

P-11

This Instrument prepared by Harold G. Hall, Attorney-at-Law

NORTH CAROLINA
WAKE COUNTY

DECLARATION OF CONDOMINIUM OF
THE COMMONS OF DURALEIGH RIDGE,
A CONDOMINIUM

THIS DECLARATION, made and entered into this 27 day of
MARCH, 1987, by TRI-CITY BUILDERS, INC., a North Carolina
corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of certain real property
in Wake County, North Carolina, more particularly described and
defined in Exhibit A attached hereto and made part hereof
(hereinafter called "the Land"); and,

WHEREAS, the Declarant plans to construct improvements upon
the land with the intention of dividing the improvements into
condominium units as defined under the provisions of the North
Carolina Unit Ownership Act (Chapter 47C, North Carolina General
Statutes), and to sell and convey said units to purchasers
subject to the covenants, conditions, and restrictions herein
reserved.

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

ARTICLE I

NAME AND ADDRESS

The name by which this condominium is to be known is: The
Commons of Duraleigh Ridge, A Condominium, and the address of The
Commons of Duraleigh Ridge is:

c/o Tri-City Builders, Inc.
6014 Duraleigh Road
Raleigh, North Carolina 27612

PRESENTED
FOR
REGISTRATION
MAY 21 12 58 PM '87
HEBERTH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

ARTICLE II
DEFINITIONS

All terms as used herein and in the By-Laws shall have the meaning stated in the Unit Ownership Act, Chapter 47C, North Carolina General Statutes, unless otherwise defined herein or in the By-Laws.

Section 1. "Condominium Unit" shall mean and refer to a unit as described in the Unit Ownership Act, Chapter 47C, North Carolina General Statutes.

Section 2. "Association or Unit Owners Association" means the unit owners association organized under Section 476-3-101.

Section 3. "Owner" shall mean the record owner, whether one or more persons or entities, of a unit within a building.

Section 4. "Common Elements" means all portions of a condominium other than the units.

Section 5. "Limited Common Element" means a portion of the common elements allocated by the declaration or by operation of Section 47C-2-102(2) or for the exclusive use of one or more but fewer than all of the units.

Section 6. "Common Expenses" means all portions of a condominium other than the units.

Section 7. "Declarant" means any person or group acting in concert who (1) as a part of a common promotional plan offers to dispose of his or her interest in a unit not previously disposed of or (2) who succeeds to the rights of a declarant.

ARTICLE III

IDENTIFICATION OF PROPERTY

A. Land. The description of the land on which the buildings and improvements are to be located is set forth in Exhibit A of this Declaration.

B. Buildings. The description of the buildings to be erected by Declarant on the land described in Exhibit A is set forth in Exhibit B of this Declaration.

C. Unit Designations. The unit designation of each condominium unit, its location, its dimensions, number of rooms

and common areas of the facilities to which it has immediate access, and other data concerning its proper identification are set forth in Exhibit C of this Declaration.

D. Common Areas and Facilities.

1. Description. The common areas or facilities shall consist of the property described in Exhibits A and B other than the individual office units described in Exhibit C and other than the Limited Common Elements and Facilities as herein defined.

2. Nature of Interest. Each of the unit owners shall own an undivided interest in the common areas and facilities as set forth in Exhibit D of this Declaration.

3. Property Rights. Every owner shall have a right and easement of enjoyment in and to the common areas and facilities which shall be appurtenant to and pass with the title to each unit, subject to the following provisions:

E. Limited Common Elements and Facilities. Certain portions of the Common Areas and Facilities are reserved for the use of a particular Condominium Unit or Units to the exclusion of other Units and are designed as "Limited Common Areas and Facilities." The Limited Common Areas and Facilities and the Condominium Unit or Units to which they are reserved are as follows:

1. The steps and stoops which are a part of each building are Limited Common Areas and Facilities and are reserved for the use of the owners, their guests, invitees, licensees, employees and lessees of Units served by the respective steps, decks and stoops.

2. The foyers located inside the structure are Limited Common Areas and Facilities and are reserved for the use of the owners of Units, their guests, invitees, licensees, employees and lessees with which each foyer is associated. Foyers are to be shared equally by the owner of an upstairs unit and the owner of a downstairs unit associated with any specific foyer.

3. There are concrete compressor pads or areas located to the rear of each building. These concrete compressor pads or areas are Limited Common Areas and Facilities and their use is limited to the respective Owner or Owners of the Condominium Unit with which each concrete compressor pad or area is associated. Each concrete compressor pad or area has the same unit designation as the Unit with which it is associated.

4. There are attic spaces with air handlers located therein over the Units. These attic spaces are Limited Common Areas and Facilities and their use is limited to the respective Owner or Owners of the Condominium Unit with which each attic space is associated. There are dividing rafters in the attic so that each owner of an upper unit knows the extent of its attic space.

