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PRESENTED
FOR
REGISTRATION

Hold For:
Michael G. Sandman #169

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STATE OF NORTH CAROLINA

DECLARATION OF CONDOMINIUM
LAUREL RIDGE
REGISTER OF DEEDS
WAKE COUNTY

COUNTY OF WAKE

THIS DECLARATION OF CONDOMINIUM (the "Declaration") is made and entered into this the 27th day of October, 1998, by OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company ("Declarant"), pursuant to the provisions of Chapter 47C of the North Carolina General Statutes.

WITNESSETH:

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

WHEREAS, by this Declaration, Declarant intends to subdivide the Property into real estate parcels or condominium units and desires, by the recording of this Declaration of Condominium with the office of the Wake County Register of Deeds, to submit the Property, together with the improvements to be located thereon and all of the appurtenances thereto, to the provisions of Chapter 47C of the North Carolina General Statutes; and

WHEREAS, under the Condominium Act it is necessary that the rights, privileges, and obligations of Declarant, Unit Owners, Condominium Board, mortgagees, and others who may be interested therein, be explicitly set forth.

NOW, THEREFORE, Declarant, pursuant to the Condominium Act, does hereby declare and state on behalf of itself, its successors and assigns, and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in the Condominium, as follows:

ARTICLE I
Definitions

Section 1. The following terms used in this Declaration shall have the following meanings (unless otherwise expressly provided herein):

1.1. "Articles" shall mean the Association's Articles of Incorporation.

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1.2. "Association" shall mean Chandler Place Condominiums Homeowners Association, Inc., a nonprofit North Carolina corporation, pursuant to Section 47C-3-101 of the Condominium Act.

1.3. "Building" shall mean the building(s) situated on the Property. The Buildings shall be comprised of a maximum of sixty-six (66) Units, together with certain Common Elements and Limited Common Elements.

1.4. "By-Laws" shall mean the By-Laws of the Association.

1.5. "Common Elements" shall mean all parts of the Condominium, other than the individual Units, and as further defined in Article V of this Declaration.

1.6. "Common Charges" shall mean the assessments charged to each Unit Owner as specified in Article VII of the By-Laws and in Article VII hereof.

1.7. "Common Expenses" shall mean an expenditure made or liability incurred by or on behalf of the Association, together with any allocation to reserves. A Common Expense shall include, but is not limited to, the cost of all insurance premiums and all policies of insurance, required to be or which have been obtained by the Condominium Board, ad valorem taxes, sewer charges, maintenance of water and sewer lines located outside any public street right-of-way or City of Raleigh (the "City") utility easement, maintenance of landscape islands on adjoining streets, maintenance of stormwater facilities, including detention facilities, assessments for public improvements, funds for maintenance and repair and a general operating reserve.

1.8. "Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Unit Owner in the Common Elements, as determined in accordance with this Declaration, as the same is set forth on Exhibit B attached hereto and incorporated herein by this reference. The total of all Common Interest percentages of all Unit Owners shall equal 100%. The Common Interest is the basis for determining, among other things, a Unit Owner's share of distributions upon termination of the Condominium.

1.9. "Condominium" shall mean the Property and all improvements and structures located thereon, including, without limitation, the Buildings and the Units, and all easements, rights and appurtenances belonging thereto, collectively known as Chandler Place Condominiums, and as further defined in this Declaration, all of which are intended to be submitted to the provisions of the Condominium Act.

1.10. "Condominium Act" shall mean the North Carolina Condominium Act as promulgated in Chapter 47C of the North Carolina General Statutes.

1.11. "Condominium Board" shall mean the Association's Board of Directors.

1.12. "Condominium Documents" shall mean the Declaration, the By-Laws, and the Floor Plans, each of which has been recorded or filed simultaneously with the recording of this Declaration, together with the Rules and Regulations.

1.13. "Declarant" shall mean Oak Leaf Development Company I, LLC, a North Carolina limited liability company, and its successors and assigns designated as Declarant.

1.14. "Declarant Control Period" shall mean the period commencing on the date of recordation of this Declaration with the Office of the Wake County Register of Deeds and continuing until the earlier of (i) the date three (3) years after the date of the first conveyance of a Unit to a Unit Owner other than Declarant (said conveyance is hereinafter the "First Closing"), or (ii) the date upon which Declarant surrenders control of the Association, or (iii) the date one hundred twenty (120) days after conveyance of seventy five percent (75%) of Units to Unit Owners other than Declarant.

1.15. "Declaration" shall mean this Declaration of Condominium, and any amendments hereto which are recorded in the Office of the Register of Deeds, Wake County, North Carolina.

