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WAKE COUNTY, NC 126  
LAURA M RIDDICK  
REGISTER OF DEEDS  
PRESENTED & RECORDED ON  
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NORTH CAROLINA

WAKE COUNTY

**DECLARATION OF CONDOMINIUM  
ESTABLISHING  
THE STAFFORD  
(PLAT AND PLANS IN ACCORDANCE WITH NCGS § 47C-2-109 FILED  
IN CONDOMINIUM FILE NO.)** <sup>BOOK</sup> ~~1075~~ 2204, <sup>PAGE</sup> ~~358~~ 358 (A1-A7)

THIS DECLARATION is made effective as of the 17<sup>th</sup> day of November, 2004, by BALLYBUNNION, LLC, a North Carolina limited liability company, Doro Taylor, Robert N. Harper, Lynette M. Sroka and Joseph Huttie, all citizens are residents of North Carolina; (collectively referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of that certain real property including three (3) buildings situated thereupon, which buildings are residential in nature and consist of twelve (12) condominium units established in accordance with the provisions of Chapter 47C of the North Carolina General Statutes, in the City of Raleigh, Wake County, North Carolina, more particularly described in Exhibit A (the "Property"); and

WHEREAS, a portion of the Property is currently encumbered by the lien of two deeds of trust, recorded in Book 10750, Page 1360, as modified in Book 1102, Page 138, and Book 10885, Page 1416, as modified in Book 1102, Page 151, Wake County Registry, executed and delivered by Declarant to William L. Dawkins as Trustee for Regions Bank. A Consent of Mortgagee executed by William L. Dawkins as Trustee, and Regions Bank, consenting to the execution and recordation of this Declaration, is attached to and made a part of this Declaration; and

WHEREAS, Declarant has deemed it desirable to create a nonprofit, incorporated owners' association which will be delegated and assigned powers of maintaining and administering the common areas and facilities on the Property, of administering and enforcing the covenants and restrictions created in this Declaration, and of levying, collecting and disbursing the assessments and charges created in this Declaration, and of taking any steps or performing any acts deemed necessary or appropriate to preserve the values of condominium units within the Property and to promote the recreation, health, safety and welfare of the unit owners. In order to accomplish the foregoing, Declarant is entering into this Declaration; and

WHEREAS, by this Declaration, Declarant hereby establishes a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the Units and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining real property which is hereafter defined and referred to as the "Common Elements."

NOW, THEREFORE, Declarant hereby declares that the Property as well as all of the Improvements constructed thereon, shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

ARTICLE 1.  
DEFINITIONS

As used herein, the following words and terms shall have the following meanings:

1.1 Act. The North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as amended; specific statutory citations referenced herein are for convenience only and as such exist in the North Carolina General Statutes on the date hereof.

1.2 Association. The Stafford Condominium Association, Inc., its successors and assigns.

1.3 Board. Those persons elected or appointed to act collectively as the Directors of the Association.

1.4 Bylaws. The Bylaws of the Association, and all amendments thereto which may be adopted from time to time, which are hereby incorporated herein and made a part hereof by this reference.

1.5 Common Elements. All portions of the Condominium except the Units, including, but not limited to the exteriors of the buildings, roofs, parking areas and green areas. However, if a deck and/or stairway are attached to and part of a Unit, then the deck and or stairway is not a Common Element, but instead is a part of the separate Unit. Though a heating unit or furnace may be located within the boundary of another Unit or the Common Elements, said heating unit or furnace shall still be considered part of the Unit which it serves.

1.6 Common Expenses. Expenditures made by or financial liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including without limitation:

- (a) All sums lawfully assessed against the Unit Owners by the Association;
- (b) Expenses of administration, maintenance, repair, or replacement of the Common Elements;
- (c) Expenses agreed upon as Common Expenses by the Association;
- (d) Expenses declared to be Common Expenses by the provisions of the Act, this Declaration or the Bylaws;
- (e) Premiums for hazard and such other insurance as this Declaration or the Bylaws may require or permit the Association to purchase;
- (f) Utility expenses, including sewer, water and electricity, which is provided to or for the benefit of the Common Elements or which is provided by the Association to all Unit Owners;
- (g) Ad valorem taxes, public assessment liens, and governmental liens which are levied against the Common Elements; and
- (h) Allocations to reserves in accordance with the Act and the Condominium Documents.

1.7 Condominium. The Stafford, as established by the submission of the Property to the terms of the North Carolina Condominium Act by this Declaration.

1.8 Condominium Documents. This Declaration, the articles of incorporation of the Association ("Articles"), the Bylaws, and the Rules and Regulations, all as amended and supplemented from time to time and all attachments and exhibits thereto.

1.9 Declarant. Ballybunnion LLC; Doro Taylor, Robert N. Harper, Lynette M. Sroka and Joseph Huttie, their heirs, successors and assigns, and any person or entity which succeeds to any Special Declarant Rights as provided in § 47C-1-103(23) of the Act by the recording of a document of assignment with the Wake County Register of Deeds.

1.10 Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) one hundred twenty (120) days after conveyance of seventy-five percent (75%) of Units to Owners other than Declarant (including any Units which may be created by Special Declarant rights); (ii) the time at which Declarant voluntarily surrenders in writing the right to appoint and remove officers and members of the Board; (iii) two (2) years after the date the Declarant has ceased to offer Units for sale in the ordinary course of business; or (iv) two (2) years after any developmental right to add new Units last exercised.

1.11 Declaration. This Declaration of Condominium, as it may be modified, amended or restated in the future.

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1.12 Improvements. Improvements to the Property, including, but not limited to, outbuildings, roads and driveways, parking areas, fences, screening walls, retaining walls, loading areas, signs, utilities, lawns, landscaping, sidewalks and walkways located on the Property, together with any construction work or treatment done or applied to the Property in connection therewith.

