

WAKE COUNTY, NC 582
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
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DECLARATION FOR
REXVIEW PROFESSIONAL PLAZA CONDOMINIUM
PURSUANT TO
CHAPTER 47C OF THE NORTH CAROLINA GENERAL STATUTES,
THE NORTH CAROLINA CONDOMINIUM ACT
(Wake County Register of Deeds Condominium Unit Ownership File No. 431)

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Prepared by and return to:
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STATE OF NORTH CAROLINA

COUNTY OF WAKE

Medical Arts Building-Raleigh, LLC, a North Carolina limited liability company, with its principal place of business located at 2217 Stantonsburg Road, Greenville, North Carolina 27835 ("Declarant"), does hereby make, declare and establish this Declaration of Condominium ("Declaration") as, and for, the plan of ownership of Rexview Professional Plaza Condominium, being the property and improvements hereinafter described.

WITNESSETH THAT:

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

WHEREAS, Declarant plans to construct improvements upon the Property, with the intention of dividing the improvements into Condominium Units as defined under the provisions of the North Carolina Condominium Act (Chapter 47C, North Carolina General Statutes), and to

sell and convey said Units to purchasers subject to the covenants, conditions and restrictions herein reserved. The maximum number of Units that the Declarant reserves the right to create is twenty (20), within one (1) Building containing approximately 36,033 gross rentable square feet located on the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, uses, limitations and obligations in furtherance of a plan for the division of the Property into Condominium Units and which shall be deemed to run with the land and be binding on all parties having any right, title or interest in the land or any part thereof, their heirs, successors and assigns.

1.

ESTABLISHMENT OF CONDOMINIUM OWNERSHIP

1.01 Submission. Declarant does hereby submit the Property and the improvements and appurtenances thereto to the form of condominium ownership pursuant to the provisions of North Carolina Condominium Act as the same now exists or may be hereafter amended, and hereby declares that the Property shall be subject to the uses, restrictions, covenants, easements, limitations, obligations and governing authority set forth in this Declaration of Condominium and as the same may be hereafter amended.

1.02 Name. The Property and the improvements thereof shall be known as Rexview Professional Plaza Condominium (the "Condominium").

2.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

2.01 Property. The legal description of the Property on which the building and improvements are to be located is set forth in Exhibit A to this Declaration.

2.02 Unit Designations. The Unit designation of each Condominium Unit, location, floor plan and typical description are set forth in the Plats and Plans (as hereafter defined) for this Condominium filed in the Wake County Register of Deeds in the file number referenced at the top of the first page of this Declaration.

2.03 Other Descriptions. Actual building locations, Limited Common Elements, utility lines, ground elevations, building elevations, and other land and construction information shall be found in the Condominium Unit Ownership File, which number is referenced at the top of the first page of this Declaration recorded in the office of the Register of Deeds of Wake County, North Carolina.

The Condominium is not subject to any code, real estate use law, ordinance, charter provision, or regulation (i) prohibiting the condominium form of ownership, or (ii) imposing conditions or requirements upon a condominium which are not imposed upon substantially similar developments under a different form of ownership. This statement is made pursuant to N.C.G.S. Section 47C-1-106 for the purpose of providing marketable title to the Units in the Condominium.

DEFINITIONS

3.01 "Allocated Interest" means the undivided interest in the Common Elements, the Common Expense Liability and the votes in the Association allocated to each Unit as shown on Exhibit B attached hereto.

3.02 "Association" or "Unit Owners' Association" means that nonprofit corporation, the name of which shall be Rexview Professional Plaza Condominium Association, Inc. and which shall manage the Common Elements of the Condominium as specified in this Declaration, its Articles of Incorporation (a copy of which is attached hereto and incorporated herein by reference as Exhibit C) and Bylaws (a copy of which is attached hereto and incorporated herein by reference as Exhibit D).

3.03 "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the directors of the Association and on behalf of the Association, as prescribed in its Bylaws.

3.04 "Building" means a structure constructed or erected on the Property which contains one or more Condominium Units.

3.05 "Bylaws" means the Bylaws of the Association, as they may be amended from time to time.

3.06 "Common Elements" shall mean and comprise all portions of the Condominium other than the Units, including water and sewer lines located outside public street rights-of-way and not located within a City of Raleigh utility easement which serve more than one Unit or the Common Elements, and including the master HVAC system and equipment serving all Units, but excluding all outdoor light fixtures affixed to the exterior walls of a Unit. The Common Elements shall be subject to this Declaration and those certain liens, easements, encumbrances and other matters of record described on Exhibit E attached hereto and incorporated herein by this reference.

3.07 "Common Expenses" means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves, including, but not limited to:

- (1) All sums lawfully assessed against the Unit Owners by the Association;
- (2) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (3) Expenses agreed upon as Common Expenses by the Association;
- (4) Expenses declared to be Common Expenses by the provisions of the North Carolina Condominium Act, by the Declaration or by the Bylaws;
- (5) Hazard and such other insurance premiums as the Declaration and/or Bylaws may require the Association to purchase;

- (6) Ad valorem taxes, public assessments and governmental liens levied against the Common Elements not otherwise assessed against the Units; and
- (7) Electricity service and any utilities which are Common Expenses as determined by the Association.

3.08 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit.

3.09 "Common Profits" means the balance of all income, rents, profits and revenues from the Common Elements remaining after the deduction of the Common Expenses or reserves therefor.

3.10 "Common Surplus" means all funds and other assets of the Association, including excess receipts of the Association from assessments, rents, profits and revenues from whatever source in excess of the Common Elements.

3.11 "Condominium" means all Condominium Units, the Common Elements and any Limited Common Elements, as said terms are defined herein, and all appurtenances, all comprising the Property described on Exhibit A attached hereto.

3.12 "Condominium Unit" or "Unit" shall mean and comprise each of the separate numerically identified Units which are designated in Exhibit B attached hereto and which shall be the physical portion of the Condominium designated on that Exhibit for separate ownership or occupancy. Mechanical equipment, stairways and appurtenances located within any Unit and designed to serve only that Unit, such as appliances, heating and air-conditioning units, cabinets, fixtures and the like shall be part of the Unit. Additionally, all outdoor light fixtures affixed to the exterior walls of a Unit shall be part of the Unit.

3.13 "Declarant" means **Medical Arts Building-Raleigh, LLC**, a North Carolina limited liability company, and its successors and assigns to whom any of its rights hereunder are expressly transferred, in whole or in part, or who succeeds to any Special Declarant Right.

3.14 "Declarant Control Period" or "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business, (ii) two (2) years after any development right to add new Units was last exercised, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than a Declarant.

3.15 "Declaration" or "Declaration of Condominium" means this instrument, as executed and duly recorded, by which the Property is submitted to the provisions of the North Carolina Condominium Act, and as it, from time to time, may be amended.

3.16 "Development Rights" means those rights, if any, reserved by Declarant under Article 5 herein to add real estate to the Condominium, to create Units, Common Elements or Limited Common Elements within the Condominium, to subdivide Units or convert Units into

Common Elements, to withdraw any part of the Property from the Condominium, and other rights as may be provided in the North Carolina Condominium Act.

3.17 "Lessee" means any person entitled to present possession of a leased Unit, whether lessee, sublessee or assignee.

3.18 "Limited Common Elements" means the portion of the Common Elements allocated for the exclusive use of at least one but fewer than all of the Units by this Declaration, including, but not limited to, the following:

(a) Any chute, flue, duct, wire, conduit, bearing wail, bearing column or any other fixture lying partially within and partially outside of the designated boundaries of a Unit and serving only that Unit. If such structures serve more than one Unit, or the Common Elements, then they are Common Elements. Subject to the preceding sentence, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

(b) Any shutters, awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries.

(c) Stairways, landings, hallways and entranceways, the use of which is limited to certain Units as shown on the Plats and Plans.

(d) Utility areas, the use of which is limited to certain Units as shown on the Plats and Plans.

(e) Mailboxes, nameplates and exterior lighting affixed to a Building will be Limited Common Elements allocated to the Unit or Units served.

The cost of maintenance and repair of the Limited Common Elements shall be the responsibility of the Owner, or if more than one, Owners, of the Unit or Units to which it is allocated on an equal basis.

A Limited Common Element may not be altered or reallocated without the unanimous consent of all Unit Owners whose Units are affected. Any Unit Owners who reallocate a Limited Common Element as among themselves shall first seek and obtain approval from the Board of Directors. Any reallocation of a Limited Common Element, upon approval by the Board, shall be evidenced by an amendment to this Declaration executed by the Unit Owners affected and evidencing executed approval by the Association, which amendment shall be recorded before it shall become effective. The Unit Owners affected by the reallocation shall pay the cost and expense of preparation of the amendment and the recording thereof, however, the form and substance of the amendment shall first be approved by the Board of Directors or the counsel for the Association.

Common Elements not designated or allocated as Limited Common Elements may not be so allocated to Unit Owners except upon written unanimous consent of all Unit Owners in the Condominium. Any such allocation shall be evidenced by an amendment as set forth above.

3.19 "Majority or "Majority of Unit Owners" means the Owners of more than fifty percent (50%) of the aggregate allocated interests in the Common Elements, as established by this Declaration, in person or by proxy at a duly called meeting of the members of the Association.

3.20 "Mortgage" means a mortgage or deed of trust.

3.21 "Mortgagee" means a mortgagee or the owner and holder of a promissory note or other evidence of indebtedness and deed of trust or mortgage which describes a Unit or Units as the security property.

3.22 "North Carolina Condominium Act" means the provisions of Chapter 47C of the North Carolina General Statutes as the same now exists or may hereafter be amended, or any new enactment in substitution or replacement thereof as the same by law may be applied to this Condominium.

3.23 "Person" means any individual, corporation, partnership, association, business trust, estate; trust, joint venture, government or any subdivision or agency thereof, or other legal or commercial entity.

3.24 "Plats and Plans" means the plats and plans of the Buildings and Property filed with this Declaration and located in the Condominium File in the office of the Wake County Register of Deeds, as the same may be amended from time to time, showing thereon graphically all particulars of the Building and the Units.

3.25 "Property" means the real estate described on Exhibit A, 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 estate.

3.26 "Rules and Regulations" means Rules and Regulations for the use of Units and Common Elements and for the conduct of persons within the Condominium, adopted by the Board of Directors pursuant to this Declaration. A copy of the Rules and Regulations currently in effect is attached hereto as Exhibit F.