1.16. "Facilities" shall mean any and all equipment, fixtures and appliances affixed, attached and/or appurtenant to any Unit.

1.17. "Family Members" shall mean spouse, parents, parents-in-law, brothers, sisters, children, and grandchildren.

1.18. "Floor Plans" shall mean those floor plans of the Units, including a complete description thereof, together with the respective locations and dimensions of each Unit, recorded in Condominium File 194, Pages 1 - 29, Wake County Registry.

1.19. "Law" shall mean any local, state or federal rules, regulations or laws which may apply to the Condominium or any Person who maintains an interest in the Condominium or a Unit.

1.20. "Limited Common Elements" shall mean and include those portions of the Common Elements which service or are reserved for use by a certain Unit or Units to the exclusion of other Units, as further described in Article VI of this Declaration.

1.21. "Manager" or "Managing Agent" shall mean the Person designated by the Condominium Board to act as a managing agent to perform such duties and services as the Condominium Board shall authorize.

1.22. "Occupants" shall mean any individual(s) in possession of a Unit, including Unit Owners, Family Members, lessees, guests and invitees of such individual(s), and Family Members, guests and invitees of such lessees, and as further defined in Article VII of this Declaration.

1.23. "Person" shall mean an individual, a trust, an estate, or a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, a foreign limited liability company, an unincorporated association, or other entity.

1.24. "Public Offering Statement" shall mean the statement described in Section 47C-4-103 of the Condominium Act.

1.25. "Rules and Regulations" shall mean those rules and regulations concerning the use of the Common Elements which may be promulgated and amended from time to time by the Declarant (during the Declarant Control Period) or the Condominium Board, as more fully provided in the By-Laws.

1.26. "Special Assessments" shall mean those assessments levied by the Condominium Board, from time to time, to meet the Common Expenses of the Association.

1.27. "Special Declarant Rights" shall mean the rights reserved herein and in the By-Laws for the benefit of Declarant, including, as follows: to complete the improvements indicated on the Floor Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to use and grant easements through the Common Elements; and to elect, appoint, or remove members of the Condominium Board during the Declarant Control Period.

1.28. "Surplus Funds" shall mean funds collected by the Association pursuant to the provisions of the By-Laws which are not needed to pay current Common Expenses or reserves provided for in this Declaration.

1.29. "Unit" shall mean a designated residential dwelling unit constructed within a Building, together with its percentage of undivided interest in the Common Elements, as further described in Article IV.

1.30. "Unit Owner" shall mean and refer to each owner of a Unit in the Condominium, said owner thereby being subject to this Declaration and entitled to membership in the Association as provided for in the By-Laws. Notwithstanding anything else contained herein, when more than one Person holds an interest in a Unit, one (1) vote appurtenant to that Unit shall be exercised as the owners, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

1.31. "Unsold Unit" means each Unit owned by Declarant, its designee or affiliate. All such Unsold Units are collectively referred to as Unsold Units.

ARTICLE II
Intention

Declarant states that it is the owner in fee simple of and hereby submits the Property to the provisions of the Condominium Act.

ARTICLE III
Name of Condominium; Form of Administration

Section 3.1. The Condominium shall be known as CHANDLER PLACE CONDOMINIUMS. The Condominium and its business shall be managed, controlled directed and administered by the Association as provided in the Articles and By-Laws, which Articles and By-Laws are attached hereto as Exhibit C-1 and Exhibit C-2, respectively, and incorporated herein by this reference.

Section 3.2. All powers granted in this Declaration or the By-laws shall be exercisable by the Condominium Board, except as otherwise expressly stated in the Declaration, the By-Laws or the provisions of the Condominium Act.

Section 3.3. Each Unit Owner shall be a member of the Association and shall be entitled to one (1) vote for each Unit owned, except as otherwise provided for in Section 47C-2-107 of the Condominium Act. Membership shall be appurtenant to, and may not be separated from, ownership of a Unit.

ARTICLE IV
The Units

Section 4.1. Exhibit B attached hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number with a separate street address; (ii) its assigned Parking Space(s) (as defined in Section 5.1) and Storage Unit(s) (as defined in Article VI); and (iii) the Common Interest appurtenant to such Unit. The precise location of each Unit within each Building is shown on the Floor Plans.

Section 4.2. The boundaries of each Unit are the exterior surfaces of its perimeter walls, ceilings and floors, with the center line of the party walls constituting the parametric boundaries of the units of that plane, which are shown on the Floor Plans. Mechanical equipment, stairways and appurtenances located within any Unit and designed to serve only that unit shall be a part of said Unit. However, any Common Elements located within a Unit shall not be considered a part of such Unit.