1.13 Limited Common Elements. A portion of the Common Elements allocated in this Declaration or by operation of § 47C-2-102(2) or (4) of the Act for the exclusive use of one or more, but fewer than all, of the Units, to the exclusion of all other Units.

1.14 Member. Those Persons entitled to membership in the Association as provided in the Articles and this Declaration.

1.15 Occupant. Any Person or Persons (including Owners, the permitted lessees, licensees, guests, and invitees of such Person or Persons) in possession of a Unit.

1.16 Owner or Unit Owner. The Person or Persons, including the Declarant, who are record owners of a Unit in fee simple (including contract sellers of a Unit), but not including Security Holders.

1.17 Person. A natural person, corporation, partnership (general or limited), trust, limited liability company or other entity, or any combination thereof.

1.18 Plans. The plans and specifications of the Property prepared by Kenneth Close, Inc., Land Surveying and Lynette Sroka, Registered Architect and recorded under the name of the Condominium in the Office of the Register of Deeds of Wake County, in the Condominium File referenced on the first page of this Declaration, as the same may be duly modified or amended.

1.19 Property. The real property described in Exhibit A, together with all Improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining thereto, and all articles of personal property intended for common use in connection therewith.

1.20 Rules and Regulations. Those written actions of the Board, duly adopted in accordance with the Bylaws and this Declaration, and any amendments thereto. The purpose of such Rules and Regulations is to interpret and apply the provisions of the Condominium Documents and to establish and prescribe the administration and management of the Condominium and the use, operation, and management of the Common Elements.

1.21 Security for an Obligation. The vendor's interest in a contract-for-deed, mortgagee's interest in a mortgage, trustee's interest in a deed of trust, or the holder's interest in a lien, or similar interests.

1.22 Security Holder. Any Person owning a Security for an Obligation in a Unit.

1.23 Special Declarant Rights. The rights reserved herein for the benefit of Declarant.

1.24 Unit. A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements. Mechanical equipment, stairways and appurtenances located within any Unit and designed to serve only that Unit, such as appliances, cabinets, fixtures and the like, shall be part of the Unit. Additionally, decks and/or stairways, windows and doors that are attached to a Unit and serve only that Unit is not part of the Common Elements, but are rather part of the separate Unit. Space heating, air-conditioning and water heating apparatus, pipes, ducts, conduits, smoke detector systems and all electrical switches, wiring, and receptacles and wiring for television, telephone and electric, light fixtures, and hardware on exterior doors designed to serve only that Unit shall be part of that Unit.

1.25 Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on any architectural plans, are the walls, floors and ceilings, and shall be defined consistent with §47C-2-102 of the Act, unless otherwise provided herein.

ARTICLE 2  
LEGAL DESCRIPTION OF THE PROPERTY

Declarant is the owner of the fee simple title to the Property as more specifically stated below: described in Exhibit A attached hereto.

The Property which will be dedicated to Condominium or Unit ownership is situated in Wake County, North Carolina.

ARTICLE 3  
DESCRIPTION OF BUILDINGS DEDICATED  
TO CONDOMINIUM OWNERSHIP

The Condominium currently consists of twelve (12) Units, as shown on Plans recorded in Condominium File, \_\_\_\_\_, Wake County Registry, and is to be known as "The Stafford".

ARTICLE 4  
SUBMISSION OF PROPERTY TO THE ACT

4.1 Submission. Ballybunnion, LLC and Edenton Street Ventures, LLC, hereby submit the Property to the Act.

4.2 Name. The Property shall hereafter be known as The Stafford.

4.3 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into twelve (12) Units, the Limited Common Elements and the Common Elements, subject to the Special Declarant Rights, and does hereby designate all such Units for separate ownership as freehold estates subject to the Act.

4.4 Alterations of Units. Subject to the provisions of this Declaration and the Bylaws, a Unit may be altered pursuant to the provisions of § 47C-2-111 of the Act.

4.5 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, of votes in the Association, and of a percentage of the Common Expenses, are as stated on Exhibit B attached hereto. The allocation of undivided interests in the Common Elements and of the Common Expenses is according to the area that each Unit bears to the area of all Units. When and if additional Units are added to the Condominium, the percentage interest in the Common Elements shall be recalculated.

ARTICLE 5  
SPECIAL DECLARANT RIGHTS

5.1 Reservation of Rights. For a period of ten (10) years from the date hereof, unless sooner released by Declarant, and subject to NCGS § 47C-3-104 of the Act, Declarant reserves unto itself, its successors and assigns the following Special Declarant rights:

- (a) Developmental Rights. Declarant reserves the right by amendment to add property to this Declaration in order to add and create Units, Common Elements and Limited Common Elements within the Condominium and to further amend this Declaration as necessary to carry out said rights. No consent of the Unit Owners shall be necessary.
- (b) Rights Regarding Signage. Declarant reserves the right to maintain signs on the Common Elements advertising the Units until all have been conveyed to Owners other than Declarant.
- (c) Alteration Rights. Declarant reserves the right to alter the size of any Unit, combine Units, and to subdivide a Unit.
- (d) Executive Board Rights. Declarant reserves the right to appoint and remove Executive Board members during the Declarant Control Period; provided (i) not later than sixty (60) days after conveyance of twenty five percent (25%) of Units to Owners other than Declarant, at least one member and not less than twenty five percent (25%) of the members of the Executive Board shall be elected by Owners other than Declarant; and (ii) not later than sixty (60) days after conveyance of fifty percent (50%) of Units to Owners other than Declarant, not less than thirty-three percent (33%) of members of Executive Board shall be elected by Owners other than Declarant.
- (e) Governmental Requirements. Declarant reserves the right to amend this Declaration as necessary if required by any governmental agency.
- (f) Construction and Easement Rights. Declarant reserves the right to construct utility lines, pipes, driveways, parking lots, wires, ducts, conduits, and other facilities anywhere within the Condominium to provide utility, storm water protection and other services in connection with Units to be added pursuant to this section. Declarant also reserves the right to grant easements for such purposes.

