88 degrees 10' 57" East 33.91 feet to a stake; thence South 57 degrees 16' 38" West 32.95 feet to a stake, the place and point of BEGINNING and being all of Lot #2, containing 4.24 acres, more or less, as shown on plat and survey entitled "LOT 2, PART OF THE ROSSER ESTATE" prepared by Philip Post & Associates, dated June 16, 1992, to which reference is hereby made for a more particular description of same.

Reserving and excepting from the above a 25 foot private sewer easement lying adjacent to the western property line of the above-described property extending from the northern property line, as described above, southerly to the right-of-way of the north side of Dunhill Drive, said private 25 foot sanitary sewer easement being reserved to serve Lot #1, as shown on the plat above referred to.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

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PART 1
DEFINITIONS

- Section 1:** "Allocated Interests" means the undivided interest in the Common Elements, Common Expense liability and votes in the Association, allocated to each Unit. The Allocated Interests are shown on Exhibit B.
- Section 2:** "Association" means Fayetteville Road Office Owners Association, Inc., its successors and assigns.
- Section 3:** "Bylaws" means the Bylaws of the Association as they may be amended from time to time. A copy of the initial Bylaws are attached hereto as Exhibit A.
- Section 4:** "Common Elements" means all portions of a condominium other than the Units, including, but not limited to, any and all stormwater facilities further described herein.
- Section 5:** "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.
- Section 6:** "Declarant" means Fayetteville Road Office Partners, LLC, a North Carolina limited liability company, and their heirs and assigns.
- Section 7:** "Declaration" means this Declaration of Covenants, Conditions and Restrictions.
- Section 8:** "Executive Board" means the body designated in the Declaration to act on behalf of the Association.
- Section 9:** "Limited Common Elements" means a portion of the Common Elements allocated by the Declaration for the exclusive use of one or more but fewer than all of the Units.
- Section 10:** "Member" means every person or entity who holds membership in the Association.
- Section 11:** "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, together with an undivided interest in the Common Elements as hereinafter set forth, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- Section 12:** "Period of Declarant Control" means the period commencing on the date hereof

and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a Unit to an Owner other than a Declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the Units (including any Units which may be created pursuant to special Declarant rights) to Unit Owners other than Declarant; (iii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iv) two years after any development right to add new Units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the condominiums.

Section 13: "Plats and Plans" means the plats and plans recorded in Plat Book 144, Page 27 at Durham County Register of Deeds, and constituting a part hereof, as the same may be amended from time to time.

Section 14: "Unit" means a physical portion of the condominium designated for separate ownership or occupancy.

PART II - DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

ARTICLE I

GENERAL

Section 1: Declarant hereby submits the Property to the provisions of G.S. §47-C. The Property will be administered in accordance with the provisions of §47-C, the Declaration, and the Bylaws.

Section 2: The name of the condominium shall be "Fayetteville Road Office Park."

Section 3: The Property is located on Fayetteville Road in Durham County, North Carolina.

Section 4: The maximum number of Units that Declarant reserves the right to create is twenty five (25).

Section 5: Declarant does hereby establish within the Property, eighteen (18) Units, and does hereby designate all such Units for separate ownership. Reference is hereby made to the Plats and Plans for a separate description of the boundaries of each Unit, identified by number, said Plats and Plans being by this reference

incorporated herein.

Section 6: Each Owner shall be a member of the Association.

Section 7: There are no Limited Common Elements with the exception of the parking space rights as provided in Article II, Section 3 and the Limited Common Elements created under Article V.

Section 8: Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Executive Board of the Association, as trustees for the condominium Unit Owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the condominium Units or any of them; and, if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against condominium Unit Owners, the Association and their respective servants, agents and guests. Each condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his condominium Unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

Section 9: Declarant reserves the following Special Declarant Rights for the entire Property, which shall be exercisable during the Period of Declarant Control:

- (a) To complete any and all improvements indicated on the Plats and Plans;
- (b) To maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than the Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to a Unit Owner other than the Declarant and shall repair or pay for the repair of all damage done by removal of such signs;
- (c) To alter the size of any Unit, combine or merge two or more Units, and subdivide any Unit;
- (d) To appoint and remove any Executive Board members during the Period of Declarant Control; provided, however, (i) that not later than 60 days after

conveyance of twenty-five percent (25%) of the Units to Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than the Declarant; and (ii) that not later than 60 days after conveyance of fifty percent (50%) of the Units to Owners other than a Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Owners other than the Declarant.