Section 4.3. Each Unit includes, and the respective Unit Owner shall be responsible for: (i) the front entrance door and any other entrance doors to such Units; (ii) the interior walls, partitions,

wood floors and floor coverings, and plastered ceilings affixed, attached, or appurtenant to such Units; (iii) all windows (including, without limitation, their panes, casements, and frames) located within or opening from, such Units; (iv) all equipment, fixtures, and appliances (including, without limitation, lighting and electrical fixtures, heating and cooling equipment, plumbing facilities, sinks, bathtubs, toilets, refrigerators, ovens, ranges, dishwashers, and any other appliances) affixed, attached, or appurtenant to such Units; and (v) all other Facilities affixed, attached, or appurtenant to such Units and benefiting only those Units.

Section 4.4. Except as may otherwise be provided in the Condominium Documents, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures, and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving, and lighting fixtures) on the surfaces of the walls, ceilings, and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to alter or remove interior walls, in whole or in part, in order to change such Units layout, or to improve the Unit, provided that no such installation, alteration, removal, or change shall impair the structural integrity of such Unit or of the Building of which it is a part or violate any Law. The Association reserves the right to regulate the exterior appearance of the window coverings and treatments installed on all Unit windows, including, without limitation, the consistent treatment of window coverings for the half-round windows located in Units 35, 36, 59 and 60.

Section 4.5. The walls and flooring connecting adjacent units are "Party Walls" and are situated on or about the boundary line separating said Units. Each wall which is built as a part of the original construction of a Unit and placed on the dividing line between the Units shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a Party Wall shall be shared by each Unit Owner sharing use of said Party Wall, in proportion to such use. Notwithstanding any other provisions of this Declaration, a Unit Owner who by his negligent or wilful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 4.6. The Association or its designee shall have the right of access to any Unit during reasonable hours of the day, and in the event of emergencies at any time, for the purpose of making inspections, repairs, replacements, or improvements to the Common Elements within a Unit, and to remedy conditions of the Unit itself which could result in damage to other portions of the Building of which the Unit is a part, whether Units or Common Elements, or to abate any violation of law, orders, rules, or regulations of governmental authorities having jurisdiction.

ARTICLE V
Common Elements

Section 5.1. The "Common Elements" consist of all other parts of the Property, exclusive of the Units themselves, and include, but are not limited to, the following:

(a) The land, Buildings, and other improvements located thereon, including storm drainage facilities and water and sewer lines located outside any City utility easement;

(b) The foundations, columns, girders, beams, supports, main walls, bearing walls, roofs, patios and decks (except as the same may be a Limited Common Element), entrances, and exits of each Building;

(c) The landscaped and planted areas, walks, driveways, parking areas, including the garage parking level of each Building (collectively, the "Parking Areas"), and the individual parking spaces located therein (collectively, the "Parking Spaces"; and each a "Parking Space"), roadways, and other facilities used in common;

(d) Central and appurtenant installations for services such as electricity, telephone, water, stairs, lobby, garbage and sewage disposal, and for other services for common use.

(e) Tanks, pumps, motors, ducts, pipes, wires, cables, and, in general, all apparatus and installations existing for common use.

(f) Easements for access, maintenance, repair, reconstruction, or replacements of the foregoing structural members, equipment, installations, and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety, and use of the Property.

Section 5.2. The Association shall be responsible for the maintenance and repair of the Parking Areas and the Parking Spaces; provided, however, that the cost of repairing any damage to the Parking Areas or the Parking Spaces caused by a Unit Owner shall be the sole responsibility of such Unit Owner.

Section 5.3. Each Unit shall be assigned a garage level Parking Space(s), as shown on the Floor Plans; and, except as may otherwise be provided in writing by the Declarant (during the Declarant Control Period) or the Association, each Unit Owner is hereby granted an exclusive and irrevocable license to use the assigned Parking Space(s). Notwithstanding the foregoing, the Declarant (during the Declarant Control Period) and the Association may, at any time prior to the conveyance of a Unit, re-assign the Parking Space previously assigned thereto. After the conveyance of a Unit by Declarant, an assigned Parking Space may be re-assigned by Declarant (during the Declarant Control Period) and the Association with the prior written consent of the Unit Owner. The Unit Owner's consent shall not be unreasonably withheld, delayed or conditioned. Declarant (during the Declarant Control Period) or the Association may, without the consent of the

Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Parking Space, in accordance with this Section 5.3.