ARTICLE 6  
EASEMENTS

6.1 Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, and any part of the Units now or hereafter encroaches upon any part of the Common Elements, or upon any part or another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

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

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

6.4 Declarant's Easement. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purposes; and each Owner hereby grants to Declarant an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner such instruments as may be necessary to effectuate the foregoing.

6.5 Unit Owner's Easement. Every Unit Owner shall have a right and easement of enjoyment in and to all of the Common Elements, other than the Limited Common Elements, and to the Common Unit. Each Unit Owner specifically shall have an easement to maintain all components of the heating and air conditioning system serving his Unit in their present location and as shown on the architectural plans, including rights of ingress, egress and regress over another Unit or Limited Common Element to maintain such heating and air-conditioning system. Every Unit Owner shall have a right and easement of enjoyment in and to the Limited Common Elements allocated to his Unit.

6.6 Grant of Easements by Association. The Association may hereafter grant easements, as approved by the Board, for utility or drainage purposes for the benefit of the Condominium, including the right to install, lay, maintain, repair and replace water lines, gas lines, pipes, sewer lines, television and telecommunication cables, telephone wires and equipment, and electrical conduits, and wires over, under, along and on any portion of the Common Elements; and each Unit Owner hereby grants 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 or desirable to effectuate the foregoing.

6.7 Governmental Easements. Easements are hereby established over the Common Elements for the benefit of applicable government agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas, and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

6.8 Structural Easements. Every portion of a Unit which contributes to the structural support of the building of which it is a part shall be burdened with an easement of structural support for the benefit of all other Units and for the Common Elements.

6.9 Easements to Run with Land. All easements and rights described in this Article 6 are appurtenant easements running with the land, and except as otherwise expressly provided in this Article 6, shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Security Holders and any other person having any interest in the Condominium or any part of any interest thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article 6, whether or not specifically mentioned in any such conveyance or encumbrance.

## ARTICLE 7 RESTRICTIONS, CONDITIONS AND COVENANTS

7.1 Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, as recorded and amended, the Bylaws, the Articles, and any Rules and Regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction or other relief.

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

7.3 Use Restrictions; Use by Declarant.

(a) The Units shall be occupied and used by Unit Owners and Occupants for residential purposes only, with a home office within the confines of a Unit being a permitted use. Nothing herein shall be deemed to prohibit rental of the Units by the Unit Owners. Notwithstanding the foregoing, Declarant may maintain any Unit(s) owned by Declarant as a sales office or model Unit.

(b) No Unit Owner or Occupant shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any Unit, building, or any portion of the Common Elements, except as allowed by the Association pursuant to its Bylaws or the Rules and Regulations; provided, however, that any Unit Owner, or its respective agent, may place

“For Sale” or “For Rent” signs on any unsold or unoccupied Units and in suitable places on the Property. Notwithstanding the foregoing, Declarant shall have the right to maintain upon the Property advertising and informational signs during the Declarant Control Period.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof, and all applicable laws, ordinances, and regulations of all government agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, and requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. Furthermore, no Unit Owner shall allow any noise or sound that is audible beyond the Unit from which it originates and that is objectionable due to intermittence, beat, frequency, shrillness or loudness to reasonable persons at other Units or at the Common Elements;

(d) Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the Condominium Documents and that any failure by the lessee to comply with all of the terms of such Condominium Documents shall constitute a default under the lease. No Unit may be leased for a period shorter than six (6) months.

(e) The Common Elements (other than storage areas, if any, designated by the Association) shall not be used for the storage of personal property of any kind. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way, or used for other than their intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either in his Unit or upon the Common Elements which detracts from the appearance of the Property.

(f) Trash, garbage and other waste shall be kept in sanitary containers within each Unit, and deposited only in the common trash receptacles located within the Common Elements or as otherwise directed by the Association.

(g) No interest in any Unit may be subjected to a time share program, as that term is defined in N.C. Gen. Stat. §93A-41(10).

(h) No animals, livestock, or poultry of any kind shall be kept or maintained on the Property or in any dwelling located thereon except that small, common, domestic household pets (less than fifty (50) pounds) may be kept or maintained in each Unit, provided they are not kept or maintained for commercial purposes and provided that no Owner may have more than two (2) such pets at any one time (excluding fish). No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) on the Property. Pets shall not be permitted to defecate in the Common Elements, and each Owner shall clean up immediately after his pet if an accident occurs. All pets shall be registered, licensed and inoculated as required by law. Each Owner shall hold the Association harmless from any claim resulting from any action of his pet, and shall repair at his expense any damage to the Common Elements caused by his pet. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Bylaws, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days written notice.

(i) Total electrical usage in any Unit shall not exceed the capacity of the circuits for that Unit as labeled on the circuit breaker boxes, and no electrical device causing overloading of the standard circuits may be used in any Unit without permission of the Association. All clothes dryers will have lint filters, and all stove hoods will have grease screens, and such screens and filters shall be used at all times and kept clean, and in good order and repair, by the Owner of the Unit in which they are located.

(j) There shall be no floor load in any Unit in excess of forty (40) pounds per square feet, unless an engineering determination of the floor load capacity in the area of heavy use is approved by the Association. Such engineering determinations shall be obtained by the Association, at the requesting Unit Owner's expense.

(k) The decks and patios adjacent to each Unit shall be kept in a clean, neat, and orderly condition at all times, and shall not be used for storage, cooking, or for the drying of laundry. In particular, towels or banners shall not be hung on the balcony railings, and any dead plants shall be removed promptly. No indoor-outdoor carpeting, hot tub, or other pool shall be installed on any balcony or patio.