(e) To approve all nameplates and signage attached to the exterior of the Condominium.

ARTICLE II

PROPERTY RIGHTS

Section 1: Ownership of a Unit shall vest fee simple title to such Unit in the Owner.

Section 2: Every Owner shall own an undivided interest in the Common Elements and shall have a right and easement of enjoyment in the Common Elements which shall be appurtenant to and shall pass with the title to every Unit. The undivided interest in the Common Elements and the right and easement of enjoyment in such Common Elements are subject to the following:

- (a) The Association shall have the right to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the Common Elements;
- (b) Special Declarant rights as set forth in Article I, Section 9.
- (c) The Association shall have the right to dedicate or transfer, or encumber all or any part of the Common Elements subject to approval by the Owners as provided in G.S. § 47C-3-112, provided that the transferee of all of any part of the Common Elements has executed a Permit Agreement with the City of Durham with regard to the Stormwater Facilities further described herein.

Section 3: Notwithstanding anything provided in this Declaration seemingly to the contrary, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Unit, his employees, servants, invitees and lessees, may be entitled to use the Common Elements and any Limited Common Elements, including the right to make permanent and

temporary assignments or allocations of parking spaces; to wit, it is hereby determined that the parking allotment for each Unit Owner shall be one parking space per 250 square feet of unit ownership. Office space measurements for purposes of allocation of parking spaces only shall be rounded down to the nearest 250 square foot increment (e.g., 2,380 square feet of office space is rounded to 2,250 square feet and results in an allocation of nine (9) parking spaces).

Section 4: Any Owner may delegate his right of enjoyment to Common Elements to tenants.

Section 5: The Common Elements and any Limited Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial seal or other voluntary or involuntary transfer of an undivided interest in the Common Elements by a Unit Owner made without the Condominium Unit to which that interest is allocated is void.

ARTICLE III

ALLOCATED INTERESTS

Section 1: The table showing Unit numbers and their Allocated Interests is attached as Exhibit B. These interests have been allocated in accordance with the formulas set out in this Article III. These formulas are to be used in reallocating interests if Units are added to the Condominium.

Section 2: The interests allocated to each Unit have been calculated on the following formulas:

(a) The percentage of undivided interest in the Common Elements allocated to each Unit is based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Condominium.

(b) The percentage of liability for Common Expenses allocated to each Unit is based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Condominium. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article IV of this Declaration.

(c) The vote in the Association allocated to each Unit is based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Condominium.

Section 3: The effective date for assigning Allocated Interests to Units created pursuant to Declarant rights hereunder shall be the date on which the amendment creating the Units is recorded in the Registry of Durham County, North Carolina.

ARTICLE IV

ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 1: The Declarant, for each Unit owned within the Property, and each Owner by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements and for the maintenance, reconstruction and repair of any and all stormwater facilities, such assessments to be established and collected as hereinafter provided. Except as provided in Section 2 of this Article IV, the liability of each Owner for the Common Expenses of the Association shall be in accordance with their stated allocation as shown in Exhibit B. Any assessment levied against a Unit remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when filed of record in the office of the Clerk of Superior Court of Durham County and shall accrue interest at a rate set by the Association not to exceed 18% per annum. The Association may bring an action at law against the Owner, or foreclose the lien against the Property. Fees (including attorneys' fees), charges, late charges, fines, and interest are also enforceable as assessments. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed against the Unit or Units to

which the Limited Common Element is assigned. Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against such Unit. Any charge for a utility service provided solely to a particular Unit or Units shall be assessed against such Unit or Units.

Section 3: The lien of the assessments provided for herein shall only be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Unit shall not affect the assessment lien. The sale or transfer of any Unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 4: The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the occupants and in particular for the acquisition, improvement and maintenance of the condominium, services and facilities devoted to this purpose, and for the use and enjoyment of the Common Elements. The Association, in establishing the Annual Budget for the operation, management and maintenance of the condominium, may designate therein a sum in the minimum amount of ten percent (10%) of the annual assessment to be collected and maintained as a reserve fund for replacement of, and the making of capital improvements to the Common Elements which Capital Improvement and Replacement Fund (herein "Capital Improvement Fund") shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements or be owned by the Association and held for the joint use and benefit of the Owners of the condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Executive Board so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Elements and other property owned by the Association. The amount collected