3.27 "Special Declarant Rights" means those rights, including Development Rights, permitted by the North Carolina Condominium Act and specified in Article 6 herein.

3.28 "Unit Boundaries" means the boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plats and Plans, including the walls, floors and ceiling.

3.29 "Unit Designation" means the identifying number, letter, symbol or combination thereof designating a Condominium Unit and set forth in this Declaration and the Plats and Plans.

3.30 "Unit Owner" or "Owner" means Declarant or any other person, or any combination thereof, who owns a Condominium Unit, but excludes any person having an interest in a Unit solely as security for an obligation.

4.

OWNERSHIP OF CONDOMINIUM UNITS AND
APPURTENANT ALLOCATED INTEREST IN COMMON ELEMENTS

4.01 Ownership Interest. Each Condominium Unit shall be held, conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each Condominium Unit, an allocated interest in the Common Elements. The undivided allocated interest appurtenant to each Condominium Unit shall be as set out in Exhibit B attached hereto and made a part hereof. The Allocated Interest in the Common Elements that is appurtenant to each Condominium Unit is according to the relative gross rentable square footage, including a fifteen percent (15%) core factor, of each Unit as compared to the gross rentable square footage of all Units, including a fifteen percent (15%) core factor, in the Condominium.

4.02 Change in Allocated Interest. Except such reallocations as may be required by law, as may arise in the case of condemnation as set forth in Article 37 hereof, as may result from a casualty loss as specified in Article 22 hereof, as may occur because of exercise of Development Rights reserved by Declarant herein, or as permitted by this Declaration, the Allocated Interests in the Common Elements assigned to each Condominium Unit shall not be changed except with the unanimous consent of all of the Unit owners of all of the Condominium Units.

4.03 No Division of Common Elements. The Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements by an Owner made without the Condominium Unit to which that interest is allocated is void.

5.

DECLARANT DEVELOPMENT RIGHTS RESERVED

Declarant reserves all Development Rights with respect to the Property to complete the Condominium in accordance with the Plats and Plans. Upon the exercise of any such Development Rights, Declarant shall prepare and file an amendment to this Declaration Complying with this Declaration and the North Carolina Condominium Act. The Common Elements then constituted shall be reallocated to the Units based on the formula set forth in Section 4.01 hereof.

Where applicable, such amendment shall:

- (a) assign an identifying number to each new Unit created;
- (b) reallocate the Allocated Interests among the Units;
- (c) describe all Common Elements and Limited Common Elements thereby created; and
- (d) designate the Unit(s) to which each Limited Common Element is allocated.

All Development Rights herein reserved are limited as follows:

(i) The Development Rights may be exercised at any time, but not more than ten (10) years after the recording of the initial Declaration;

(ii) Additional Units created under the Development Rights shall not cause the total number of Units subject to this declaration to exceed twenty (20); and

(iii) The quality of construction of any Buildings and improvements to be created on the Property shall be consistent with the quality of those constructed pursuant to this Declaration as initially recorded.

6.

SPECIAL DECLARANT RIGHTS RESERVED

The Declarant reserves the following Special Declarant Rights with respect to the Condominium, which may be exercised, where applicable, anywhere within the Condominium;

(A) All of those rights of Declarant reserved pursuant to Article 5 herein.

(B) The right to complete the Condominium in accordance with the Plats and Plans filed contemporaneously with this Declaration and as a part of the Condominium Unit Ownership File identified on page 1 hereof.

(C) Declarant may maintain models, management offices and sales offices for management of the Condominium or sales of Units as follows:

(1) Any Unit or number of Units may be used as models and/or management or sales offices.

(2) 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 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 sale or management offices or models.

(3) Declarant may also maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than 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 Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(4) Notwithstanding any other provisions of this Declaration or the Bylaws, the Association may maintain an office in the Condominium for management of the Condominium both before and after the sale of all Units to someone other than the Declarant, and both during and after the Declarant Control Period.

(D) The easement and right of access, ingress and egress through the Common Elements for the purpose of discharging Declarant's obligations and all portions thereof, as now or hereafter constituted, or exercising Special Declarant Rights.

(E) The right to elect or name persons to the Board of Directors and to name and appoint officers of the Association and to otherwise control the activities of the Board and Association until the rights of Declarant terminate, all as specified in the Bylaws or this Declaration during the Declarant Control Period.

(F) In the matter of *Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.* ("Petitioner") v. *Medical Arts Building-Raleigh, LLC, LaSalle Bank National Association, as Trustee for the registered holders of Commercial Mortgage Asset Trust Series 1999-C1, and Chicago Title Insurance Company, Trustee* ("Respondents"), 05-SP-4957, Superior Court Division, Wake County Clerk of Superior Court. Declarant, as Respondent, reserves the right to litigate, contest, defend or settle all claims and raise any and all defenses available to it at its sole expense; to grant any easements or other rights claimed by Petitioner or ordered by the Court and; to retain any and all damages and awards granted to Declarant/Respondent arising from the above referenced case as its sole property. The Association and each Unit Owner shall be deemed by the Owner's acceptance of the deed to a Unit to have assigned to Declarant/Respondent any and all rights in and to the above-referenced case; to any and all damages and awards granted to Declarant/Respondent; and consent to the grant of any easement or other rights granted to Petitioner or ordered by the Court which easements or rights may constitute a continuing and permanent encumbrance on the Common Elements. Furthermore, the Association and each Unit Owner, shall be deemed by the Owner's acceptance of a deed to a Unit to have appointed Declarant/Respondent their attorney-in-fact to give, execute and record in the Wake County Registry any such easement or right arising from the above-referenced case.

(G) The right to construct a monument sign ("Sign") on the Property in the event a Sign has not been constructed prior to the recording of this Declaration. The exact location of the Sign shall be at the discretion of the Declarant.

Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

7.

SUBDIVIDING, RECOMBINING AND RELOCATING BOUNDARIES OF ADJOINING
CONDOMINIUM UNITS; SEPARATE CONVEYANCE OF APPURTENANT
COMMON ELEMENTS PROHIBITED

7.01(A) Subdivision or Recombination of Condominiums. A Unit may be subdivided into two (2) or more Units or recombined subject to the restrictions of all relevant codes, ordinances and regulations of all regulatory and governmental bodies having jurisdiction over the Condominium.

The Association, at the expense of the Owners affected, shall prepare, execute and record an amendment to the Declaration, including the Plats and Plans, subdividing or recombining (as the case may be) said Units.

The amendment to the Declaration must be executed by the Owners of the Units to be subdivided or recombined, assign identifying numbers of each of the Units created, and reallocate the allocated interest formerly allocated to the recombined Units to the new Units in any reasonable manner prescribed by the Owner of the subdivided or recombined Units.

7.01(B) Relocation of Unit Boundaries. The boundaries of Units may be relocated by the affected Unit Owners upon application to, and approval by, the Board of Directors. Any such application must be in such form and contain such data as the Board may require detailing the relocation of the boundaries of the affected Units and the reallocation of their respective Allocated Interest. Such application shall be accompanied by a plat prepared by an engineer or architect registered under N.C.G.S. Chapter 83A or 89C showing the relocation. The Board in its discretion may determine the relocation to be unreasonable. If the Board shall approve the application, or if within thirty (30) days after filing the application with the Board, the Board has not denied the application as being unreasonable, then the Board, at the expense of the Owners affected, shall have prepared an amendment to the Declaration including Plats and Plans necessary to show the altered boundaries between the adjoining Units and their dimensions and identifying numbers and such other information as the applicable statute (presently N.C.G.S. Section 47C-2-112) shall require, and the same be filed of record, at which time the relocation shall be effective.

7.01 (C) No Conveyance of Common Elements. The Allocated Interest in the Common Elements declared to be appurtenant to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the Allocated Interest in Common Elements appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit.

7.02 Instruments of Conveyance. Any conveyance, mortgage, or other instrument which purports to grant any title, right, interest or lien in, to or upon a Condominium Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Condominium Unit and its appurtenant Allocated Interest in Common Elements, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire Condominium Unit as then constituted. Any instrument conveying, devising, encumbering, or otherwise dealing with any Condominium Unit, without limitation or exception, shall be deemed or construed to affect the entire Condominium Unit as then constituted and its appurtenant Allocated Interest in the Common Elements.

7.03 Joint Ownership Not Prohibited. Nothing herein contained shall be construed as limiting or preventing ownership of any Condominium Unit and its appurtenant Allocated Interest in the Common Elements by more than one person as tenants in common, joint tenants, or as tenants by the entirety.

8.

THE CONDOMINIUM SUBJECT TO RESTRICTIONS

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

9.

PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS

9.01 Common Elements. The Common Elements shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of the Condominium Units in the Condominium, for their use and the use of their employees, agents, guests, invitees and lessees, for all proper and normal purposes, including, but not limited to the right of access, ingress and egress to and from all public streets and public walkways, and over walkways and parking areas within the Common Elements, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of Condominium Units. Each Unit Owner specifically shall have an easement to maintain all components of the heating and air-conditioning systems serving his Unit in their present location and as shown on the Plats and Plans.

9.02 Utilities. 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, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Directors, or its agents, shall have a right of access to each Unit from time to time during reasonable hours as may be 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 this Unit or Limited Common Elements within his sphere of responsibility.

9.03 Structural. Every portion of a Unit, such as a bearing column and a bearing wall, which contributes to the structural support of the Building as shown on the Plats and Plans, shall be burdened with an easement of structural support for the benefit of all other Units and for the Common Elements.

10.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

10.01 Present Encroachment. In the event that any Condominium Unit shall encroach upon any Common Element, or any other Condominium Unit or Units, for any reason not caused by the purposeful or negligent act of the Condominium Unit Owner, or agent of such Owner, then an easement appurtenant to such Condominium Unit shall exist for the continuance of such encroachment upon the Common Elements or upon a Condominium Unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Elements shall encroach upon any Condominium Unit then an easement appurtenant to such Common Elements for the continuance of such encroachment upon a Unit shall exist for so long as such encroachment shall naturally exist.

10.02 Encroachments on Reconstruction. If any Condominium Unit or Common Elements shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such Unit or Common Elements, there exist encroachments of portions of the Common Elements upon any Condominium Unit, or of any Condominium Unit upon any other Condominium Unit or upon any portion of the Common Elements, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

11.

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

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

12.