7.4 Hazardous Use and Waste. Nothing shall be kept and no activity shall be carried on in any Unit or on the Limited Common Elements which will increase the rate of insurance, applicable to office use, for the Property or the contents thereof. No Owner or Occupant shall do or keep anything, nor cause or allow anything to be done or kept, in his Unit or on the Common Elements which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Elements.

7.5 Alterations of Common Elements. No Unit Owner or Occupant, except Declarant during the Declarant Control Period, shall alter, construct anything upon, or remove anything from the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board.

7.6 Parking and Use of Parking Areas. No Owner or any employee, agent, or invitee of any Owner, shall park, store or keep any vehicle on the Property except wholly within those portions of the Common Elements designated as parking areas by the Association and in particular shall not block any entrances, drive aisles, and fire lanes. In the event certain parking spaces are allocated to a particular Unit, then such parking spaces may be used only by the Owner of the Unit to which the parking spaces are allocated as a Limited Common Element, and his agents and invitees. The Association shall designate specific parking spaces to be used solely by handicapped persons in accordance with applicable laws.

No boat, boat trailer, motor home, travel trailer, camper or other recreational vehicle may be stored on the Property at any time. No significant automobile repair shall be allowed in the parking areas on the Property. The Association shall have the right to tow any vehicle in violation of this Section 7.6 at its owner's expense. Specifically, but not way of limitation, the Association shall have the right, and so intends, to enforce the parking restrictions in this Section 7.6. In addition to having

the right to tow any vehicle in violation of this Section, the Association shall have the right to levy fines as follows: First Offense during any twelve (12) month period - \$50.00; Second Offense during any twelve (12) month period - \$75.00; any violations over two (2) in any twelve (12) month period - \$100.00. Fines imposed for violation of the parking restrictions shall be considered special assessments and shall be due and payable upon receipt of the parking violation. The Association shall have the right to enforce payment of such special assessment in the same manner as it may enforce the collection of any assessments under this Declaration and the Bylaws of the Association including charging of interest, payment of late fees and imposing of a lien against the Unit. Each Owner shall be responsible for any parking violation by Owner or anyone in Owner's family, or by any guests or invitees of the Owner.

7.7 Quiet Enjoyment. No obnoxious, offensive or unlawful activity shall be conducted within any Unit, or on or about the Common Elements, or on the Property, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to the other Owners, or endanger the health and safety of any Owner. Nothing shall be done or kept in any Unit or in the Common Elements that will result in the termination of, or an increase in the premium for, the policy of property insurance for the Property.

7.8 Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable Rules and Regulations not in conflict herewith and supplementary thereto may be promulgated, enforced and amended from time to time by the Board or the Association, as fully provided in the Bylaws.

The Board may from time to time include in any Rules and Regulations adopted for the use of the Common Elements provisions restricting the use of hallways, patios, entry areas, parking spaces and other Common Elements, provided such provisions are reasonable, are uniformly applied to all Unit Owners and Occupants, and are nondiscriminatory.

7.9 Restrictions, Conditions and Covenants To Run With Land. Each Unit Owner or Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner. Restrictions, covenants and easements of record encumbering the Property are listed on the attached Exhibit C, and are incorporated herein.

## ARTICLE 8 ASSESSMENTS AND FINES

8.1 Assessment Date. Assessments shall be due and payable in monthly installments. As required by § 47C-3-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a Member of the Association who is a Unit Owner of the Unit. Unit Owners shall have no obligation to pay monthly assessments until an assessment is levied. Unit Owners shall not be invoiced for assessments, but will be notified of periodic increases in assessments.

8.2 Assessment Liens and Remedies for Non-Payment of Assessments. Any Assessment which is not paid when due shall be delinquent. If an Assessment is not paid within thirty (30) days after its due date: (i) the Assessment shall bear interest from the date of delinquency at a rate equal to eighteen percent (18%) per annum; (ii) the Association may levy a late charge not to exceed the greater of five percent (5%) of the delinquent Assessment or \$20.00; and (iii) the Association may file of record in the office of the Clerk of Superior Court of Wake County a notice of lien in the manner provided therefor by Chapter 44, Article 8 of the North Carolina General Statutes. The Board may, in its sole discretion, waive the imposition of interest and late charges as to any delinquent Assessment. The Association may then bring an action at law against the Owner personally obligated to pay any delinquent Assessment or foreclosure the lien created herein in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of deeds of trust, including the right to foreclose under a power of sale, in which case the Association shall have the right in its sole discretion to appoint a person or entity to serve in the role of a trustee. Costs, late charges, interest and reasonable attorneys' fees of any such action shall be added to the amount of such Assessment and shall be part of the lien assessed against such Unit. No Owner may waive or otherwise escape liability for the Assessments provided for herein by the non-use of the Common Area or abandonment of its Unit nor shall damage to or destruction of any Improvements on any Unit by fire or other casualty result in abatement of the Assessment provided for herein.

In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then the Association shall be further empowered to execute on that judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

8.3 Priority of the Assessment Lien. Upon the lien of the Assessments being duly filed as provided for in section 7.2 above, such lien shall be prior to all liens except the following: (i) special assessments, liens and charges for real estate taxes due and unpaid on the Unit made by a lawful governmental authority; (ii) any sums unpaid on any deed of trust, mortgage or any other encumbrances duly of record against the Unit prior to the docketing of the aforesaid lien; and (iii) other liens granted priority by statutory authority.

8.4 Omission of Assessments. The omission by the Board, before the expiration of any year, to fix the annual assessments hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the annual assessment fixed for the preceding year shall continue until a new annual assessment is fixed.

8.5 Personal Liability of Transferee; Statement; Liability of Mortgagee.

(a) The transferee of a Unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the manager or Board, as the case may be, setting forth the amount of the unpaid assessments against the transferor and such transferee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessment in excess of the amount therein set forth.