for the Capital Improvement Fund shall be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Elements. In addition to the Capital Improvement Fund, the Association, in establishing the Annual Budget for the operation, management and maintenance of the condominium, may designate therein a sum in the minimum amount of ten percent (10%) of the annual assessment to be collected and maintained as a separate reserve fund for reconstruction and repair of any and all Stormwater Facilities (herein "Facility Fund") mandated by the City of Durham, including, but not limited to, that certain Stormwater Wet Detention (Quality) Pond, that certain Stormwater Bioretention Area (Bioretention Basin #2) and that certain Stormwater Bioretention Area (Bioretention Basin #1) as further described in that certain Stormwater Facility Operation and Maintenance Permit Agreement made by and between the City of Durham and Fayetteville Road Office Partners, LLC. The amount to be allocated to the Facility Fund may be established by the Executive Board so as to collect and maintain a sum reasonably necessary to accommodate the probable reconstruction and repair cost for a three-year period. Further, said Facility Fund shall be maintained in a separate account by the Association and such monies shall be used only to reconstruct or repair the said stormwater facilities.

Section 5: Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be \$43,930.00, prorated for the remainder of said year.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership by up to five percent (5%) of the previous year's maximum annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment for the next succeeding two (2) years may be increased above the increase permitted in Section 5(a), provided that any such assessment shall receive the affirmative vote of two-thirds (2/3rds) of the votes of the Owners who are voting in person

or by proxy, at a meeting duly called for this purpose. Written notice setting forth the purpose of such meeting shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. No quorum shall be required.

(c) The Executive Board may fix the annual assessment at an amount not in excess of the maximum.

Section 6: Both annual and special assessments must be fixed at a uniform rate and may be collected on a quarterly basis.

Section 7: The annual assessments provided for herein shall commence at a date established by the Association. Once such annual assessments are established, written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Executive Board.

ARTICLE V

PARTY WALLS

Section 1: The walls and flooring connecting adjacent Units are "party walls" and are situated on or about the boundary line separating such Units.

Section 2: All finish flooring and any other materials constituting any part of the finished surfaces of the walls, floors, or ceilings are a part of the Units, pursuant to G.S. § 47C-2-102(1). To the extent any duct, wire, conduit, or any other fixtures lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated exclusively to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements, pursuant to G.S. §47C-2-102(2). Any decks, porches, balconies, patios and all other exterior doors and windows or other fixtures designated to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit, pursuant to G.S. §47C-2-102(4).

Section 3: Each wall which is built as a part of the original construction of a Unit and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules

of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 4: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 5: Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6: The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7: If any Owner desires to sell his Unit, such Owner may, in order to assure a prospective purchaser that no adjoining Unit Owner has a right of contribution as provided in this Article IV, request of the adjoining Unit Owner a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining Unit Owner to make such certification immediately upon request and without charges; provided, however, that where the adjoining Unit Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8: The Association will insure the shell and the Units as upfitted including wall coverings, finished floors, wall to wall carpeting, interior partitioning that is affixed to the Units, cabinets that are affixed to the Units, built in appliances, mechanical systems such as plumbing, heating ventilation, and air conditioning, electrical system and those portions of any wiring for communications systems such as telephone or computer that are built into the premises. The Unit Owner will be responsible to insure furniture, equipment, all personal property, computers, telephones, or other communications equipment, movable furnishings and decorative items, specialized equipment and trade fixtures such as dental chairs and dental equipment, even though such specialized equipment may be affixed.

Section 9: In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided

by the laws of North Carolina as then existing.

ARTICLE VI

EXTERIOR MAINTENANCE

Section 1: In addition to maintaining the Common Elements, the Association shall provide exterior maintenance for each Unit, subject to assessment hereunder, including the performance of the following, as needed: Paint, repair, replace and care of roofs, exterior building surfaces, trees, shrubs, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

Section 2: In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of an Owner, his family, guests, invitees, or tenants, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Unit is subject.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure or improvement shall be commenced, erected or maintained upon the condominium or upon the roof of the condominium, (including, but not limited to the installation of electrical wiring, television or radio antennae or satellite dish or other objects which may protrude through the walls or roof of the condominium), nor shall any exterior addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Executive Board.