CONVEYANCE OR ENCUMBRANCE OF COMMON ELEMENTS BY ASSOCIATION

12.01 Conveyance or Encumbrance Permitted. Portions of the Common Elements may be conveyed or subjected to a Mortgage by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association agree to that action; provided, that all the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a Mortgage. Distribution of proceeds of the sale of a Limited Common Element shall be as provided by agreement between the Unit Owners to which it is allocated and the Association. Proceeds of the sale or financing of a Common Element (other than a Limited Common Element) shall be an asset of the Association.

12.02 Agreement Required. An agreement to convey Common Elements or subject them to a Mortgage must be evidenced by the execution of an agreement, or ratification thereof,

in the same manner as a deed, by the requisite number of Unit Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in the Wake County Registry and is effective only upon recordation.

12.03 Contract Voidable. The Association, on behalf of the Unit Owners, may contract to convey Common Elements, or subject them to a Mortgage, but the contract is not enforceable against the Association until approved pursuant to Sections 12.01 and 12.02 above. Thereafter, the Association has the power necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

12.04 Other Conveyance Void. Any purported conveyance, encumbrance, judicial sale or other voluntary transfer of Common Elements, unless made pursuant to this Article, is void.

12.05 No Limitation of Access or Support. A conveyance or encumbrance of Common Elements pursuant to this Article shall not deprive any Unit of its rights of access and support.

13.

ADMINISTRATION OF THE CONDOMINIUM

13.1 Association. To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a nonprofit North Carolina corporation (the "Association" as defined above) has been organized (or will be organized before sale of any Unit by Declarant), and said Association shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and Bylaws.

13.02 Members. The Owner or Owners of each Condominium Unit shall automatically become members of said Association upon his, their or its acquisition of an ownership interest in title to any Condominium Unit and its appurtenant Allocated Interest in the Common Elements, and the membership of such Owners or Owner shall terminate automatically upon such Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of the means by which such ownership may be divested, except that nothing herein contained shall be construed as terminating the membership of any party who may own two (2) or more Condominium Units, so long, as such party shall retain title to or a fee ownership interest in any Condominium Unit. Each person or entity owning a Condominium Unit by tenancy in common, tenancy by the entirety or joint tenancy shall be a Member during such period of ownership. No person holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said Association or to any of the rights or privileges of such membership.

13.03 Authority. In the administration of the operation and management of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration of Condominium, to levy and collect assessments in the manner hereinafter provided, to adopt, amend, promulgate and enforce Rules and Regulations governing the use of the Condominium Units and Common Elements as the Board of Directors of said Association may deem to be in the best interest of the Association.

13.04 Records Inspection. The Association shall make available at its office, or through its managing office, during normal business hours, and upon request, copies of the Declaration, Bylaws, and Rules and Regulations of the Association to Unit Owners, mortgage lenders or any Unit insurers, guarantors of such mortgage loans and holders of such mortgage loans, and shall make available during such time books, records and financial statements for inspection by those persons. The Association may make a reasonable charge for such copies.

13.05 Enforcement. The Association and any Unit Owner shall have a right of action against any Unit Owner for failure to comply with any provision of the Declaration, Bylaws, Rules and Regulations or other related guideline for operation; maintenance and use of the Condominium; and any Unit Owner shall have a right of action against the Association for failure to comply with any provision of the Declaration, Bylaws, Rules and Regulations or other related guideline for operation, maintenance and use of the Condominium. These rights of action for enforcement are not in derogation of existing law, but, to the extent needed, are in addition thereto. Such rights against the Association do not, however, grant additional rights of action against the officers and directors of the Association beyond that which is permitted by law.

14.

OCCUPANCY AND USE RESTRICTIONS

14.01 Zoning. Each Condominium Unit is hereby restricted to use by the Owner thereof, his employees, servants, guests, invitees and lessees, for those uses and purposes permitted by the zoning classification 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 Article. Upon obtaining a special use permit or variance, the Unit Owner shall file a certified copy thereof with the Secretary of the Association.

14.02 Additional Use Restrictions. In addition to the restrictions set forth in Section 14.01 above, the following restrictions shall also apply to the Condominium:

a. No portion of the Property may be used for any residential purpose. Each Unit is restricted to professional office and medical office uses, and such other uses as are consistent with the applicable zoning classification.

b. The use of Units and Common Elements is subject to the Bylaws and the Rules and Regulations of the Association, as they may be amended from time to time.

c. A Unit Owner may lease his entire Unit or less than the entire Unit, but all leases and subleases must be in writing and be for a term of 30 days or more. Any lease agreement shall be required to provide: (i) that the terms of the lease shall be subject to the provisions of this Declaration, the Bylaws and the Rules and Regulations, and (ii) that any failure of a lessee or sublessee to comply with the terms of such documents shall be a condition of default under such lease. All leases and subleases must be filed with the Association, or such information from such leases or subleases as may be prescribed by the Board shall be filed with the Association.

d. No Unit Owner shall overburden the parking facilities. The right to use the parking facilities shall be subject to Rules and Regulations adopted and amended by the Association.

14.03 Use of Common Elements. The use of the Common Elements, including the Limited Common Elements, by the Owner or Owners of all Condominium Units, and all other parties authorized to use the same, shall be at all times subject to the Rules and Regulations.

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

15.

RIGHT OF ENTRY INTO CONDOMINIUM UNITS

15.01 Emergencies. In case of an emergency originating in, or threatening, any Condominium Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the managing agent of the Association, shall have the right to enter such Condominium Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

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

16.

RIGHT OF OWNERS TO ALTER AND MODIFY CONDOMINIUM UNITS; NO RIGHT TO ALTER COMMON ELEMENTS

16.01 Interior Alterations. A Unit Owner may make any interior improvements or interior alterations to his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium, without permission of the Association or any other person.

16.02 Blinds for Windows. Only white-colored blinds shall be used with the windows of all Condominium Units. No colored blinds or draperies of any type shall be permitted without

the written permission of the Board. Additional requirements pertaining to window blinds are contained in the Rules and Regulations.

16.03 Satellite Dishes. No satellite dish may be installed by any Unit Owner without the written permission of the Association as to size, color, screenage and location.

16.04 Alteration by Owner of Adjoining Units. A Unit Owner may, after acquiring an adjoining Unit, remove or alter any intervening partition between the Units or create apertures through such partition, even if the partition is a Common Element, so long as such removal, alteration or aperture construction does not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal or alteration of partitions or creation of apertures shall not be a change or alteration of boundaries of the Units affected. However, a Unit Owner must first obtain permission of the Association as set forth below.

16.05 Structural Alterations. No Owner of a Condominium Unit shall cause, or permit to be made, any alteration or removal of any part of the Condominium Unit or Common Elements which would impair the structural integrity or mechanical systems, including without limitation, installation of any supplemental heating and air conditioning for the exclusive use of a Unit or Units, of the Condominium without first having obtained permission of the Association as set forth below.

16.06 Exterior Changes. No Owner shall cause any improvements or changes to be made on the exterior of the Condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects, machines or air conditioning units which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any Building without first having obtained permission of the Association as set forth below.

16.07 Common Elements Changes. No Unit Owner or occupant, except Declarant during the Declarant Control Period, shall cause any object to be fixed to the Common Elements or to any Limited Common Element (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Elements or Limited Common Elements without the written permission of the Association being first had and obtained.

16.08 Permission of Board. The permission required of the Association in this Article 16 shall be by written consent of the Association upon approval by a majority of the Board of Directors. The Board is authorized to appoint a committee for the purpose of reviewing the proposed alterations, removals and aperture construction and making recommendations to the Board.

16.09 Standards. The Board of Directors (or any committee appointed for such purpose by the Board) in approving or disapproving any proposed change or alteration in the Condominium or any addition or change in the Common Elements shall consider such standards or criteria established by regulation, but if no regulation is issued, then shall consider that any such change or alteration shall not affect the structural or mechanical integrity of the Condominium, shall be harmonious with the appearance of the Buildings, the Common

Elements, including style, color, materials, quality, texture, design, arrangement, non-obstruction of air, light, walk or drive areas and similarity with existing plantings or proposed planting plans.

17.

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE
COMMON-ELEMENTS AND ASSESSMENT THEREFOR

The Association shall have the right to make or cause to be made such alterations or improvements to the Common Elements which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be Common Expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations or improvements to the Common Elements are exclusively or substantially for the benefit of the Owner or Owners of a certain Condominium Unit or Units requesting the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

18.

MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS

18.01 General. Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit, which, if omitted, would affect the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Condominium Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all electrical, plumbing and sewer systems within the Condominium Unit together with the heating and air conditioning systems, heater fans and variable air volume boxes and controls serving only his Unit (whether located within or adjacent to such Unit), including any fixtures and/or their connections required to provide heat, air conditioning, water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance; repair and replacement of all walls, all ceilings, and floors within his Unit, including painting, decorating, carpeting and furnishings, and all other accessories which such Owner may desire to place or maintain in his Condominium Unit.

This description of the maintenance area shall in no way limit the definition of "Condominium Unit", and each Owner is expressly responsible for all maintenance within his defined Unit.

18.02 Insured Loss. Whenever the maintenance, repair and replacement of any item for which the Owner of a Condominium Unit is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the

Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall; by reason of applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If not promptly paid, the Association may assess the Owner therefor and the same shall become a lien against the Unit of the Owner as provided herein.

19.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS
BY THE ASSOCIATION

19.01 General. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Elements, including, but not limited to, those portions thereof which contribute to the support of the Building, all conduits, ducts, plumbing, wiring, all water lines and sewer lines outside of public rights-of-way and governmental easements, and other facilities located in the Common Elements for the furnishing of utility and other services to the Condominium Units and said Common Elements, such exterior painting as may be needed as a result of normal wear and tear, and all walks, driveways and parking areas, and roofs. Should any incidental damage be caused to any Condominium Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Elements, the Association shall, at its expense, repair such incidental damage.

19.02 Insured Loss. Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, repair or replace at its expense is occasioned by any act of a Condominium Unit Owner, his employees, servants, guests, invitees or lessees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his employees, servants, guests, invitees or lessees) shall be required to pay such portion of the cost of such maintenance, repair or replacement as shall, by reason of the applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If not promptly paid, the Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

19.03 Uninsured Loss. Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of a Condominium Unit Owner, his employees, servants, guests, invitees or lessees, and such loss or damage is not covered by any insurance maintained by the Association, then the Owner shall pay the cost thereof, and, if not promptly paid upon request, the Association may assess the Owner thereof.

20.