(b) Any transferee referred to in section 8.5(a) above shall be entitled to a statement from the Board, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

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

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under section 8.5(b) above or, resulting as provided in section 8.5(c) above, from the exercise of remedies in a deed of trust, or by foreclosure thereof or by deed, or assignment in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under section 8.5(b) above the mortgagee or such other person under section 8.5(c) above who acquires ownership by foreclosure or by deed, or assignment in lieu of foreclosure.

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

8.7 Assessment Reserves. The Condominium Association shall establish a reserve fund to meet expected future costs of long-term or emergency repairs. In addition, an initial working capital fund (the "Initial Working Capital Fund") shall be established by the Declarant upon the initial conveyance of each Unit by Declarant; an amount equal to two (2) months of assessments for such Unit shall be paid into the Initial Working Capital Fund by the purchaser of such Unit. The foregoing payment shall be in addition to the purchase price paid to the Declarant for such Unit. In any given fiscal year, if the Association has surplus funds, then such funds shall be deposited in the reserve fund account and not distributed back to the Unit Owners. Amounts paid into the reserve fund are not considered to be an advance payment of assessments.

8.8 Fines. The Association may impose charges for late payment of Assessments as outlined by the Bylaws.

ARTICLE 9  
MANAGEMENT, MAINTENANCE, REPAIRS  
REPLACEMENTS, ALTERATIONS AND IMPROVEMENTS

9.1 Maintenance of Common Elements By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, and subject to the provisions of section 9.4 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to section 9.2 hereof; provided the Association shall have no duty to maintain any Common Elements which are maintained by any

governmental body or by any public utility company. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

9.2 Damage of Common Elements By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional or negligent acts or the intentional or negligent acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association and in accordance with the Act and the Bylaws.

9.3 Owner's Expenses, Maintenance and Responsibility. Each Unit Owner agrees as follows:

(a) To maintain in good condition and repair his Unit and all interior surfaces within his Unit (such as walls, ceiling tiles, and floors) which are not Common Elements or exterior surfaces, the maintenance of which shall be the responsibility of the Association and assessable to all the Unit Owners as a Common Expense unless otherwise specified and required.

(b) To maintain, repair or replace all glass surfaces of the exterior storefront of the Unit and all exterior doors appurtenant, thereto.

(c) To maintain, repair, or replace (if necessary) any portion of the Unit defined in section 1.24 including heating, plumbing, electrical and air-conditioning systems and water heating, electrical and plumbing apparatus, smoke detector systems and all pipes, ducts, conduits, and all electrical switches, wiring, and receptacles and wiring for television, telephone and electric, light fixtures, and hardware on exterior doors designed to serve only that Unit, whether located within or adjacent to such Unit.

(d) To maintain his Unit at the fire rating appropriate for the use within the Unit as required by all governmental authority having jurisdiction thereof including installation of a higher rated fire wall than that provided in accordance with the "As Built" Plans and Specification if so required pursuant to any applicable building code or regulation.

(e) To install appropriate remedial soundproofing within the Unit sufficient to eliminate any violation of 7.3(c).

(f) Not to display any window treatment within the Unit visible to the exterior except blinds of a type and character specified by the Association.

(g) Not to make or cause to be made any structural addition to the Common Elements or any penetration of any exterior Unit wall without the prior written consent of the Association, unless otherwise permitted under this Declaration;

(h) To make no alteration, repair, replacement, or change of the Common Elements, or to any outside or exterior portion of the building, whether within a Unit or part of the Common Elements unless otherwise specified or required under this Declaration.

(i) In the event a Unit Owner fails to maintain the Unit or comply with the Unit Owner responsibilities as required herein or makes any structural addition or alteration to the Common Elements without the required consent of the Association, or fails to permit entrance to the Association, or its authorized agents, the Association or (as the case may be, any Unit Owner who is entitled by this Declaration) shall have the right to proceed either at law or in equity for whatever appropriate remedy the circumstances require. In lieu thereof and/or in addition to this remedy, the Association, through the Board, shall have the right and power to have its employees or agents, or any subcontractor appointed by it, enter the Unit at any and all reasonable times to undertake (i) such required maintenance or (ii) to remove any unauthorized structure or alteration together with restoration of the subject Property to its former condition; the Association shall then levy an assessment against the Unit Owner and the Unit itself to reimburse the Association for the cost of such work including reasonable administrative overhead for undertaking same.

9.4 Common Expenses Associated with Limited Common Elements or Benefitting Less than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit or Units to which such Limited Common Element was or were allocated at the time the expense was incurred, with such entire expense being allocated between or among the respective Units in proportion to each said Unit's Common Expense percentage as shown on Exhibit B hereof.

(b) The Association may assess any Common Expense benefitting less than all of the Units against the Units benefitted, with such entire expense being allocated between or among the respective Units in proportion to each said Unit's Common Expense percentage as shown on Exhibit B hereof.

(c) Anything to the contrary contained herein notwithstanding, despite the reservation of parking spaces provided for in section 7.6 hereof, the cost of maintaining and repairing the parking area shall not be deemed to be associated with Limited Common Elements or benefitting less than all Units and shall be included in the Common Expenses allocable to all Units.

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

9.6 Waiver of Claims. Except as otherwise provided, the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or

employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

9.7 Right of Entry by the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements without prior notice in case of any emergency or dangerous condition or a situation originating in or threatening that Unit or any of the Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding anything herein to the contrary, the Association shall be responsible for the repair of any damage caused by the Association or its authorized persons to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

9.8 Manager. The Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Condominium; provided, however, that such contract shall provide that it may be terminated upon not less than ninety (90) days notice in accordance with the provisions of N.C.G.S. § 47C-3-105. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and invested in the manager by the Board, except as are specifically required by this Declaration, the Bylaws, or the Act, to have approval of the Board or the Association. The manager is hereby further authorized to recommend the annual budget, and upon approval thereof by the Board, collect assessments, subject always to the supervision and right of approval of the Board.