The exterior color of a Unit cannot be changed unless the color scheme of the entire condominium is similarly changed. Any such change requires the approval of two-thirds of the Owners at a duly called meeting at which a quorum is present.

ARTICLE VIII

USE RESTRICTIONS

Section 1: No Unit shall be used except for business and professional purposes and such use

must conform to state and local zoning ordinances insomuch as each Unit is hereby restricted to use by the Owner thereof, his employees, servants, guests, invitees and lessees, for those uses and purposes permitted in the zoning district in which the Condominium is located, excluding those uses permitted therein only upon obtaining a special use permit or variance. Provided, however, with the prior written consent of the Association, a Unit Owner may seek a variance or special use permit and upon obtaining the same may engage in those uses of the Unit permitted by such variance or special use permit subject to the further restrictions of this Declaration. Upon obtaining a special use permit or variance, the Unit Owner shall file a certified copy thereof with the Secretary of the Association.

- Section 2:** No noxious or offensive activity shall be conducted upon any Unit nor shall anything be done thereon which may be or may become an annoyance or nuisance.
- Section 3:** No animals of any kind shall be kept or maintained in any Unit without permission of the Executive Board.
- Section 4:** No outside radio or television antennas, including satellite dishes or receivers shall be erected on any Unit unless and until permission for the same has been granted by the Executive Board.
- Section 5:** No signs shall be permitted on or about the Units, other than those signs specifically referred to in Article I, Section 9.
- Section 6:** All window coverings (i.e., curtains, blinds, draperies, shades, etc.) shall appear white or off-white from the exterior.
- Section 7:** Owners shall not park or store any camper, trailer, trailer vehicle, or similar vehicle anywhere on the premises. No trucks shall be permitted except for standard passenger vans, pickup trucks, or sport utility vehicle.

ARTICLE IX

EASEMENTS

- Section 1:** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Plats and Plans and other like easements may

be granted by the Executive Board in the name of the Association for the benefit of the condominium and for the benefit of any Unit, including the right to install, lay, maintain, repair and replace, waterlines, pipes, sewer lines, storm drainage facilities, telephone wires, cable television wires and electrical conduits, wires over, under and along any portion of the Property, and the Owners of any Unit hereby grant to the Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

- Section 2:** All Units and Common Elements shall be subject to easements for the encroachment of improvements constructed on adjacent Units by the Declarant to the extent that such improvements actually encroach, including, but not limited to, such items as overhanging eaves, stoops, misaligned common wall foundation footings and walls, provided such encroachment does not interfere with the reasonable use of the Common Elements or Units so encroached upon.
- Section 3:** Declarant shall have a reasonable construction easement across the Common Elements for the purpose of constructing improvements on the Units. Declarant shall also have such easements through the Common Elements as may be reasonably necessary for the purpose of discharging a Declarant's obligations or exercising Special Declarant Rights as provided herein.
- Section 4:** The Association shall have a right of entry upon the Units and any limited Common Elements to effect emergency repairs, and a reasonable right of entry upon the Units to effect other repairs, improvements, replacement or maintenance as necessary.
- Section 5:** All easements granted herein are appurtenant to and shall run with the land, and shall inure to the benefit of and be binding upon the Declarant, the Association, Owners, occupants, and mortgage holders, and any other person or entity having an interest in the condominium.
- Section 6:** Each Unit Owner shall have an easement in common with the Owners of all

other Units to use all chutes, flues, pipes, wires, ducts, cables, conduits, and public utilities serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the chutes, flues, pipes, wires, ducts, cables, conduits, and public utility lines, and other Common Elements serving such other Units and located in such Unit. The Executive Board, or its agents, shall have a right of access necessary to inspect the same, to remove violations therefrom, and to maintain, repair or replace the Common Elements contained therein or accessible therefrom, and to make emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Each Unit Owner specifically shall have an easement of access through all other Units as may be reasonably necessary to maintain, repair and replace all components of mechanical systems serving his Unit and to maintain, repair and replace those portions of his Unit or Limited Common Elements within his sphere of responsibility.

Section 7: An easement is hereby established over the Common Elements for the benefit of applicable governmental agencies, utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage, collection, postal delivery, emergency and rescue activities and law enforcement activities.

ARTICLE X

GENERAL PROVISIONS

Section 1: All powers granted in the Declaration or the Bylaws to the Association shall be exercisable by the Executive Board, except as expressly provided in the Declaration, the Bylaws, or G.S. § 47-C.