CLAIMS AGAINST OWNERS OF FIVE HUNDRED DOLLARS OR LESS

In cases where a claim against an Owner is Five Hundred Dollars (\$500.00) or less, the Owner or the Association may request the Board of Directors to appoint an adjudicatory panel to determine whether the Unit Owner is responsible for damages to any Common Element or whether the Association is responsible for any damages to a Unit. Within thirty (30) days of the request, the affected Owner and the Association shall each appoint a member of the Association and the Owner and the Association shall each agree upon a third member of the Association, which three people shall constitute the adjudicatory panel. Within thirty (30) days of the request, the panel shall set a date and time at which the parties may be heard and give notice thereof to the parties, such hearing to be held on no less than ten (10) days notice. At the hearing the parties may present such evidence and witnesses and provide such argument as they deem appropriate. Within ten (10) days of the hearing date, the parties shall be notified by the panel of its decision.

If the decision is adverse to the Unit Owner, the liability of such Owner shall be assessed against the Owner's Unit and be secured by a lien in favor of the Association as provided herein. If the decision is adverse to the Association, then any liability of the Association may be offset by the Unit Owner against sums then and later owing the Association by the Unit Owner.

21.

INSURANCE; AUTHORITY TO PURCHASE

Insurance policies upon the Condominium (other than title insurance) shall be purchased by the Association in the name of the managing agent or Board of Directors of the Association, as Trustees for the Condominium Unit Owners and their respective mortgagees as their 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.

22.

INSURANCE COVERAGE TO BE MAINTAINED; USE AND DISTRIBUTION OF INSURANCE PROCEEDS

22.01 Insurance Required. The following insurance coverage, unless denoted to be optional, shall be maintained in full force and effect by the Association covering the operation and management of the Condominium, meaning the Condominium Units and Common Elements, to wit:

(A) Casualty. Casualty insurance covering the Common Elements and the Units, including the Buildings and all improvements upon the land and all personal property owned by

the Association, shall be procured in an amount equal to the insurable replacement value thereof (exclusive of excavations, foundations, streets, and parking facilities and other items normally excluded from such coverage) as determined annually by the insurance company affording such coverage; and provided that such policies may be written on a co-insurance basis of not less than eighty percent (80%). Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief. This insurance need not include improvements and betterments installed by Unit Owners as their sole and separate property.

(B) Public Liability and Property Damage. Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association insuring against death, bodily injury and property damage arising out of the use, ownership or maintenance of the Common Elements.

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

(C) Board and Officers. Fidelity coverage on each officer and each of the members of the Board of Directors of the Association shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all Units plus the Association's reserve funds. Such bonds or policies shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds shall be a Common Expense.

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

22.03 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. Any loss covered under Section 22.01 (A) and (B) shall be adjusted by the Association. Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the restoration or repair, or if the Condominium is terminated.

22.04 Non-availability. If for any reason the Association is unable to obtain the insurance coverage required under Section 22.01 (A) or (B) above, written notice of such unavailability shall be hand delivered or mailed to all Unit Owners.

22.05 Policy Requirements. The policies required in Section 22.01 (A) and (B) must provide that:

(A) each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association;

(B) the insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

(C) no act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy;

(D) if, at any time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and

(E) the policy may not be canceled, nor may the insurer refuse to renew the policy until after thirty (30) days after the notice of such cancellation or non-renewal has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a mortgage or deed of trust to whom certificates have been issued at their last known address.

22.06 Restoration. Any portion of the Condominium which is damaged or destroyed, and for which insurance proceeds have been paid by the Association shall be repaired, replaced or restored promptly by the Association and the insurance proceeds held by it used to defray the cost thereof, unless:

(A) the Condominium is terminated as by law provided; or

(B) repair, replacement or restoration would be illegal under any State or local health or safety statute, code or ordinance; or

(C) The Unit Owners decide not to rebuild by a vote of eighty percent (80%), including one hundred percent (100%) of any Unit Owners of Units not to be rebuilt or Owners assigned to Limited Common Elements not be rebuilt.

22.07 Excess Cost. The cost of repair, replacement or restoration in excess of the insurance proceeds and reserves is a Common Expense.

22.08 Proceeds Distribution on Unreconstructed Units or Elements. If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) 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 lienholders, as their interests may appear, and (3) the remainder of the proceeds shall be distributed to all the Units Owners or lienholders, as their interests may appear, in proportion to their Common Element interest.

22.09 Allocated Interest Reallocation on Nonreconstruction. If the Unit Owners vote not to rebuild any Unit, the Unit's Allocated Interest is automatically reallocated upon the vote not to

reconstruct as if the Unit had been condemned. In such case the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

22.10 Termination. Notwithstanding this Article 22, the provisions of Article 26 of this Declaration govern the distribution of insurance proceeds if the Condominium is terminated.

23.

ASSOCIATION TO MAINTAIN REGISTER OF OWNERS
AND MORTGAGEES

23.01 Owner Register. The Association shall at all times maintain a register setting forth the names of the Owners of all of the Condominium Units. In the event of a sale or transfer of any Condominium Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Condominium Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Condominium Unit.

23.02 Mortgagee Register. The Owner of each Condominium Unit shall also notify the Association of the names of the parties holding any Mortgage(s) covering the Owner's Unit(s) and the recording information which shall be pertinent to identify the same. The holder of any Mortgage or Mortgages upon any Condominium Unit, if it so desires, may notify the Association of the existence of any Mortgage or Mortgages upon any Condominium Units, and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

24.

ASSESSMENTS; LIABILITY, LIEN AND ENFORCEMENT

24.01 Authority to Assess Owners. The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses which are sometimes herein referred to as "Common Expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the Unit Owners and their Condominium Units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation, management of, and capital improvements to the Condominium, the following provisions shall be operative and binding upon the Owners of all Condominium Units. Until the Association makes a Common Expense assessment, the Declarant shall pay all "Common Expenses."

24.02 Basis of Assessments. Except for those assessments specifically permitted herein to be assessed against a Unit Owner, all assessments levied against the Unit Owners and their Condominium Units shall be uniform and, unless specifically otherwise provided for in this Declaration of Condominium, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his Condominium Unit shall bear

the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the Allocated Interest in the Common Elements appurtenant to each Condominium Unit bears to the total Allocated Interest in the Common Elements appurtenant to all Condominium Units. Should the Association be the Owner of a Condominium Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and the assessment therefore levied ratably among the Owners of all Units which are not owned by the Association, based upon their proportionate Allocated Interest in Common Elements exclusive of the interest therein appurtenant to any Unit or Units owned by the Association.

24.03 Amount of Assessment.

(A) Unit Initial Maximum Assessment. To and including December 31, 2007, the maximum annual assessment shall not exceed Three and 50/100 Dollars (\$3.50) per square foot per Unit.

(B) Increase by Association. From and after December 31, 2007, the annual assessment effective for any year may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by up to fifteen percent (15%) over the amount of the annual assessment for the prior year.

(C) Increase by Members. From and after December 31, 2007, the annual assessment may be increased by more than fifteen percent (15%) over the amount of the annual assessment for the prior year by an affirmative vote of two-thirds (2/3) of the members' Allocated Interests who are voting in person or by proxy, at a meeting duly called for such purpose. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(D) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of fifteen percent (15%) over the amount of the annual assessment for the prior year without the consent of members required by Subsection (C) above.

24.04 Manner of Payment. Assessments provided for herein shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times, as may be determined by the Board of Directors of the Association.

24.05 Commencement; Working Capital. Such assessments shall commence for each Unit (including Units owned by the Declarant) on the first day of the first month following the conveyance of the first Unit by the Declarant to a Unit Owner. Until the Association makes a Common Expense assessment, the Declarant shall pay all expenses.

In addition to the regular assessments to be charged and paid hereunder, the purchasing Unit Owner shall, at the time of the initial sale of each Unit by Declarant, pay to the Association

a sum equal to two (2) months assessment as additional working capital of the Association. These amounts need not be segregated, but may be commingled with regular assessment funds. This working capital amount shall be paid by the first purchasing Unit Owner from Declarant notwithstanding the fact that Declarant may have made prior regular assessment payments to the Association on the Unit being sold pursuant to the provisions hereof. The working capital assessment is non-refundable and shall not substitute for, or be a credit against, the annual assessments provided for herein.

24.06 Annual Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall project all expenses (including ad valorem taxes and public improvement assessments levied against the Common Elements) for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Section 24.08 hereof, items related to operation and maintenance from items relating to capital improvements. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board of Directors shall provide a summary of the budget to all the Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all the Unit Owners rejects 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. The assessment for said year shall be established based upon such budget. Receipt of a copy of said budget by each Unit Owner shall not affect the liability of any Unit Owner for such assessment.

24.07 Modification of Assessment. Should the Board at any time determine, in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments it may deem to be necessary.

24.08 Capital Improvement Fund. The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, may designate therein a sum as determined from time to time by the Board 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 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. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board, be expended for current operation and maintenance. Each Unit Owner shall be deemed to own a portion of the Capital improvement Fund equal to his Allocated Interest in the Common Elements. However, such balance shall not be subject to withdrawal by a Unit Owner.

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

24.10 Default Interest. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date established by the Association for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the rate established by the Association not to exceed eighteen percent (18%) per annum, commencing on the date of default and continuing until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association.

24.11 Late Payment-Penalty. In addition to the accrual of default interest the Association may impose a penalty for non-payment of any assessment by the due date. Such penalty shall be no greater than four percent (4%) of the delinquent installment. Such late payment penalty shall be charged only once for any delinquent payment.

24.12 Where Payable. All monies owing to the Association shall be due and payable at the main office of the Association, or where otherwise directed by the Association.

24.13 Liability of Owners for Assessments and Other Charges. The Owner of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against

such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment thereof owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally, for interest and penalty on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fees, whether suit be brought or not.

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

24.15 Assessments Against Specific Owners. Notwithstanding the requirement of Section 24.02 that assessments be levied against each Owner according to the Allocated Interest of each Owner, the Association shall assess:

(A) any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element against the Unit or Units to which the Limited Common Element is assigned;

(B) any Common Expense, or portion thereof, benefiting fewer than all of the Units exclusively against the Units benefited;

(C) the cost of insurance against the Units in proportion to the risk if any Unit or Units can be reasonably determined to create a greater risk than any other;

(D) the cost of utilities, if not separately metered to each Unit in proportion to usage if it can be reasonably determined that any Unit or Units use an unusually disproportionate share of any utility. The Association reserves the right to install, operate, maintain or replace a separate meter and related equipment and assess the Unit or Units for such costs;

(E) the cost of any judgment against the Association against only the Units in the Condominium at the time the judgment was entered in proportion to their Common Expense Liabilities;

(F) any Common Expense caused by the misconduct of any Unit Owner exclusively against that Unit Owner; and

(G) any fine or penalty or interest for any delinquent assessment installment exclusively against the Unit so charged.