All other affairs of the Association shall be conducted by a Board who shall be designated as provided in the Bylaws of the Association.

#### ARTICLE 10 INSURANCE

10.1 Ownership of Policies. All insurance policies upon the Property shall be purchased by the Board for the benefit of the Board and the Unit Owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgages of Unit Owners. Unit Owners may, at their option, obtain insurance coverage at their expense upon their own personal property and personal liability and such other coverage as they may desire.

10.2 Coverage. All buildings and improvements upon the land and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable

replacement value as determined annually by the Board with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against (i) loss by fire and other hazards covered by a standard extended coverage endorsement, (ii) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land, and (iii) workmen's compensation insurance, if and to the extent required by law.

The Board may, if it so elects, include in its insurance coverage for the benefit of the Unit Owners any or all of those items owned by the Unit Owners which would normally be deemed real estate under the laws of the State of North Carolina, including, without limitation, such items as sheetrock, non-load bearing walls, doors and built-in appliances. The foregoing sentence notwithstanding, it is expressly the responsibility of Unit Owners to ensure adequate insurance coverage against losses in connection with any and all items not included in the Common Areas. Unit Owners are advised to consult with their respective insurance provider to ensure against loss for those items not included in the Common Areas. If such items are included in the insurance coverage obtained by the Board, the extra cost of such coverage shall be borne by the Unit Owners in the same ratio that applies to other assessments.

To the extent obtainable, public liability and property damage insurance in such limits as the Board may from time to time determine, shall be purchased, insuring each member of the Board; the manager, if any; and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the Common Elements. The insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another insured. Such other insurance coverage shall also be obtained as the Board shall determine from time to time to be desirable and necessary.

10.3 Premiums. Premiums upon insurance policies purchased by the Board shall be paid by the Association.

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

(a) Proceeds on account of damage to Common Elements – an undivided share for each Unit Owner, such share being the same as each Unit owner's undivided interest in the Common Elements.

(b) Proceeds on account of damage to Units shall be held in the following undivided shares: (i) when the building is to be restored – for the Unit Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which costs shall be determined by the Board; (ii) when the building is not to be restored – an undivided share for each Unit Owner, such share being the same as each Unit Owner's undivided interest in the Common Elements.

(c) In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear.

10.5 Carrier. The carrier of each type of insurance purchased by the Association shall be an insurance company authorized to do business in the State of North Carolina as selected, from time to time, by the Association.

10.6 Additional Coverage. Each individual Unit Owner shall be responsible for purchasing, at his own expense, including but not limited to, liability insurance with respect to his ownership and/or use of his Unit, coverage upon his own personal property, fire and other hazards, mortgage insurance and such other insurance as the respective Unit Owner deems necessary or desirable, including insurance covering those items referenced in the second paragraph of section 10.2 hereof, which the Board may or may not elect to include in its insurance coverage. Any insurance procured by any Unit Owner shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of proceeds that would otherwise be payable on the insurance purchased by the Unit Owner, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and shall assign the proceeds of such reduction to the Association. Each Unit Owner shall file a copy of each such individual policy with the Association within thirty (30) days after purchase and shall provide, upon renewal, evidence of such renewal.

ARTICLE 11  
CASUALTY DAMAGE

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced and proceeds of insurance shall be the used and applied in accordance with the provisions of § 47C-3-113 of the Act.

ARTICLE 12  
CONDEMNATION

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the same shall be repaired or restored and the awards paid on account thereof shall be used and applied in accordance with § 47C-1-107 of the Act.

ARTICLE 13  
TERMINATION

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

ARTICLE 14  
AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Elements shall have the written assent of Unit Owners to which at least seventy-five percent (75%) of the votes in the Association are allocated.

ARTICLE 15  
AMENDMENT

This Declaration may be amended only in strict compliance with §47C-2-117 of the Act. Except as limited by § 47C-2-117(d) and as set forth in Article 5, Section 5.1 herein, this Declaration may be amended only by the affirmative vote of, or a written agreement signed by Unit Owners to which at least fifty percent (50%) of the votes in the Association are allocated; provided that Article 14 hereof may not be amended unless such amendment is assented to by Unit Owners of Units to which at least seventy-five percent (75%) of the votes in the Association are allocated. No such amendment shall be effective until recorded in the Office of the Register of Deeds of Wake County, North Carolina.

ARTICLE 16  
MISCELLANEOUS PROVISIONS

16.1 Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon reasonable notification and during normal business hours, make available for inspection by Unit Owners, current copies of the Declaration, Bylaws, Rules and Regulations and the books, records and financial statements, if any, of the Association. The Association shall, upon reasonable notification and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, Rules and Regulations, and the most recent annual financial statement (if one is prepared).

16.2 Breach of Restrictions. In the event of a violation or a breach of any other restrictions contained in this Declaration or of any other covenants contained in this Declaration, the Bylaws or Rules and Regulations of the Association by any Unit Owner or Occupant, the Association shall have the right to proceed at law or in equity, or both, to compel compliance with the terms of or to prevent the violation or breach of this Declaration, the Bylaws, or the Rules and Regulations. In addition to the foregoing, the Association, its Board or agents shall have the right, whenever there shall have been any violation of these restrictions, to enter upon the Property where such violation exists and summarily abate or remove the same at the expense of the Unit Owner, if after thirty (30) days' written notice of such violation it shall have not been corrected by the Unit Owner. Any such entry and abatement removal shall not be deemed a trespass. The failure to enforce any right, reservation, or condition in this Declaration, the Bylaws, or the Rules and Regulations however long continued, shall not be deemed a waiver of the right to do so thereafter, as to the same breach or as to a breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement.