Section 2: The Association may adopt and enforce reasonable rules and regulations not in conflict with the Declaration and supplementary thereto, as more fully provided in the Bylaws.

Section 3: The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now

or hereafter imposed by the provisions of this Declaration, the Bylaws and articles of incorporation of the Association. Failure by the Association to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within 90 days, any Unit Owner, or other holder of an interest in the condominium may undertake the enforcement of the provisions of the Declaration at his own expense.

Section 4: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5: The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first 20-year period by an instrument signed by not less than ninety (90) percent of the Unit Owners, and thereafter by an instrument signed by not less than sixty-six (66) percent of the Owners. Any amendment must be recorded.

Section 6: The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, Declarant of this Declaration has caused this instrument to be executed in its name by its duly authorized member/manager, this 26th day of July, 1999.

FAYETTEVILLE ROAD OFFICE PARTNERS, LLC

By:


MARK T. ANDREWS member/manager

By:


EDWIN B. HOEL member/manager

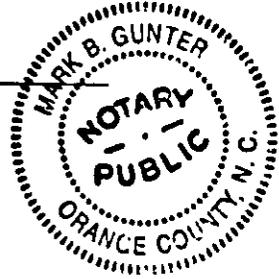
STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Mark B. Gunter, a Notary Public of Orange County, North Carolina, do certify that Mark T. Andrews, member/manager of Fayetteville Road Office Partners, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp and seal, this 26th day of July, 1999.

My Commission Expires: 9.27.99

Mark B. Gunter
Notary Public



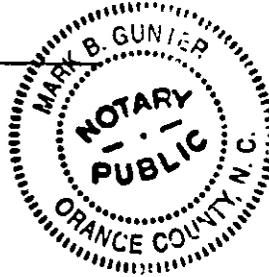
STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Mark B. Gunter, a Notary Public of Orange County, North Carolina, do certify that Edwin B. Hoel, member/manager of Fayetteville Road Office Partners, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp and seal, this 26th day of July, 1999.

My Commission Expires: 9.27.99

Mark B. Gunter
Notary Public



State of North Carolina - Durham County

The foregoing or annexed certificate(s) of Mark B. Gunter

A Notary (Notaries) Public for the Designated Governmental units is(are) certified to be correct.

This the 27 day of July A.D. 19 99

WILLIE L. COVINGTON Beverly J. Alston
Register of Deeds By Deputy
Register of Deeds

EXHIBIT A

BYLAWS OF FAYETTEVILLE ROAD OFFICE OWNERS ASSOCIATION, INC.,
a North Carolina Nonprofit Corporation

ARTICLE I

MEETINGS OF MEMBERS

- Section 1:** The first annual meeting of the members shall be held within one year from the date of formation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter.
- Section 2:** Special meetings of the members may be called at any time by the president or the Executive Board, or upon written request of 20% of the members, pursuant to G.S. § 47C-3-108.
- Section 3:** Written notice of each meeting shall be given by, or at the direction of, the secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least 10 days and not more than 50 days before such meeting to each member as provided in G.S. § 47C-3-108.
- Section 4:** Within 30 days after adoption of any proposed budget for the condominium, the Executive Board shall provide a summary of the budget to all the Unit Owners. The budget shall be considered at a meeting of the Unit Owners as set forth in G.S. § 47C-3-103(c).
- Section 5:** The presence at the meeting of members or proxies entitled to cast fifty percent (50%) of the votes shall constitute a quorum for any action except as otherwise provided by law.
- Section 6:** Every Unit Owner shall be entitled to cast the number or percentage of votes as provided in the Declaration for the Units owned by such member.
- Section 7:** Pursuant to G.S. § 47C-3-10, votes allocated to a Unit may be cast pursuant to a dated written proxy signed by a Unit Owner. A Unit Owner may not revoke a

proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

ARTICLE II

OFFICERS AND EXECUTIVE BOARD; SELECTION; TERM OF OFFICE

- Section 1:** The affairs of the Association shall be managed by an Executive Board of three (3) members, who shall be entitled to act on behalf of the Association. Subject to the initial Period of Declarant Control as set forth in Article I of the Declaration, nomination for election of the Executive Board shall be made from the floor at the annual meeting. Election shall be by secret written ballot and by a majority of the Unit Owners when a quorum is present. Cumulative voting is not permitted.
- Section 2:** At the first annual meeting following the termination of Declarant control, three (3) Executive Board members shall be elected to serve until the following annual meeting.
- Section 3:** Any Executive Board member, except those appointed by the Declarant, may be removed in accordance with G.S. § 47C-3-103(b). In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present.
- Section 4:** No Executive Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Executive Board, any Executive Board member may be reimbursed for actual expenses incurred in the performance of his duties.
- Section 5:** The Executive Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Executive Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Executive Board.
- Section 6:** The Executive Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written

consent of all the Executive Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Executive Board.