24.16 Reallocation. If the Common Expense Liabilities are reallocated, the Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

24.17 Assessment Lien Granted. Recognizing the proper operation and management of the Condominium requires the continuing payment of costs and expenses thereof, and that such proper operation and management results in benefit to all of the Owners of Condominium Units,

and that the payment of such Common Expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant Allocated Interest in Common Elements, which lien shall secure, and does secure, the monies due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure penalties and interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in reinforcing this lien upon said Condominium Unit and its appurtenant Allocated Interest in Common Elements. The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, pursuant to Article 2A of Chapter 45 of the General Statutes, and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any Condominium Unit from the date on which the payment of any assessment or installment thereof become delinquent, and shall be entitled to the appointment of a receiver for said Condominium Unit. The lien granted to the Association shall further secure such advances for taxes, and payments of accounts of superior mortgages; liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose. All persons who shall acquire, by whatever means, any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

24.18 Enforcement of Lien. The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a claim of lien in the office of the Clerk of Superior Court of Wake County in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, cost, attorney's fees, advances to pay taxes and prior encumbrances and interest thereof, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

24.19 Lien Extinguished. Except by payment, satisfaction and cancellation, a lien is extinguished only if proceedings to enforce the lien are not instituted within three (3) years after docketing in the office of the Wake County Clerk of Superior Court.

24.20 Other Remedies. This Article does not prohibit the Association from bringing an action to recover sums due it as an assessment independent of any lien filed or claimed, nor does it prohibit the Association from taking a deed in lieu of foreclosure.

24.21 Judgments. Any judgment brought hereunder to enforce the lien or the collection of any assessment must include the costs and reasonable attorneys' fees for the prevailing party.

24.22 Lien Subordinate to Mortgage. The lien provided for herein or pursuant to N.C.G.S. 47C-3-116 shall be subordinate to the lien of any mortgage or deed of trust recorded before docketing the lien and the lien for real estate taxes, but shall be superior to all other liens. Any person acquiring title to any Condominium Unit and its appurtenant Allocated Interest in Common Elements by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale resulting from such prior lien, mortgage or deed of trust shall be liable and obligated only for assessments which shall accrue and become due and payable for said Condominium Unit and its appurtenant Allocated Interest in the Common Elements subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Condominium Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Condominium Units, including such purchaser, his successors and assigns, as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

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

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

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

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

collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. All of the rights accruing to the Association shall be deemed cumulative.

25.

COMMON SURPLUS

Common Surplus shall be owned by the Owners of all Condominium Units in the same proportion that the Allocated Interest in the Common Elements appurtenant to each Owner's Condominium Unit bears to the total of all Allocated Interests in the Common Elements appurtenant to all Condominium Units; provided, however, that said Common Surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance as herein provided, or upon termination of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to the then Owners of Condominium Units in accordance with their Allocated Interest in Common Surplus as declared herein.

26.

TERMINATION

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

26.01 Consent. Except in the case where the whole of the Condominium is taken by eminent domain, the termination of the Condominium may be effected only by agreement of eighty percent (80%) of the Allocated Interests of all Condominium Unit Owners expressed in an instrument to that effect specifying a date after which it will be void unless recorded prior to such date and duly recorded; and, provided, that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, in either case by instrument duly recorded, that their liens be transferred to the Allocated Interest of the Condominium Unit Owner in the Property as provided in Section 26.02 below. This termination shall become effective when such agreement has been recorded in the Wake County Registry.

26.02 Contract for Sale at Termination: Ownership of Property. The Association, on behalf of the Unit Owners, may contract for the sale of Property in the Condominium, but the contract is not binding on the Unit Owners until approved by the Unit Owners in conformity with Section 26.01. If any Property in the Condominium is to be sold following termination, title to that Property, upon termination, vests in the Association, as trustee, for the holders of all interests in the Units. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to Unit Owners and lienholders as their interest may appear, in proportion of the respective interests of Unit Owners as provided in Section 26.07 below. Unless otherwise specified in the termination agreement, as long as the Association holds title to the Property, each Unit Owner and his successors in interest have an exclusive right to occupancy of the portion of the Property that formerly constituted his Unit. During the period of that

occupancy each Unit Owner and his successors in interest remain liable for all assessments and other obligations imposed on Unit Owners by the Declaration.

26.03 No Sale at Termination; Ownership of Progeny. After termination of the Condominium where no sale has been agreed to, the Condominium Unit Owners shall own the Property as tenants in common in their respective interests as defined in Section 26.07, and the holders of mortgages and liens against the Condominium Unit or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective interests of the Condominium Unit Owners. All funds held by the Association and insurance proceeds, if any, shall be, and continue to be held, for the Unit Owners in the same proportion. While the tenancy in common ownership exists, each Unit Owner and its successors in interest have an exclusive right to occupancy of his portion of the Property that formerly constituted his Unit.

The costs incurred by the Association in connection with the termination shall be a Common Expense.

26.04 Partition or Sale Following Termination. Following termination, the Property may be partitioned and sold upon the application of any former Condominium Unit Owner having an interest in the Property.

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

26.06 Association as Trustee. Following termination of the Condominium, the proceeds of any sale of Property, together with the assets of the Association, are held by the Association as trustee for Unit Owners and holders of liens on the Units as their interests may appear. Following termination, creditors of the Association holding liens on the Units, which were recorded before termination, may enforce those liens in the same manner as any lienholder. All other creditors of the Association are to be treated as if they had perfected liens on the Units immediately before termination.

26.07 Owners Respective Interest on Termination. The respective interests of Unit Owners referred to in Section 26.02, 26.03 and 26.06 are as follows:

(A) Except as provided in subsection (B), the respective interest of Unit Owners are the fair market value of their Units, Limited Common Expenses and Common Element interests immediately before their termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Unit Owners and becomes final unless disapproved within 30 days after distribution by Unit Owners of Units to which twenty-five percent (25%) of the votes in the Association are allocated. The proportion of any Unit Owners interest to that of all Unit Owners is determined by dividing the fair market value of that Unit Owner's Unit and Common Elements interest by the total fair market values of all the Units and Common Elements.

(B) If any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interest of all Unit Owners are their respective Common Element interests immediately before the termination.

26.08 Foreclosure of Lien on Whole Condominium Not a Termination. Except as provided in Section 29.09, foreclosure or enforcement of a lien or encumbrance against the entire Condominium does not of itself terminate the Condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the Condominium; other than withdrawable real estate; does not withdraw that portion from the Condominium. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not of itself withdraw that real estate from the Condominium, but the person taking title thereto has the right to require from the Association, upon request, an amendment excluding the real estate from the Condominium.

26.09 If a lien or encumbrance against a portion of the Condominium has priority over the Declaration, and the lien or encumbrance has not been released, the parties foreclosing that lien or encumbrance may, upon foreclosure, record an instrument excluding the real estate subject to that lien or encumbrance from the Condominium.

27.

AMENDMENT OF DECLARATION OF CONDOMINIUM

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

27.01 General Procedure for Amendment. Except as provided otherwise in this Article 27, an amendment or amendments to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Allocated Interest, whether meeting as members or by instrument in writing signed by them. Any amendment or amendments to this Declaration of Condominium adopted pursuant to this Article 27 shall be deemed reasonable. Upon any amendment or amendments to this Declaration of Condominium being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than ten (10) days nor later than thirty (30) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such special meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote of the voting members having at least sixty-seven percent (67%) of the Allocated Interest in the Common Elements, in order for such amendment or amendments to become effective. Thereupon such amendment or amendments of this Declaration of Condominium shall be transcribed and

certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such amendment or amendments, so certified and executed with the same formalities as a Deed, shall be recorded in the Wake County Registry within ten (10) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Declaration of Condominium. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the Association shall be delivered to the Owners of all Condominium Units, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments.

27.02 Certain Amendments Requiring Unanimous Consent. Except as permitted herein and as provided in Section 27.04, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of a Unit, change the Allocated Interest in Common Elements of a Unit, or the uses to which any Unit is restricted, without prior written consent of all the Owners of all Condominium Units.

27.03 Amendments Permitted Other Than By Action Under Section 27.01 and Section 27.02. Notwithstanding the provisions of Section 27.01 and Section 27.02, amendments to the Declaration, including reallocation of the Allocated Interest, may be prepared, executed and filed without a vote of the Unit Owners, or their consult, in the following cases:

(A) Nominal Amendments. By the Declarant, during the period of Declarant Control, and thereafter, the Board:

(1) to correct any obvious error or inconsistency in drafting, typing or reproduction; and

(2) to conform to the requirements of any law or governmental agency having legal jurisdiction over the Condominium or to qualify the Condominium or any Units therein for mortgage or improvement loans made or insured by a governmental agency or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase or mortgage interests in Units by such agency.

(B) Amendments Prior to Sale. By the Declarant at any time prior to recording of the sale of the first Unit to an Owner by filing an Amendment in the office of the Wake County Register of Deeds with a Certificate certifying the fact that no sale has previously occurred.

(C) Declarant Development Rights. By Declarant upon exercising any Development right or Special Declarant Right hereunder or by law provided.

(D) Eminent Domain. By the Association if a portion of the Condominium is taken by the proceedings in eminent domain as by law provided.

(E) Unit Boundary Changes. By the Association and affected Unit Owners upon relocation of Unit boundaries as by law provided.

(F) Unit Partition. By the Association and affected Unit Owners upon recombining or partitioning a Unit, if herein permitted, as by law provided.

(G) Limited Common Elements. By the Association and affected Unit Owners upon reallocation of a Limited Common Element, as by law provided.

(H) Termination of Condominium. By the Association upon termination of the Condominium, as by law provided.

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

28.

REMEDIES IN EVENT OF DEFAULT

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

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

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

28.03 Collection or Enforcement Costs and Expenses. In any proceeding arising because of alleged default by a Unit Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

28.04 No Waiver. The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.

28.05 Cumulative Remedies. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of the Declaration of Condominium or other above-mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

28.06 No Waiver by Declarant. The failure of Declarant to enforce any right, provision, privilege, covenant or condition which may be granted to it by this Declaration of Condominium or other above-mentioned documents, shall constitute a waiver of the right of said party to thereafter enforce such right, privilege, covenant or condition in the future.