ARTICLE 17  
WATER AND SEWER CHARGES

Any water supplied to all the Units and the Common Elements through a master water meter shall be a Common Expense of the Association. Sewer charges, if any, shall be considered a Common Expense and paid for by the Association.

ARTICLE 18  
GENERAL PROVISIONS

18.1 Construction. In interpreting any and all provisions of this instrument, the exhibits attached hereto, and subsequent deeds and deeds of trust covering individual Units, the actual location of the Unit shall be deemed conclusively to be the Property intended to be conveyed reserved or encumbered notwithstanding any minor deviations either horizontally or vertically, from the locations indicated on the architectural plans, or in minor variations in the descriptions of the Unit contained herein. To the extent that such minor deviations in location do or shall exist, a valid easement therefore and for the maintenance thereof does and shall exist.

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

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

18.4 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

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

18.6 Definition of Terms. Any terms used herein which are defined in the North Carolina Condominium Act shall have the meaning specified in said Act unless a contrary intent clearly appears.

18.7 Warranties and Representations. The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Property or the Condominium Documents, except as specifically set forth herein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of Common Expenses, taxes or other charges are based on information deemed reliable by the Declarant, and therefore accurate as a projection, but no warranty or guaranty is made or intended to be made, nor may one be relied upon.

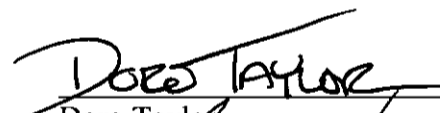
18.8 Covenants. All provisions of this Declaration and exhibits attached hereto and amendments hereof, shall be construed to be covenants running with the land, and of every interest therein, including but not limited to the appurtenances thereto, including Unit Owner and claimant of this or any interest therein, his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of said Declaration and any amendments, exhibits annexed hereto.

18.9 Conflicts. In the event of any irreconcilable conflict between the Declaration and the Bylaws, the provisions of this Declaration shall control. In the event of an irreconcilable conflict between this Declaration and the Articles of Incorporation, the provision of the Declaration shall control. Unless otherwise allowable under the Act as being discretionary, in the event of a conflict between or among any provision in this Declaration, the Articles of Incorporation or the Bylaws and the Act, the Act shall control.

IN WITNESS WHEREOF, the undersigned have executed this Declaration under seal as of the day and year first above written.

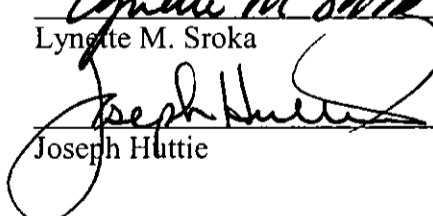
**BALLYBUNNION, LLC,**  
a North Carolina limited liability company

  
\_\_\_\_\_(SEAL)  
By: Richard H. Barnhardt, Member/Manager

  
\_\_\_\_\_(SEAL)  
Doro Taylor

  
\_\_\_\_\_(SEAL)  
Robert N. Harper

  
\_\_\_\_\_(SEAL)  
Lynette M. Sroka

  
\_\_\_\_\_(SEAL)  
Joseph Huttie

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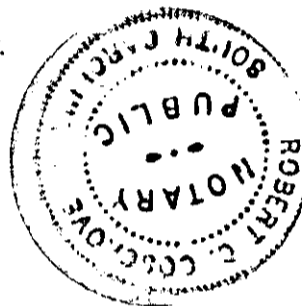
~~SOUTH~~ <sup>Beaufort</sup>  
NORTH CAROLINA - ~~WAKE~~ COUNTY

I, a Notary Public of the County and State aforesaid, certify that Richard H. Barnhardt, Member/Manager of BALLYBUNNION, LLC, a North Carolina limited liability company, personally appeared before me this day and, by authority duly given and in the name of BALLYBUNNION, LLC, acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this 17th day of November, 2004.

  
\_\_\_\_\_  
NOTARY PUBLIC:

MY COMMISSION EXPIRES APRIL 29, 2012.

\_\_\_\_\_  
COMMISSION EXPIRES:

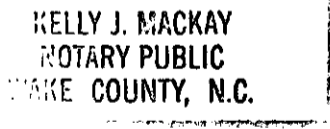


NORTH CAROLINA WAKE COUNTY

I, A NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID, CERTIFY THAT DORO TAYLOR PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING INSTRUMNET FOR THE PURPOSES THEREIN EXPRESSED. WITNESS MY HAND AND NOTARIAL STAMP OR SEAL THIS 6 DAY OF NOVEMBER, 2004.


  
\_\_\_\_\_  
NOTARY PUBLIC :

COMMISSION EXPIRES: 3-8-05

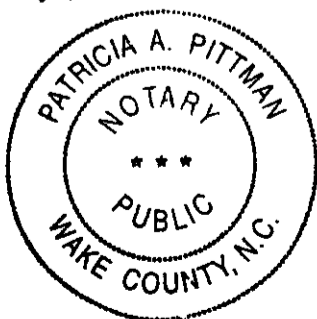


NORTH CAROLINA WAKE COUNTY

I, A NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID, CERTIFY THAT ROBERT N. HARPER PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING INSTRUMNET FOR THE PURPOSES THEREIN EXPRESSED. WITNESS MY HAND AND NOTARIAL STAMP OR SEAL THIS 16 DAY OF NOVEMBER, 2004.

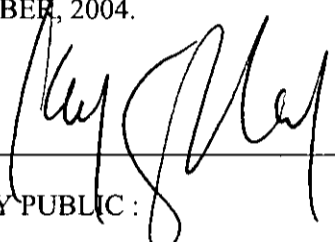
  
\_\_\_\_\_  
NOTARY PUBLIC :

COMMISSION EXPIRES: 6-22-08



NORTH CAROLINA WAKE COUNTY

I, A NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID, CERTIFY THAT LYNETTE M. SROKA PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN EXPRESSED. WITNESS MY HAND AND NOTARIAL STAMP OR SEAL THIS 16 DAY OF NOVEMBER, 2004.