ARTICLE IV

AMENDMENT OF RATIOS

1. As provided by this Declaration, the By-Laws of The Commons of Duraleigh Ridge Condominium Association, Inc. (hereinafter called the "Association") and the terms of Chapter 47C of the General Statutes of North Carolina, the ratio of the undivided interest of each unit owner in the common areas and facilities as set forth on Exhibit D attached hereto may be altered by an amendment to this Declaration adopted by unanimous consent of the unit owners and their respective mortgagees, if any, and duly recorded.

ARTICLE V

NATURE OF INTEREST IN UNITS

Every condominium unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and is hereby, declared to be and to constitute a separate parcel of real property, and the unit owner thereof shall be entitled to the exclusive ownership and possession of his condominium unit subject only to the covenants, restrictions, easements, rules, regulations, resolutions, and decisions as may be contained or provided for herein and in the accompanying

By-Laws and minutes of the Association and the Board of Directors. Each Unit shall constitute a single freehold estate and shall consist of all of the space bounded by the undecorated interior surfaces (whether plaster, dry wall, wood, concrete or other materials) of the perimeter walls, windows and doors, the floor and the ceilings of such Unit, projected, if necessary, by reason of structural divisions such as interior walls, floors, ceilings and other partitions, as may be necessary to form a complete enclosure of space with respect to such Unit (the exact layout and dimensions of each Unit being shown on the Drawings), and including, without limitation, all space occupied by any Common Areas and Facilities located within the bounds of a Unit, together with the decorated surfaces, including paint, lacquer, varnish, wall paper, paneling, tile and any other finishing material applied to interior walls, doors, floors and ceilings and interior surfaces of perimeter walls, windows, doors, floors and ceilings.

ARTICLE VI

USE

The buildings and each of the units shall be used primarily for business or office purposes. Any unit owner may delegate, in accordance with this Declaration and the By-Laws of the Association, his rights of possession, use, and enjoyment of the common area and facilities, and easements to guests, invitees, licensees, tenants, and employees.

ARTICLE VII

SERVICE OF PROCESS

John D. Bullock is hereby designated to receive Service of Process in any action which may be brought against or in relation to this condominium development and/or the Association. Said person's place of business is Tri-City Builders, Inc, 6014 Duraleigh Road, Raleigh, North Carolina, County of Wake, which is within the City and County in which the development is located. The Board of Directors of The Commons of Duraleigh Ridge Association, Inc. may revoke the appointment of any such agent and appoint a successor, all pursuant to the By-Laws.

ARTICLE VIII
EASEMENTS

The following easements are covenants running with the land of the condominium:

A. Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public or private utility lines, and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public or private utility lines, and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same, to remove violations therefrom, and to maintain, repair, or replace the common facilities contained therein or elsewhere in the building.

B. The Association may hereafter grant easements, as approved by the Board of Directors, for drainage purposes and for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair, and replace water lines, gas lines, pipes, sewer lines, television cables, telephone wires, and equipment and electrical conduits, and wires over, under, along, and on any portion of the common areas, 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.

C. Ingress and egress is reserved for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common elements and for vehicular traffic over, through, and across such portions of the common elements as from time to time may be paved and intended for such purposes.

D. Easements are reserved to the owners of units in The Commons of Duraleigh Ridge for pedestrian and vehicular traffic, over, through, and across such driveways and parking areas as from time to time may be paved and intended for such purposes, and for the construction and maintenance of water, sewer, and other utilities.

E. If a unit shall encroach upon any common element, or upon any other unit by reason of original construction, or by the nonpurposeful or nonnegligent act of the unit owner or of the Association, then an easement appurtenant to such encroaching unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist.

ARTICLE IX

PARTITIONING

The common areas and facilities shall not be divided nor shall any right to partition any thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a condominium unit by the entirety, jointly, or in common, or in any other form permitted by law.

ARTICLE X

PARKING SPACES AND DUMPSTER OPERATION

Parking spaces are located in the common areas and are not identified by numbers. These parking spaces are available generally for owners, their tenants, guests, and invitees with one space per 300 square feet of gross floor area designated for each unit. Parking spaces are common area for all units, and no unit has a specific designated space. The Association shall govern the parking situation and make and enforce rules pertaining to parking as necessary. The Association shall finance and control any dumpster operation as necessary.

ARTICLE XI

LIENS

While the property remains subject to this Declaration and the provisions of the North Carolina Ownership Act, no liens shall arise or be created against the Common Areas and Facilities

except mortgages and deeds of trust given for value by the Unit Owners.

ARTICLE XII
OPERATING ENTITY

The operating of the condominium shall be by an incorporated Association organized pursuant to Chapter 55A of the General Statutes of North Carolina.

A. Name. The name of the Association shall be: The Commons of Duraleigh Ridge, Condominium Association, Inc.

B. Powers. The Association shall have all of the powers and duties set forth in the Unit Ownership Act, except as limited by this Declaration and the By-Laws, and all of the powers and duties reasonably necessary to operate the condominium as set forth in this Declaration and the By-Laws and as they may be amended from time to time.

The Association's powers of maintenance, operation, administration, management, and care of the condominium property may be delegated to a manager as provided for in Article XIII herein.