28.07 Fines and Penalties. Notwithstanding the foregoing, and in addition thereto, any Unit Owner may be fined by the Association for failure to comply with the terms of this Declaration, the Bylaws, Articles of Incorporation or published rules and regulations in an amount not to exceed Two Hundred Fifty Dollars (\$250.00). If the Board should determine that it shall seek to impose fines hereunder, it shall appoint a panel of three Unit Owners, who, upon appointment, shall notify the Owner in writing of the charge against him, provide an opportunity to be heard before the panel in not less than ten (10) days, nor more than thirty (30) days, prior notice; provide the Owner an opportunity to be heard and give notice of the decision: Any fine given to any Owner shall be assessed against the Owner and his Unit as a Common Element and, if unpaid, shall be a lien on the Unit as provided herein.

29.

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

During the period of Declarant Control, Declarant shall be entitled to designate and select persons to serve on the Board of Directions of the Association and the manner in which such person or persons shall be designated and the number thereof, and the composition of the Board of Directors during such period of Declarant Control shall be as provided in the Bylaws of the Association, and Declarant shall have the right to remove any person or persons selected by it to act and serve on the Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Declarant need not be an Owner in the Condominium. However, Declarant shall be responsible for the payment of any assessments which may be levied by the Association against any Condominium Unit or Units owned by the Declarant, and for complying with the remaining terms and provisions hereof in the same manner as any other Owner of a Condominium Unit or Units.

30.

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason

whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

31.

LIBERAL CONSTRUCTION

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural and the masculine gender the feminine or neuter. The headings are for convenience of reference only and shall not be considered terms of this Declaration. This Declaration is intended to comply with the provisions of the North Carolina Condominium Act. In the event of any conflict between this Declaration and the provisions of the North Carolina Condominium Act, the provisions of the North Carolina Condominium Act shall control.

32.

DECLARATION OF CONDOMINIUM BINDING ON ASSIGNS AND SUBSEQUENT OWNERS

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

33.

EASEMENTS

33.01 Utilities. The Board of Directors may hereafter grant easements in the name of the Association for utility purposes 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.

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

34.

LIMITATIONS OF GOVERNMENTAL RESPONSIBILITY

Some governmental authorities or fire or police departments refuse to be responsible for failing to provide any emergency or regular fire, police or other public service to a condominium development or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, inadequate maintenance, or any other factor within the control of the Declarant, Association or Unit Owners. Accordingly, the Board of Directors is hereby empowered to make all efforts to assure that there is adequate access to all Units and shall not allow any blocking of access or defects in access to remain uncorrected.

The Raleigh City Code provides that in no case shall the City of Raleigh or the State of North Carolina be responsible for maintaining any private streets located within the Condominium. Such responsibility shall rest with the Association and Unit Owners in that such private streets will not be constructed to the minimum standards sufficient to allow their inclusion for public maintenance.

35.

PARTY WALLS

It is contemplated that some Owners of Condominium Units may erect party walls between Units that are under separate ownership, and it is therefore necessary to provide for the equitable sharing of the cost of construction and maintenance of such party walls as well as wall specifications. The Board shall have the authority to formulate, and from time to time amend, rules and regulations governing all specifications of party walls, the sharing of costs between the Owners of adjacent Units and the arbitration of disputes relating to party walls.

The center of each party wall shall be the dividing line between adjacent Condominium Units that are under separate ownership. Such party wall shall be constructed of materials and design mutually agreeable to the adjacent Unit Owners, provided that these do not violate the rules and regulations adopted by the Board. If adjacent Unit Owners cannot mutually agree, the Board shall designate the materials and design of the party wall between Units owned by disagreeing Unit Owners and such designation shall be binding on all parties. The cost of each such party wall shall be shared equally by those served by it and shall be paid promptly when the wall is constructed, provided however, that the cost of utility installations within the party wall (such as plumbing and electrical) shall be borne only by the Owner of the Unit served by such installations.

36.

SIGNS

(A) Except for Declarant's signs permitted under Article 6, Section (C)(3) hereof, all signs and numbers on entrance doors to Condominium Units shall conform in all respects to the Rules and Regulations adopted by the Board.

(B) Each Unit Owner shall be entitled to have an identification panel on the Sign to the extent space is available. In the event space is unavailable, the Association shall determine at the Association's sole discretion, which Unit Owners shall be entitled to have an identification panel on the sign, the design of the identification panel, and the placement of such identification panel on the Sign. The cost of preparation, installation and all other costs related to the Unit Owner's identification panel shall be at Unit Owner's sole cost and expense. The Association shall be responsible for ordering and installing the identification panels. All identification panels shall comply with all applicable laws and ordinances.

37.

CONDEMNATION

Except to the extent reserved by Declarant in Article 6, if all or part of the Condominium is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with N.C.G.S. Section 47C-1-107.

38.

WAIVER OF PUBLIC OFFERING STATEMENT REQUIREMENT

By acceptance of the conveyance of a Unit within the Condominium, all persons or entities which shall acquire a Unit, or any interest therein, shall be deemed to have waived any and all rights which such parties may otherwise have to examine, review, receive or obtain a public offering statement or other similar document pursuant to N.C.G.S. Section 47C-4-101 et. seq.

[Remainder of page is intentionally left blank. Next page is signature page.]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed by its authorized Managers, this the 22 day of December, 2006.

MEDICAL ARTS BUILDING-RALEIGH, LLC,
a North Carolina limited liability company

By: [Signature]
Name: Thomas F. Taft, Sr.
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Thomas F. Taft, Sr., Manager of **Medical Arts Building-Raleigh, LLC**, a North Carolina limited liability company.

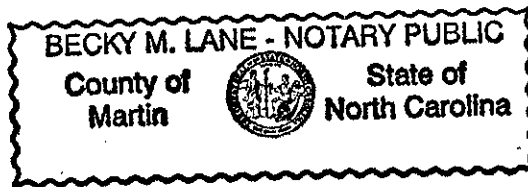
Dated: December 22, 2006

Becky M. Lane
Notary Public
Becky M. Lane
Notary Printed Name

My Commission Expires:

June 28, 2009

(Official Seal)



CONSENT OF MORTGAGEE

REXVIEW PROFESSIONAL PLAZA CONDOMINIUM

Wachovia Bank, National Association, being the Beneficiary under (i) that certain Deed of Trust from Declarant to TRSTE, Inc., a Virginia corporation, Trustee, recorded in Book 12351, Page 2435, Wake County Registry, (ii) that certain Assignment of Leases, Rents and Profits from Declarant recorded in Book 12351, Page 2454, Wake County Registry, and (iii) that UCC Financing Statement recorded in Book 12351, Page 2462, Wake County Registry, (collectively, the "Deed of Trust"), all conveying and encumbering that certain real property described on Exhibit A attached to this Declaration, hereby: (a) consents to the recordation of this Declaration and the imposition of the provisions hereof and the provisions of the North Carolina Condominium Act upon the Property; and (b) subordinates the lien and operation of the Deed of Trust to this Declaration and the provisions contained herein. In the event of a foreclosure of the Deed of Trust, or a transfer of any portion of the Property in lieu of foreclosure, Beneficiary and Trustee hereby agree that the purchaser at any such foreclosure or the transferee under any such deed in lieu of foreclosure shall take title to the Property together with and subject to all of the terms and conditions of this Declaration: The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between the Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall it be deemed to impose upon the Beneficiary any of the liabilities, duties or obligations of the Declarant under this Declaration. Beneficiary executes this Consent of Mortgagee solely for the purposes set forth above. The Trustee also joins in and executes this Consent of Mortgagee in its capacity as Trustee for the purposes set forth above.

Wachovia Bank, National Association

By: Ronald Phinney

Name: Ronald Phinney

Title: Vice President

TRSTE, Inc., Trustee

By: Ronald Phinney

Name: Ronald Phinney

Title: Vice President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Anne B. Carter a Notary Public of the County and State aforesaid, hereby certify that Ronald Phinney personally appeared before me this day and acknowledged that he/she is Vice President of Wachovia Bank, National Association, and that he/she, as Vice President, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

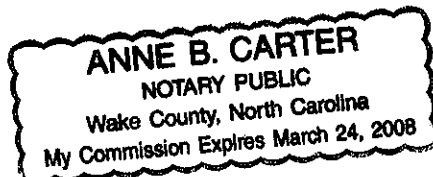
Witness my hand and official stamp or seal this 14 day of March, 2007.

Anne B. Carter
Notary Public

Anne B. Carter
Notary Printed Name

My Commission Expires:

3-24-08



STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Anne B. Carter, Notary Public of the County and State aforesaid, hereby certify that Ronald Phinney, Vice President of TRSTE, Inc., Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as Trustee.

Witness my hand and official stamp or seal this 14 day of March, 2007.

Anne B. Carter
Notary Public

Anne B. Carter
Notary Printed Name

My Commission Expires:

3-24-08

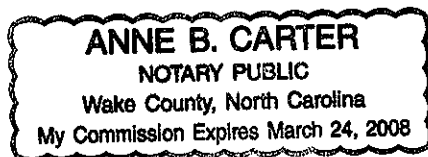


Exhibit A

Property Legal Description

BEGINNING at an existing iron pin located in the western right-of-way of Atrium Drive (60' public R/W, formerly North Street) said iron pin being the southeast corner of the herein described property and also being the northeast corner of Lot 3 of the Blue Ridge Office Center, as shown in Book of Maps 1983, Page 103 of the Wake County Register of Deeds office; thence with the North line of said Lot 3 North 88 degrees 02 minutes 15 seconds west 285.45 feet to an existing iron pin, the northwest corner of said Lot 3, also being a point in the line of land conveyed to North Carolina State University, and being the southwest corner of the herein described property; thence with the line of North Carolina State University North 01 degree 27 minutes 08 seconds East 220.0 feet to an existing iron pin, the southwest corner of Lot 5 of the Blue Ridge Office Center, as shown in Book of Maps 1986, Page 1580 of the Wake County Register of Deeds office; also being the northwest corner of the herein described property; thence departing the line of North Carolina State University property and with the south line of said Lot 5 South 88 degrees 02 minutes 15 seconds East 287.41 feet to an existing iron pin in the western right-of-way line of said Atrium Drive, the southeast corner for said Lot 5 and also being the northeast corner of the herein described property; thence with the western right-of-way line of said Atrium Drive South 01 degree 57 minutes 45 seconds West 220.00 feet to the point and place of BEGINNING, being Lot 4 of Blue Ridge Office Center as shown in Book of Maps 1983, Page 1002 of the Wake County Register of Deeds office and as shown on that certain survey entitled "Survey for **Medical Arts Building-Raleigh LLC**, 2501 Atrium Drive" dated September 29, 2006, prepared by John A. Edwards & Company.