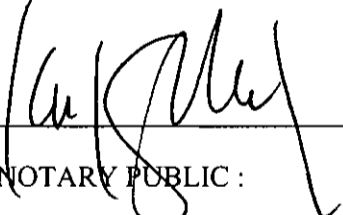
NOTARY PUBLIC:

COMMISSION EXPIRES: 3-8-05

KELLY J. MACKAY  
NOTARY PUBLIC  
WAKE COUNTY, N.C.

NORTH CAROLINA WAKE COUNTY

I, A NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID, CERTIFY THAT JOSEPH HUTTIE PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN EXPRESSED. WITNESS MY HAND AND NOTARIAL STAMP OR SEAL THIS 16 DAY OF NOVEMBER, 2004.



NOTARY PUBLIC:

COMMISSION EXPIRES: 3-8-05

KELLY J. MACKAY  
NOTARY PUBLIC  
WAKE COUNTY, N.C.

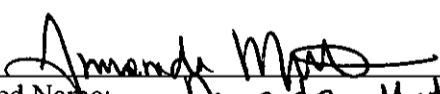
**CONSENT OF LENDER**

Regions Bank ("Lender"), owner and holder of notes secured by those certain Deeds of Trust recorded in Book 10750, Page 1360, as modified in Book ~~1115~~, Page ~~138~~, and Book 10885, Page 1416, as modified in Book ~~1115~~, Page ~~151~~, Wake County Registry and William L. Dawkins, Trustee under said Deeds of Trust ("Trustee"), hereby agree that they have consented to the terms and provisions of this Declaration of Condominium for The Stafford (hereinafter called the "Declaration"); that any subsequent foreclosure of the Deeds of Trust secured by the property described therein shall not extinguish this Declaration but shall merely vest in Lender the rights and duties set forth herein; provided, however, that should Lender acquire title to the property secured by the Deeds of Trust, any liability Lender shall have for the duties set forth in the Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; and that upon payment of the loan secured by the Deeds of Trust, the rights of Lender and Trustee (or such successor trustees as permitted by the Deeds of Trust) set forth in this Declaration shall terminate.

IN WITNESS WHEREOF, the undersigned have duly executed these presents under seal as of the 13<sup>th</sup> day of November, 2004.

LENDER:

REGIONS BANK,  
an Alabama banking corporation

By:   
Printed Name: Amanda Metcalfe  
Title: Vice President

TRUSTEE:

  
William L. Dawkins

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of aforesaid County and State, certify that Amanda Metcalfe personally came before me this day and acknowledged that (s)he is Vice President of Regions Bank, an Alabama banking corporation, and that (s)he, as Vice President, being duly authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 12<sup>th</sup> day of November, 2004.

Deenna T. Carpenter  
NOTARY PUBLIC

My Commission Expires: 1 | 8 | 08

**DEENNA T. CARPENTER**  
Notary Public  
Wake County, NC

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of the aforesaid County and State, do hereby certify that William L. Dawkins, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 12<sup>th</sup> day of November, 2004.

Deenna T. Carpenter  
NOTARY PUBLIC

My Commission Expires: 1 | 8 | 08

**DEENNA T. CARPENTER**  
Notary Public  
Wake County, NC

BK011105PG00189

**Exhibit A**

Being all of Lots A, B and C as shown on map entitled "Lot Recombination on Stafford Avenue & Subdivision" recorded in Book of Maps 1983, Page 239, Wake County Registry.

**Exhibit B**

Percent Undivided Interest in Common Elements,  
 Votes in Association and Percent of Common Expenses

<u>Unit Designation</u>	<u>Square Footage</u>	<u>Percentage Interest</u>	<u>Votes in Association</u>
2208 Lot A, Unit 102	1064	8.333%	1
2208 Lot A, Unit 101	1064	8.333%	1
2208 Lot A, Unit 202	1064	8.333%	1
2208 Lot A, Unit 201	1064	8.333%	1
2206 Lot B, Unit 102	1064	8.333%	1
2206 Lot B, Unit 101	1064	8.333%	1
2206 Lot B, Unit 202	1064	8.333%	1
2206 Lot B, Unit 201	1064	8.333%	1
2204 Lot C, Unit 102	1064	8.333%	1
2204 Lot C, Unit 101	1064	8.333%	1
2204 Lot C, Unit 202	1064	8.333%	1
2204 Lot C, Unit 201	1064	8.333%	1
<b>TOTAL</b>	<b>12,768</b>	<b>100%</b>	<b>12</b>

Percentage reflects percentage of undivided interest in Common Elements and percentage of Common Expenses. To the extent that additional Units are added to the Condominium, the undivided interest in Common Elements shall be re-allocated based in the total number of Units.

BK011105PG00191

**Exhibit C**

1. Right-of-way of Carolina Power and Light Company recorded in Book 3121, Page 578, Wake County Registry.
2. Joint Driveway and Parking Lot Agreement recorded in Book 3148, Page 219, Wake County Registry.
3. Ad valorem taxes due and payable but not yet delinquent for the year 2004.
4. Ad valorem taxes not yet due and payable for the year 2005 and subsequent years.
5. Building restriction lines, easements and any other facts shown on plat recorded in Book of Maps 1982, Page 239, Wake County Registry.



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Wake County Register of Deeds  
Laura M. Riddick  
Register of Deeds

North Carolina - Wake County

The foregoing certificate 2 of Robert C Cosgrove  
Deenna T. Carpenter  
Kelly J. Mackay  
Patricia A. Pittman

Notary(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: Vernice S. Gowan  
Assistant/Deputy Register of Deeds

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