ARTICLE III

MEETINGS OF EXECUTIVE BOARD

Section 1: Meetings of the Executive Board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Special meetings of the Executive Board may be called by any member of the Executive Board, after not less than five (5) days notice to each Executive Board member.

Section 2: A majority of the Executive Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Executive Board members present at a duly held meeting shall be regarded as the act of the board.

ARTICLE IV

POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 1: Subject to the provisions contained herein and applicable law, the Executive Board shall have the power and authority to exercise all the rights of the Association, including, but not limited to:

- (a) Adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;
- (b) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) Declare the office of a member of the Executive Board to be vacant in the

event such member shall be absent from three (3) consecutive regular meetings of the Executive Board;

(d) Employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than 90 days termination notice;

(e) Procure, maintain and pay premiums on an insurance master policy(s) and equitably assess the Owners of the same for their prorata portion of such expense.

(f) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than for service provided to Unit Owners; and

(g) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

(h) Exercise any other powers necessary and proper for the governance and operation of the Association; and

(i) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

Section 2: It shall be the duty of the Executive Board to:

(a) Cause the Common Elements to be maintained, repaired, and replaced as necessary, and to assess the Unit Owners to recover the cost of the upkeep of the Common Elements.

(b) Serve as the architectural committee;

(c) Keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by 50% of the members;

(d) Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(e) Fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period pursuant to the provisions set forth in the

Declaration and G.S. § 47C-3-103(c);

- (f) Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;
- (g) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- (h) Issue, or have issued, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (i) Procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in G.S. § 47C-3-113; and
- (j) Cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1: The officers of this Association shall be a president, vice-president, and secretary/treasurer. The officers shall be appointed by the Executive Board from among the members of the Executive Board.

- (a) The president shall preside at all meetings of the Executive Board; see that orders and resolutions of the Executive Board are carried out; sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) The vice-president shall act in the place of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Executive Board.
- (c) The secretary shall record the votes and keep the minutes of all meetings

and proceedings of the Executive Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Executive Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; and perform such other duties as required by the Executive Board.

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Executive Board; sign all checks and promissory notes (such checks and promissory notes to be cosigned by the president) of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant or other person suitable to the Executive Board at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

ARTICLE VI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The articles of incorporation and the Declaration and Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VII

SEAL

The Association shall have a seal in circular form having within its circumference the words: "Fayetteville Road Office Owners Association, Inc." and the words: "SEAL - 1999" in the center thereof.

ARTICLE VIII

AMENDMENTS TO BYLAWS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of the majority of the members.

IN WITNESS WHEREOF, we, being all of the members of the Executive Board of Fayetteville Road Office Owners Association, Inc. have hereunto set our hands this 26th day of July, 1999.



MARK T. ANDREWS, PRESIDENT

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Fayetteville Road Office Owners Association, Inc. a North Carolina nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of such Association and were duly adopted at a meeting of the Board of Directors thereof, held on the 26th day of July, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this 26th day of July, 1999.


Secretary

Edwin B. Hoel, Secretary

EXHIBIT B**TABLE OF ALLOCATED INTERESTS**

<u>Unit Number</u>	<u>Square Feet</u>	<u>Percentage Share</u>
6104-101	2,752	7.204%
6104-102	1,950	5.105%
6104-103	1,820	4.764%
6104-104	2,015	5.275%
6104-105	2,015	5.275%
6104-106	1,820	4.764%
6104-107	1,950	5.105%
6104-108	2,752	7.204%
6114-101	2,763	7.233%
6114-102	1,950	5.105%
6114-103	1,885	4.935%
6114-104	1,885	4.935%
6114-105	2,080	5.445%
6114-106	2,080	5.445%
6114-107	1,885	4.935%
6114-108	1,885	4.935%
6114-109	1,950	5.105%
6114-110	2,763	7.233%
Total	38,200	100.000%