Section 5.4. Street landscaping of traffic island(s) within the right(s)-of-way of public street(s) shall be the sole responsibility of the Association. Such street landscaped islands shall remain neat, clean, attractive and safe. Damaged, unsafe or dead plants shall be removed by the Association. Neither the City nor the State will be liable for any accidents or damage caused by such encroachment within the right(s)-of-way and the Association shall hold harmless the public and indemnify the City and State from such liability. The cost of maintaining such street landscaped islands is a Common Expense.

Section 5.5. Private streets located on the Property shall be the sole responsibility of the Association. Such streets shall be maintained in good condition and no obstruction shall be erected or permitted to remain on such streets. Neither the City nor the State will be liable for any accidents or damage caused by inadequate maintenance, blocking of access routes or any other factor within the control of the Association, and the Association shall hold harmless the public and indemnify the City and State from such liability. The cost of maintaining such streets is a Common Expense.

Section 5.6. As required by applicable City code provisions, Declarant shall cause to be constructed on the Property a stormwater detention facility (the "Detention Basin"). The Detention Basin shall have a water retention capacity of 4,850 cubic feet and a performance standard of: N/A. The Association shall be solely responsible for maintaining the Detention Basin. The cost of such maintenance is a Common Expense.

Section 5.7. The Declarant (during the Declarant Control Period) and the Association shall have the right to subject the Property to easements which it reasonably deems beneficial thereto (the "Easements"). The cost of maintaining the Easements shall be a Common Expense. The term "Easements" shall include, without limitation, the following previously recorded easements benefitting the Property, copies of which are attached hereto as Exhibits E-1, E-2 and E-3, respectively:

(a) Drainage Easement Agreement recorded in Book 7577, Page 174, Wake County Registry (the "Capital Towers Easement");

(b) Easement recorded in Book 7808, Page 398, Wake County Registry (the "CP&L Easement"); and

(c) Easement and Memorandum of Agreement recorded in Book 8172, Page 2213, Wake County Registry (the "Time Warner Easement").

Section 5.8. The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of this Declaration and/or the By-Laws. Further, any

conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which such interest is allocated is also transferred.

ARTICLE VI Limited Common Elements

Limited Common Elements shall mean and include those areas and facilities of the Condominium reserved for exclusive use by the Unit Owner(s) of a particular Unit(s), which areas and facilities shall include, without limitation, any deck, porch, patio, courtyard, balcony, and/or storage room appurtenant to a Unit or Units, or any storage units located in the garage parking level of each Building (each a "Storage Unit"; and collectively, the "Storage Units"), all as shown on the Floor Plans. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy such Limited Common Elements as are associated with such Unit Owner's Unit. The Association shall be responsible for the maintenance and repair of the Limited Common Elements; but each Unit Owner shall be responsible for the cleanliness and orderliness of the Limited Common Elements associated with such Unit Owner's Unit. Notwithstanding anything to the contrary contained herein, the Declarant (during the Declarant Control Period) and the Association may, at any time prior to the conveyance of a Unit, re-assign the Storage Unit previously assigned thereto. After the conveyance of a Unit by Declarant, an assigned Storage Unit may be re-assigned by Declarant (during the Declarant Control Period) and the Association with the prior written consent of the Unit Owner. The Unit Owner's consent shall not be unreasonably withheld, delayed or conditioned. Declarant (during the Declarant Control Period) or the Association may, without the consent of the Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Storage Unit, in accordance with this Article VI.

ARTICLE VII Common Charges

Section 7.1. All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Article VII, Section 1 of the By-Laws at such time or times (but not less than annually) as the Condominium Board shall determine. Notwithstanding anything contained herein to the contrary, the Condominium Board may allocate a reduced assessment for Unsold Units. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. A Unit Owner who fails to pay said Common Charges when due shall be obligated to pay interest at the legal rate or eighteen percent (18%), whichever is higher, on such Common Charges from the date when due, together with all expenses, including attorneys' fees, incurred by the Condominium Board in any proceeding to collect such unpaid Common Charges. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien shall, however, be subordinate to a first mortgage on such Unit which was recorded before the delinquent assessment

was due, and, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

Section 7.2. All Units shall be allocated Common Charges no later than sixty (60) days after the first Unit is conveyed.

ARTICLE VIII

Mortgages and Transfer of Units

Section 8.1. A Unit Owner who mortgages its Unit shall notify the Condominium Board of the name and address of the holder, insurer and/or guarantor of such mortgage, and shall file a conformed copy of the note(s) and mortgage(s) with the Condominium Board.