Exhibit B

36,033 Gross Rentable Square Feet

(Including 15% Core Factor)

<u>UNIT NUMBER</u>	<u>GROSS RENTABLE SQUARE FOOTAGE (INCLUDING CORE FACTOR)</u>	<u>ALLOCATED INTEREST: PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS & COMMON EXPENSES</u>	<u>VOTES IN ASSOCIATION</u>
First Floor (Unit A)	4,825	13.39%	13
Second Floor (Unit B)	6,569	18.23%	18
Third Floor (Unit C)	7,895	21.91%	22
Fourth Floor (Unit D)	7,895	21.91%	22
Fifth Floor (Unit E)	8,849	24.56%	25
TOTALS	36,033	100.00%	100

Exhibit C

**ARTICLES OF INCORPORATION
OF
REXVIEW PROFESSIONAL PLAZA CONDOMINIUM ASSOCIATION, INC.,
a North Carolina Nonprofit Corporation**

The undersigned does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the North Carolina Nonprofit Corporation Act, N.C.G.S. Section 55A-1-01 et seq.

ARTICLE I
NAME

The name of the corporation is REXVIEW PROFESSIONAL PLAZA CONDOMINIUM ASSOCIATION, INC. (the "Association").

ARTICLE II
DURATION

The Association's period of duration shall be perpetual.

ARTICLE III
REGISTERED OFFICE AND AGENT

The address of the principal office and registered office of the Association is 2217 Stantonsburg Road, Greenville, Pitt County, North Carolina 27835. The name of the registered agent of the Association at that address is Thomas F. Taft, Sr.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof (as defined in Article VI, Section 1) and the specific purposes for which it is formed are (i) promoting, enhancing, managing and operating the condominium to be hereafter established pursuant to the provisions of N.C.G.S. Section 47C-1-101 et seq., which condominium shall be known as Rexview Professional Plaza Condominium (the "Condominium"), and shall consist of all of that certain tract of real property located in Raleigh, Wake County, North Carolina described on Exhibit A attached hereto and incorporated herein by this reference, together with all buildings and improvements now or hereafter constructed thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property (the "Property"); (ii) furthering, executing, administering, governing, managing, maintaining and operating the plan of ownership and occupancy of the Condominium, and (iii) such other lawful purposes as may legally be carried on by a nonprofit corporation under the provisions of the North Carolina Nonprofit Corporation Act, as may be supplemented and/or amended in the future.

ARTICLE V
NONPROFIT ASSOCIATION

No part of the net earnings of the Association shall inure to the benefit of any officer, director or Member of the Association. All funds and property acquired by the Association and the proceeds therefrom shall be held only for the benefit of the Members of the Association.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

The Association shall have one (1) class of Members. The qualification of the Members, the manner of their admission to membership, termination of such membership and voting rights shall be as follows:

Section 1. The owners ("Owners") of all condominium units ("Condominium Units") in the Condominium shall be members of the Association ("Members"), and no other person or entity shall be entitled to membership except as provided in Section 5 of this Article VI.

Section 2. Membership shall be established by the acquisition of fee simple title to a Condominium Unit in the Condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to, or his entire fee ownership interest in, any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two (2) or more Condominium Units, so long, as such party shall retain title to or a fee ownership interest in any Condominium Unit. Each person or entity owning a Condominium Unit by tenancy in common, tenancy by the entirety or joint tenancy shall be a Member during such period of ownership.

Section 3. The interest of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Unit. The funds and assets of the Association shall belong solely to the Association, subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium, and in the Bylaws which shall be hereafter adopted.

Section 4. Except during the Declarant Control Period as more fully set forth in the Declaration of Condominium and subject to the conditions therein set forth, the following provisions shall apply with respect to management of the Association:

(a) On all matters for which the membership shall be entitled to vote, each Condominium Unit shall have a vote equal to its appurtenant undivided interest in the Common Area as set forth in the Declaration of Condominium; and

(b) The vote of each Condominium Unit may be cast or exercised by the Owner or Owners thereof in such manner as may be provided in the Bylaws adopted by the

Association. Should any Member own more than one (1) Condominium Unit, such Member shall be entitled to cast or exercise the votes associated with each Condominium Unit owned in the manner provided by said Bylaws.

Section 5. Until such time as the Property and the improvements constructed thereon are submitted to a plan of condominium ownership by the recordation of the Declaration of Condominium, the membership of the Association shall be comprised of one (1) individual named herein as the initial Board of Directors of the Association, and such individual shall be entitled to cast the sole vote on all matters on which the membership shall be entitled to vote.

Section 6. Notwithstanding the foregoing, voting rights may be suspended and conditions established determining those entitled to exercise a vote pursuant to the Declaration of Condominium and Bylaws.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of the Association shall be managed by a board of at least one (1) and not more than five (5) directors ("Board of Directors"). The number of directors may be changed by amendment of the Bylaws of the Association. The initial Board of Directors shall consist of one (1) person. The name and address of the person who is to act in the capacity of the initial director until the selection of his successors at the first meeting of the Association are:

<u>DIRECTOR</u>	<u>ADDRESS</u>
Thomas F. Taft, Sr.	2217 Stantonsburg Road Greenville, NC 27835

ARTICLE VIII
NO PERSONAL LIABILITY

Members, directors and officers of the Association shall not be subject to any personal liability whatsoever for obligations of the Association.

ARTICLE IX
AMENDMENT

Amendment of these Articles of Incorporation shall require the approval of at least seventy-five percent (75%) of the Owners of all Condominium Units.

ARTICLE X
NO CAPITAL STOCK

The Association shall have no capital stock either authorized or issued.

ARTICLE XI
DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall first be offered to the public and, thereafter, if such offer is not accepted, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII
INCORPORATOR

The name and address of the incorporator of the Association are as follows:

Eric A. Vernon, Esq.
Wyrick Robbins Yates & Ponton, LLC
4101 Lake Boone Trail, Suite 300
Raleigh, NC 27607-7506

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this ____ day of _____, 2007.

Eric A. Vernon, Incorporator

Exhibit A

BEGINNING at an existing iron pin located in the western right-of-way of Atrium Drive (60' public R/W, formerly North Street) said iron pin being the southeast corner of the herein described property and also being the northeast corner of Lot 3 of the Blue Ridge Office Center, as shown in Book of Maps 1983, Page 103 of the Wake County Register of Deeds office; thence with the North line of said Lot 3 North 88 degrees 02 minutes 15 seconds west 285.45 feet to an existing iron pin, the northwest corner of said Lot 3, also being a point in the line of land conveyed to North Carolina State University, and being the southwest corner of the herein described property; thence with the line of North Carolina State University North 01 degree 27 minutes 08 seconds East 220.0 feet to an existing iron pin, the southwest corner of Lot 5 of the Blue Ridge Office Center, as shown in Book of Maps 1986, Page 1580 of the Wake County Register of Deeds office; also being the northwest corner of the herein described property; thence departing the line of North Carolina State University property and with the south line of said Lot 5 South 88 degrees 02 minutes 15 seconds East 287.41 feet to an existing iron pin in the western right-of-way line of said Atrium Drive, the southeast corner for said Lot 5 and also being the northeast corner of the herein described property; thence with the western right-of-way line of said Atrium Drive South 01 degree 57 minutes 45 seconds West 220.00 feet to the point and place of BEGINNING, being Lot 4 of Blue Ridge Office Center as shown in Book of Maps 1983, Page 1002 of the Wake County Register of Deeds office and as shown on that certain survey entitled "Survey for Medical Arts Building-Raleigh LLC, 2501 Atrium Drive" dated September 29, 2006, prepared by John A. Edwards & Company.

Exhibit D

**BYLAWS
OF
REXVIEW PROFESSIONAL PLAZA CONDOMINIUM 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 Rexview Professional Plaza Condominium Association, Inc. ("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 Board of Directors (as defined in Article II, Section 1), 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: The Board shall develop a budget and present it to all the unit owners ("Unit Owners") for approval and adoption. The budget shall be considered at a meeting of the Unit Owners as set forth in G.S. § 47C-3-103(c). Within 30 days after adoption of any proposed budget for the condominium, the Board shall provide a summary of the budget to all the Unit Owners.
- Section 5: The presence at the meeting of members or proxies entitled to cast fifty one percent (51%) of the votes shall constitute a quorum for any action except as otherwise provided by law. In the event a quorum is not present a second meeting will be called wherein the presence at the meeting of members or proxies entitled to cast forty percent (40%) 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 Association ("Declaration") for the units ("Units") owned by such member.
- Section 7: Pursuant to G.S. § 47C-3-110, 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 BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

- Section 1: The affairs of the Association shall be managed by a board of directors ("Board of Directors" or "Board") of no fewer than one (1) and no more than five (5) directors, who shall be entitled to act on behalf of the Association. Subject to the initial Declarant Control Period as set forth in Article 6, Section E of the Declaration, nomination for election of the Board shall be made from the floor at the annual meeting. Election shall be by 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 the Declarant Control Period, a minimum of one (1) and a maximum of five (5) Board members shall be elected to serve until the following annual meeting.
- Section 3: Any 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 of the Board, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present. The successor shall serve the remainder of the term.
- Section 4: No Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Board, any Board member may be reimbursed for actual expenses incurred in the performance of his duties.
- Section 5: The Board shall have the right to take any action in the absence of a meeting which it could take at a duly held meeting by obtaining the written consent of all the 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 Board.

ARTICLE III
MEETINGS OF BOARD OF DIRECTORS

- Section 1: Meetings of the Board shall be held quarterly, or as deemed necessary by the Board, without notice, or as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any member of the Board, after not less than five (5) days notice to each Board member.
- Section 2: A majority of the Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board members present at a duly held meeting shall be regarded as the act of the Board.