Section 8.2. Upon the written request of a holder, insurer or guarantor of a mortgage on a Unit, the Condominium Board shall promptly provide written notice of: (a) any unpaid Common Charges due from, or any other default by, the Unit Owner of the mortgaged Unit; (b) any condemnation or casualty loss that affects a material portion of the Building or the mortgaged Unit; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action that requires the consent of a specified percentage of the holders of mortgages constituting first liens on Units.

Section 8.3. Upon the happening of a default under the terms of the mortgage or other liens which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Condominium Board, but the failure to give such notice shall not prevent the holder from instituting a foreclosure action. The foreclosure of a first mortgage will extinguish the lien for any unpaid Common Charges that were payable before the foreclosure sale.

Section 8.4. Except as otherwise provided herein, any Unit Owner shall be free to convey or transfer its Unit without restriction. No Unit Owner shall be permitted to convey or lease its Unit unless it shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments (hereinafter defined) theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of permitted mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing. Except as otherwise provided herein, a lien for Common Charges and Special Assessments will not be affected by the sale or transfer of a Unit. Any lease of a Unit must be in writing and subject to the requirements of the Condominium Documents and the Association.

ARTICLE IX

Use and Occupancy

Section 9.1. In addition to the following restrictions, conditions and covenants concerning the use of the Property, the Condominium shall be subject to the Rules and Regulations.

Section 9.2. Each Unit Owner, successor, lessee, occupant, mortgagee, or assign is required to observe all of the provisions of this Declaration, the By-Laws, Rules and Regulations, and applicable laws and ordinances regulating the use and occupancy of the Condominium which require, among other things, that:

(a) The number of Occupants in each Unit shall not exceed (i) the Family Members of one family only; or (ii) two (2) individuals unrelated by blood or marriage per bedroom designated on the Floor Plans for the Unit. No transient tenants may be accommodated; provided, however, that the guests and invitees of Occupants and their lessees may reside in any one Unit for a maximum period of thirty (30) days per calendar year. Units may not be combined or subdivided without prior written approval of the Condominium Board;

(b) A Unit shall not be used or permitted to be used for immoral, improper, offensive, or unlawful purposes;

(c) No nuisance shall be committed or allowed and the Unit shall not be used in any such manner as to be a source of annoyance or in any way interfere with the peaceful possession, enjoyment, and proper use of the Property by other Occupants;

(d) No animals, livestock or poultry of any kind shall be raised, bred or kept in the Units, except that a maximum of two (2) domesticated, household pets may be kept in any one Unit, provided that they are not maintained for commercial purposes.

(e) The Common Elements shall be used for the furnishing of the services and facilities, and for the other uses for which they are reasonably intended and which are incident to the use and occupancy of the Units.

(f) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Units. Upon the prior written consent of Declarant (or, when there are no longer any Unsold Units, the Condominium Board), any Unit may be used as a professional office or for any other purpose; provided, however, that such use is permitted by applicable Law and the Unit Owner complies with all applicable governmental regulations. Units may be leased only in accordance with the By-Laws and the Rules and Regulations.

(g) Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Unit as a professional office or for any other purpose; provided, however, that such use is permitted by applicable Law and Declarant

complies with all applicable governmental regulations; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation, and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law; and (iii) lease any Unsold Units to third parties for their occupancy.

ARTICLE X
Service of Process

The name of the person designated to receive process in any action which may be instituted in relation to the Condominium or any parts thereof, together with his place of business is Craig C. Huggins, 7200 Stonehenge Drive, Suite 206, Raleigh, North Carolina 27613, until the date of the first meeting of the Association. The person so designated to receive service of process may be changed from time to time by the Condominium Board.

ARTICLE XI
Effective Date of the Condominium

The effective date of the Condominium is the date when this Declaration is recorded in the Office of the Register of Deeds of the County of Wake, State of North Carolina. From and after said date, the Condominium shall be and shall continue to be subject to each and all the terms hereof until terminated or abandoned in accordance with the provisions of the Condominium Act and of this Declaration.

ARTICLE XII
Easement for the Common Elements

Section 12.1. Subject to the terms of the By-Laws and the Rules and Regulations, Declarant, the Unit Owners, all authorized Occupants, the Managing Agent, the Condominium Board, and all officers, partners, managers, employees, agents, guests, invitees, and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, no Person shall use or enjoy the Common Elements except in accordance with the Rules and Regulations and the reasonable purposes for which they are intended, and without encroaching upon the rights of other persons to do so. In the event of any dispute concerning the appropriate use of a Common Element, the Condominium Board shall determine the purpose for which such Common Element is intended to be used.

Section 12.2. Each Unit has a proportionate undivided interest in the Common Elements which is permanent in character and which may not be altered except by amendment to this Declaration by the unanimous vote of all Unit Owners and the holders of mortgage liens, if any. This proportionate undivided interest may not be separated from the Unit to which it appertains.

Section 12.3. Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any and all pipes, wires, ducts, cables, conduits, public utility lines, and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore, and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access.

Section 12.4. Declarant, for so long as it shall own any Unsold Unit, and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage sewer, and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Declarant or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Buildings or any portion thereof or for the general health or welfare of the Unit Owners and Occupants.

Section 12.5. Each Unit and the Common Elements shall have easements of subjacent supports and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

Section 12.6. Each Unit Owner shall have an unrestricted right of ingress and egress to its Unit. Such right shall be perpetual and non-exclusive.

Section 12.7. If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Buildings, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board, or by Declarant, or (z) any repair or restoration made to the Buildings or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Buildings or the affected Unit or Common Elements shall stand.

Section 12.8. In addition to the specific easements set forth in this Article X, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act, or in any agreements made with the City of Raleigh or with any utility companies in effect prior to the recording of this Declaration.

ARTICLE XIII
Acquisition of Units by the Condominium Board

If the Condominium Board either (i) acquires or leases a Unit or (ii) purchases a Unit, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE XIV
Power of Attorney to Declarant and the Condominium Board

Section 14.1. Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted, and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Declarant, to amend the Condominium Documents pursuant to the terms hereof, and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to execute, acknowledge, and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

Section 14.2. In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Declarant or the Condominium Board, shall duly execute, acknowledge, and deliver to the requesting party, for recording in the Office of the Register of Deeds of the County of Wake, State of North Carolina, a Unit Owner's Power of Attorney in the form set forth on Exhibit D attached hereto and incorporated herein by this reference.

ARTICLE XV
Termination of Condominium

The Condominium shall continue until terminated by (i) a taking of all the Units by eminent domain, as provided for in Section 47C-2-118 of the Condominium Act; or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of not less than eighty percent (80%) of all Unit Owners, with the written approval of the holders of the mortgages constituting first liens thereon. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made

to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE XVI
Covenant of Further Assurances

Section 16.1. Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, an Occupant, a member of the Condominium Board, an officer of the Association, or otherwise, shall, at the expense of such other Person requesting the same, execute, acknowledge, and deliver to such other Person such instrument, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 16.2. If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge, and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

ARTICLE XVII
Amendment

Amendments to this Declaration shall be by vote of seventy five percent (75%) of all Unit Owners at a meeting duly held for such purpose, but only with written approval of the holders of the mortgages constituting first liens thereon. Notwithstanding the foregoing, an alteration in the Common Interest will require the consent of all Unit Owners and of the holders of first mortgages thereon; and the Declarant (during the Declarant Control Period) or the Association may, without the consent of the Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Parking Space or Storage Unit, in accordance with Section 5.3 or Article VI, as applicable. No amendment will affect or impair the validity or priority of the interests of the holders of recorded mortgages encumbering the Units. For as long as Declarant remains a Unit Owner, this Declaration may not be amended so as to adversely affect Declarant without its consent. No such amendment shall be effective until recorded in the Office of the Register of Deeds of the County of Wake, State of North Carolina.

ARTICLE XVIII
Liens and Suits

A Unit Owner shall give written notice to the Condominium Board of all liens, suits, or other proceedings which may affect title to his Unit or any other part of the Condominium within five (5) days after he receives notice thereof.

ARTICLE XIX
Judicial Sales

Except for sales made pursuant to foreclosure actions in which the Condominium Board is named as a party, no judicial sale of a Unit or any interest therein shall be valid unless;

- (a) The sale is approved by the Condominium Board, which approval shall be in recordable form and shall be delivered to the purchaser and recorded with the Secretary of the Association; or
- (b) The sale is a result of a public sale with open bidding.

ARTICLE XX
Provisions Pertaining to Declarant

Notwithstanding any other provisions herein contained, for so long as Declarant remains a Unit Owner, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Declarant from any obligations of a Unit Owner to pay Common Charges as to each Unit owned by it:

- (a) Declarant, for itself, its successors or assigns, reserves the unrestricted right to sell, assign, mortgage, or lease any Unit which it continues to own after the recording of the Declaration and to post signs for such purposes on the Condominium; and
- (b) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Property except as specifically set forth herein or in the Public Offering Statement and no person shall rely upon any warranty or representation not so specifically made herein. The Floor Plans and the estimated Common Charges are deemed accurate, but no warranty or guaranty is made nor intended, nor may one be relied upon with respect thereto.