ARTICLE IV
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Adopt additional rules and regulations (“Rules and Regulations”) governing the use of the common areas and facilities (“Common Elements”), 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 sixty (60) days for infraction of published Rules and Regulations;
- (c) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (d) Employ a professional property 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 ninety (90) days termination notice;
- (e) Procure, maintain and pay premiums on an insurance master policy(s) and equitably assess the Unit Owners of the same for their prorata portion of such expense, and to procure and maintain liability insurance for the Board;
- (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;
- (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 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 a writing signed by 51% 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 Unit 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 Unit 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 replacement coverage 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 include a president and secretary and may also include a vice president, treasurer and such other offices as the Board deems appropriate. All of the officers shall be appointed by the Board from among the

members of the Board. Notwithstanding the foregoing, the secretary shall not be required to be a member of the Board.

(a) The president shall preside at all meetings of the Board; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes. However, the president may elect to have a property manager be responsible for daily operation and for the manager to have periodic meetings to correctly oversee the Association.

(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 Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the 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 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 Board.

(d) The treasurer shall receive and deposit or oversee the property manager in the receipt and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; may sign all checks and promissory notes 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 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. The treasurer with the consent of the Board may assign any of these activities to a property manager

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 property manager or president 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: "Rexview Professional Plaza Condominium Association, Inc." and the words: "SEAL – 2007" 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.

[The remainder of this page is intentionally left blank. The next page is the signature page followed by the Secretary's Certification.]

IN WITNESS WHEREOF, the sole member of the Board of the Association has hereunto set his hands this _____ day of _____, 2007.

Thomas F. Taft, Sr., Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Rexview Professional Plaza Condominium Association, Inc. a North Carolina nonprofit corporation ("Association"), and

THAT the foregoing Bylaws constitute the original Bylaws of such Association and were duly adopted at a meeting of the Board thereof, held on the _____ day of _____, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this _____ day of _____, 2007.

Secretary

Exhibit E - Liens Easements and Encumbrances

1. Restrictions contained in Deed recorded in Book 3090, Page 64, Wake County Registry.
2. Restrictions contained in Deed recorded in Book 3171, Page 106, Wake County Registry.
3. Easement to Carolina Power and Light Company recorded in Book 2931, Page 33, Wake County Registry.
4. Matters shown on recorded plat in Book of Maps 1983, Page 1002, Wake County Registry, including 20' drainage easement on southern boundary of property.
5. Survey of John A. Edwards, Jr., P.L.S., of John A. Edwards & Company dated September 29, 2006, last signed and sealed October 11, 2006 reveals the following: a) light posts; (b) transformer pad; (c) dumpster pad; (d) 20' drainage easement (BM 1983 PG 1002); (e) proposed Carolina Power and Light distribution line adjoining western boundary line (Special Proceedings No. 05-SP-4957); and (f) building setback lines as noted: front-30', rear-20' and side-5'.
6. Lis Pendens and Petition for Condemnation, 05-SP-4957, Superior Court Division, Wake County Clerk of Superior Court.
7. Notice of Residual Petroleum recorded in Book 12327, Page 540, Wake County Registry.

Exhibit F

RULES AND REGULATIONS OF
REXVIEW PROFESSIONAL PLAZA CONDOMINIUM

The following rules apply to the use and occupancy of all Units:

Section 1. Access by Board of Directors. The Board of Directors, the manager or its designated agent, may retain a passkey to all Units for use in emergency situations only. No Unit Owner shall alter any lock or install a new lock on any door of any Unit without immediately providing the Board of Directors, the manager or its agent, with a key therefor. At the Unit Owner's option, the Unit Owner may provide the key to be enclosed in a sealed envelope with instructions that it only be used in emergencies with a report to such Unit Owner as to each use and the reason therefor.

Section 2. Cleanliness. Each Unit Owner shall keep such Unit Owner's Unit in a good state of preservation and cleanliness.

Section 3. Obstructions. There shall be no obstruction of the Common Elements, nor shall anything be stored outside of the Units without the prior consent of the Board of Directors, except at hereinafter expressly provided.

Section 4. Trash. No garbage cans or trash barrels shall be placed outside the Units. No accumulation of rubbish, debris or unsightly materials shall be permitted in the Common Elements, except designate trash storage containers.

Section 5. Blinds for Windows. The blinds currently permitted for use with the exterior windows of all Condominium Units are inside mounted, 1 inch bali #042 matte white, or equivalent as approved by the Board.

Section 6. Storage. Storage of materials in Common Elements or other areas designated by the Board of Directors shall be at the risk of the person storing the materials.

Section 7. Proper Use. Common Elements shall be used only for the purposes for which they are designed. No person shall commit waste on the Common Elements or interfere with their proper use by others.

Section 8. Alterations, Additions or Improvements to Common Elements. No alterations, additions or improvements may be made to the Common Elements without the prior consent of the Board of Directors or such committee established by the Board of Directors having jurisdiction over such matters, if any.

Section 9. Annoyance or Nuisance. No noxious, offensive, dangerous or unsafe activity shall be carved on in any Unit or the Common Elements, nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other Unit Owners.

Section 10. Compliance With Law. No immoral, improper, offensive or unlawful use may be made of the Property, and the Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of North Carolina, and all ordinances, rules and regulations of the City of Raleigh. All persons will comply with North Carolina laws, Department of Motor Vehicles regulations and applicable ordinances relating to the roads and driveways located on the Property. The violating Unit Owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or non-compliance therewith.

Section 11. Indemnification for Actions of Others. Unit Owners shall hold the Association and other Unit Owners and occupants harmless for the actions of their tenants, employees, agents, invitees or licensees.

Section 12. Increase in Rating. Nothing shall be done or kept which will increase the rate of insurance on any of the buildings, or contents thereof, without the prior consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept on the Property which shall result in the cancellation of insurance coverage on any of the buildings, or contents thereof, or which will be a violation of any law.

Section 13. Rules of Insurance. Unit Owners and occupants shall comply with the rules and regulations contained in any fire and liability insurance policy on the Property.

Section 14. Reports of Damage. Damage by tire or accident affecting the Property, and persons injured by or responsible for any damage, fire or accident must be promptly reported to the manager or a Director by any person having knowledge thereof.

Section 15. Deposit of Rubbish. Outside trash container locations will be designated by the Board of Directors or the manager. Pickup will be from those locations only. Unit Owners will be responsible for removal of trash from their Units to the pickup locations. Trash is to be deposited within that location and the area is to be kept neat, clean and free of debris. Long-term storage of rubbish in the Units is prohibited.

Section 16. Limitations on Use of Parking Spaces. Unit Owners, their employees, guests, business invitees and agents shall have the non-exclusive right to park in the parking facilities on the Property. The parking facilities shall serve all Unit Owners; provided, however, at no time shall the aggregate number of non-exclusive parking spaces actually occupied by the Unit Owner, its employees, guests, business invitees or agents exceed more than one (1) parking space per 250 gross rentable square feet within the Unit. Gross rentable square foot measurements, for purposes of allocating parking spaces only, shall be rounded up or down to the nearest whole number. Parking areas shall be used for no other purpose than to park motor vehicles, and loading or unloading.

Section 17. Unit Owner Repair. Maintenance and Replacement Responsibilities. Unit Owners shall be responsible for the repair, maintenance and replacement of the following items that are located within or appurtenant to their respective Units as defined in the Declaration, notwithstanding the actual ownership of such items:

- (a) Interior of and all contents within the Unit, including, but not limited, to:

- (i) Lighting fixtures;
- (ii) Plumbing fixtures from the connection to the main service line;
- (iii) Ceiling tiles and supports;
- (iv) Wall surfaces;
- (v) Floor surfaces;
- (vi) Electrical outlets and wiring from the individual meter serving the Unit;
- (vii) Telephone conduits;
- (viii) Cabinets; and
- (ix) All hardware associated with the foregoing.

(b) All door(s) and windows or other fixtures designed and allocated exclusively to serve a single Unit, whether located within or outside the boundaries of the Unit, together with any hardware associated therewith.

All repairs and replacements will conform to the original building standards and correspond exactly to the items originally furnished in connection with the Unit, unless the affected Unit Owner obtains the prior written approval of the Association.

Section 18. Exclusions from Unit Owner Repair, Maintenance and Replacement Responsibilities. The allocation of responsibility to Unit Owners in paragraph 17 hereof may be superseded in certain events, including the following:

(a) Repair, maintenance and replacement of the heating and cooling equipment, thermostat and exterior doors and windows or other fixtures designed and allocated exclusively to serve a single Unit that is located outside the boundaries of the Unit, by the Association, the cost of which will be specially assessed to the Unit Owner of the affected Unit to the extent not covered by a comprehensive service contract that the Association may carry;

(b) Casualty to Units due to fire or other disaster covered in the hazard insurance master policy carried by the Association;

(c) Casualty caused by negligence of the Association in carrying out its maintenance responsibilities, including damage caused by the condition of Common Elements;

(d) Casualty caused by negligence of another Unit Owner when legal responsibility lies with such Unit Owner;

(e) Coverage of certain items by a comprehensive service contract that the Association may carry; and

(f) Coverage of certain items by warranty from the seller according to the agreement for the sale of a Unit. During the warranty period, the affected Unit Owner shall contact the appropriate party as specified by the seller for any necessary adjustments or repairs.

An affected Unit Owner shall give prompt notice to the president of the Association with respect to any item of repair, maintenance or replacement that such Unit Owner believes to be the responsibility of the Association, another Unit Owner or the Association's insurance carrier. In addition, each Unit Owner shall cooperate fully in the filing of insurance claim forms or service reports.

Section 19. Rights of Declarant. The Declarant may make such use of the unsold Units and Common Elements as may facilitate completion and sale of the Condominium, including, but not limited to, maintenance of a sales office, the showing of the Common Elements and unsold Units, the display of signs the use of vehicles, and the storage of materials. Interference with workmen or with buildings under construction is prohibited. Entrance into construction or Declarants restricted areas will be only with representatives of the Declarant.

Section 20. Consent in Writing. Any consent or approval required by these Rules and Regulations, as they may modified in the future by the Board of Directors, must be obtained in writing prior to undertaking the action to which it refers.

Section 21. Complaint. Any formal complaint regarding the management of the Property or regarding actions of other Unit Owners shall be made in writing to the Board of Directors or an appropriate committee.

Section 22. Conference Room. Each Unit Owner shall have the non-exclusive right to use the conference room ("Conference Room") as shown on the Declaration of Condominium. The Conference Room shall be managed and maintained by the Association and shall be available to each Unit Owner as determined by Association from time to time.

The foregoing are certified to be the initial Rules and Regulations adopted by the Board of Directors as of the _____ day of _____, 2007.