ARTICLE XXI
Covenants With the Land

Section 21.1. The covenants and restrictions contained in this Declaration, the By-Laws, and the Rules and Regulations as they now exist, or as the same may be amended from time to time, shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded,

after which time they shall be automatically extended for successive periods of ten (10) years. Every Unit Owner and claimant of the Property or any part thereof or interest therein, and his heirs, executors, administrators, successors, and assigns shall be bound by all of the provisions of this Declaration, the By-Laws and the Rules and Regulations.

Section 21.2. All present and future Unit Owners and Occupants shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Unit Owner or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any Person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

Section 21.3. If any provision of this Declaration or of the By-Laws is invalid under the Condominium Act, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the Unit Owners and their heirs, executors, administrators, legal representatives, successors, and assigns, as covenants running with the land and with every part thereof and interest therein under any other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

ARTICLE XXII

Captions

Captions used in this Declaration and the By-Laws are for convenience only and shall not be relied upon or used in construing the effect or meaning of any of the text thereof.

ARTICLE XXIII

Gender, Singular, Plural

Whenever the context so permits, the use of the plural shall include the singular and the plural, and any gender shall be deemed to include all genders.

ARTICLE XXIV
Severability

If any provision of this Declaration, or any section, sentence, clause, phrase, or word, or the application thereof in any circumstances, be judicially held in conflict with the laws of the State of North Carolina, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

ARTICLE XXV
Incorporation by Reference

The terms, covenants, conditions, descriptions, and other information contained in (i) the property description attached hereto as Exhibit A; (ii) the description of the Units attached hereto as Exhibit B; (iii) the By-Laws attached hereto as Exhibit C-1; (iv) the Articles of Incorporation attached hereto as Exhibit C-2; (v) the Unit Owner's Power of Attorney attached hereto as Exhibit D; (vi) the Floor Plans; and (vii) the Easements attached hereto as Exhibits E-1, E-2, and E-3 are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

ARTICLE XXVI
Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

ARTICLE XXVII
Successors and Assigns

The rights and/or obligations of Declarant as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Declarant or, with consent of Declarant, any transferee of all of the then Unsold Units. Subject to the foregoing, Declarant shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE XXVIII
Governing Law

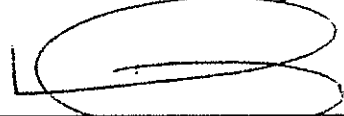
This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

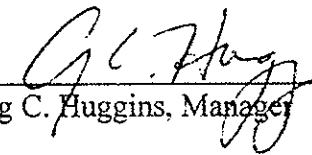
{SIGNATURE PAGE ATTACHED}

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

DECLARANT:

OAK LEAF DEVELOPMENT COMPANY I, LLC,
a North Carolina limited liability company

By:  (SEAL)
Michael G. Sandman, Manager

By:  (SEAL)
Craig C. Huggins, Manager

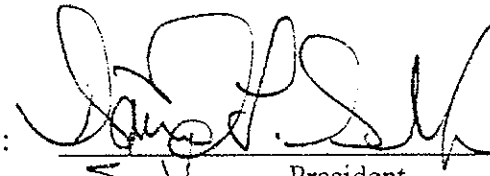
CONSENTED AND AGREED TO BY:

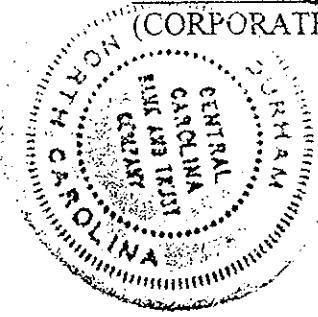
CENTRAL CAROLINA BANK AND TRUST
COMPANY

ATTEST:


Secretary

(CORPORATE SEAL)

By: 
Janet S. Smith, President

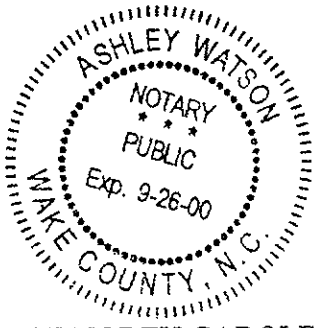


STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Michael G. Sandman, Manager of Oak Leaf Development Company I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and seal this 27th day of October, 1998.



[Handwritten signature]

Notary Public

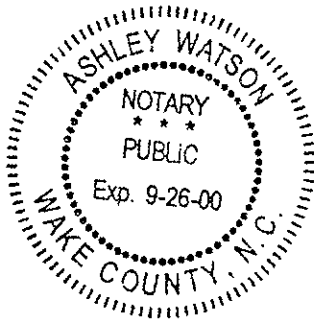
My Commission Expires: _____

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Craig C. Huggins, Manager of Oak Leaf Development Company I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and seal this 27th day of October, 1998.



[Handwritten signature]

Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA

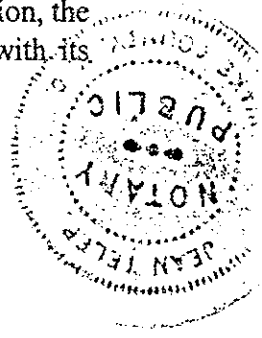
COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, hereby certify that Rick Merrill personally came before me this day and acknowledged that (s)he is the ASST. Secretary of CENTRAL CAROLINA BANK AND TRUST COMPANY, a North Carolina banking corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its S.R.V. President, sealed with its corporate seal and attested by its ASST. Secretary.

Witness my hand and seal this 27th day of October, 1998.

[Signature]
Notary Public

My Commission Expires: December 21, 2002



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate 5 of Ashley Watson
Jean Deep

Notar(y) (ies) Public

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

LAURA M. RIDDICK, Register of Deeds

By P. Anne Reed
Asst./Deputy Register of Deeds

BK 8174 PG 0616

EXHIBIT A

DESCRIPTION OF PROPERTY

BEING all of Lot 5, Homewood Office Park Subdivision, as shown on plat recorded in Book of Maps 1985, Page 2324, Wake County Registry.

BK8174PG0617

EXHIBIT B
UNIT DESCRIPTION

{ATTACHED}

EXHIBIT B

CHANDLER PLACE CONDOMINIUMS
BUILDING ONE-116 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
1	116-101	1.169%	12	12
2	116-102	1.382%	7	7
3	116-103	1.382%	17	17
4	116-104	1.824%	18	18
5	116-105	1.567%	5	5
6	116-106	1.562%	16	16
7	116-201	1.211%	2	2
8	116-202	1.382%	4	4
9	116-203	1.382%	1	1
10	116-204	1.824%	3	3
11	116-205	1.567%	10	10
12	116-206	1.727%	14	14
13	116-301	1.222%	15	15
14	116-302	1.382%	6	6
15	116-303	1.382%	13	13
16	116-304	1.824%	11	11
17	116-305	1.567%	8	8
18	116-306	1.747%	9	9

EXHIBIT B(continued)

CHANDLER PLACE CONDOMINIUMS
BUILDING TWO-108 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
19	108-101	1.147%	10	10
20	108-102	1.169%	7	7
21	108-103	1.562%	14	14
22	108-104	1.567%	15	15
23	108-105	1.378%	9	9
24	108-106	1.378%	11	11
25	108-107	1.855%	2	2
26	108-108	1.855%	8	8
27	108-201	1.216%	16	16
28	108-202	1.216%	18	18
29	108-203	1.710%	22	22
30	108-204	1.567%	23	23
31	108-205	1.378%	20	20
32	108-206	1.378%	17	17
33	108-207	1.855%	1	1
34	108-208	1.855%	13	13
35	108-301	1.225%	4	4
36	108-302	1.225%	24	24
37	108-303	1.710%	12	12
38	108-304	1.567%	6	6
39	108-305	1.378%	19	19
40	108-306	1.378%	5	5
41	108-307	1.855%	3	3
42	108-308	1.855%	21	21

24

EXHIBIT B(continued)

CHANDLER PLACE CONDOMINIUMS
BUILDING THREE-100 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
43	100-101	1.169%	20	20
44	100-102	1.147%	24	24
45	100-103	1.855%	18	18
46	100-104	1.855%	7	7
47	100-105	1.378%	6	6
48	100-106	1.378%	5	5
49	100-107	1.683%	14	14
50	100-108	1.562%	3	3
51	100-201	1.216%	23	23
52	100-202	1.216%	22	22
53	100-203	1.855%	21	21
54	100-204	1.855%	12	12
55	100-205	1.378%	9	9
56	100-206	1.378%	19	19
57	100-207	1.683%	2	2
58	100-208	1.710%	15	15
59	100-301	1.225%	10	10
60	100-302	1.225%	11	11
61	100-303	1.855%	8	8
62	100-304	1.855%	4	4
63	100-305	1.378%	13	13
64	100-306	1.378%	1	1
65	100-307	1.683%	16	16
66	100-308	1.710%	17	17
		<hr/> 100.000%		

EXHIBIT C-1
ARTICLES OF INCORPORATION

{ATTACHED}