All other affairs of the Association shall be conducted by a Board of Directors who shall be designated as provided in the By-Laws of the Association.

C. Members.

1. Qualifications. The members of the Association shall consist of all of the record owners of units and security holders are specifically excluded as members.

2. Change of Membership. After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the public records of Wake County, North Carolina, a deed or other instrument establishing a record title to a unit or units in the condominium and by the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becomes a member of the Association. The membership of the prior owner shall be thereby terminated.

3. Voting Rights. There shall be one person with respect to each unit ownership who shall be entitled to vote at any meeting of the unit owners. Such person shall be known and hereafter referred to as "voting member". Such voting member may be the owner of one of a group composed of all of the owners of a unit ownership, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board of Directors of the death or judicially declared incompetence of any designator, or by written notice to the Board of Directors by the owner or owners. The total number of votes of all voting members shall be one hundred 100, and each owner or group of owners (including the Board of Directors, if said Board or its designee shall then hold title to one or more units) shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or their unit ownership as set forth in Exhibit D of this Declaration. The unit owner may vote on any matter by secret ballot upon motion duly made and seconded by any voting member.

4. Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

5. Restraint upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his unit.

Any assessment for reserve or sinking funds for capital improvements or repairs shall be held by the Board of Directors for the purposes so designated and for no other. In the event such purpose or contingency does not occur, said allocated funds

shall be expended only for the general operation of the property and any excess assessments in any year shall be used to reduce the following year's assessments.

6. Designation of Voting Representative. If a unit is owned by one person, his right to vote shall be established by the record title to his unit. If a unit owned by more than one person, or by a partnership, trust, or estate, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit or signed by the partnership, trustee, or other fiduciary and filed with the secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president, vice president, or secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the unit concerned.

D. Indemnification of Directors. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer at the time of the acts in question or such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. The foregoing rights of indemnification do not include any liability a director has as a result of

surfaces, the maintenance of which shall be the responsibility of the Association and assessable to all the unit owners as a common expense.

(b) Not to make or cause to be made any structural addition to the common elements without the prior written consent of the Association.

(c) 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.

(d) To permit the Board of Directors or the manager, or the agents, or employees of the Association to enter with notice at any reasonable hour of the day, for the purpose of maintenance, inspection, repair, replacement, or improvements within the units or the common elements, or to determine in the case of emergency, the circumstances threatening any unit (s) or the common elements, or to determine compliance with the provisions of this Declaration, the By-Laws, or the Rules and Regulations promulgated thereunder.

2. In the event a unit owner fails to maintain the unit as required herein or makes any structural addition or alteration to the common areas without the required written consent of the Board of Directors, or fails to permit entrance to the Board or the manager as required above, the manager, on behalf of the Board of Directors or Association, or the Board on its own behalf, 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 of Directors, shall have the right and power to levy an assessment against the owner of the unit and the unit itself for such necessary sums to remove any unauthorized structure or alteration and to restore the property to its former condition. The Association and/or the Board of Directors on its behalf shall have the further right and power to have its employees or agents, or any subcontractor appointed by

ownership of a unit.

E. By-Laws. The By-Laws of the Association shall be in the form attached hereto as Exhibit E as amended from time to time.

F. Property in Trust. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the By-Laws.

ARTICLE XIII

COMMON EXPENSE

The common expenses and surpluses of the property shall be shared by the unit owners in the ratios specified in Exhibit D as amended from time to time.

A. 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 property. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the manager by the Board of Directors, except such as are specifically required by this Declaration, the By-Laws, or the Unit Ownership Act, to have the approval of the Board of Directors, except such as are specifically required by this Declaration, the By-Laws, or the Unit Ownership Act, to have the approval of the Board of Directors or the Association. The manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the board of Directors, collect assessments for common expenses and collect such other assessments as provided in this Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Directors.

B. Owner's Maintenance.

1. 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, ceilings, and floors) which are not common elements or exterior

it, enter the unit at any and all reasonable times, to do such work as deemed necessary by the Board to enforce compliance with the provisions hereof.

C. Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

ARTICLE XIV

ASSESSMENTS

The common expenses shall be assessed against each unit owner as provided for in Paragraph XIII above. Assessments which are unpaid for over thirty (30) days after due date shall bear the maximum interest allowed by law, but not to exceed the monthly rate of one and one-half percent (1 1/2%) from the due date until such unpaid assessment is paid in full.

Assessments may include a sinking fund for capital improvements.

Unit owners shall be subject to assessment by the Board of Directors upon acquiring title to their unit.

Any sum assessed remaining unpaid for more than thirty (30) days shall constitute a lien upon the delinquent unit or units when filed of record in the Office of the Clerk of Superior Court of Wake County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incident to the collection of such assessments or the enforcement of such lien. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the manager or Board of Directors shall be entitled to the appointment of a receiver to collect the same. In addition to the lien provided herein for unpaid assessments, the owner of a unit who has failed to pay such assessment may be held personally liable for such

payment, and the grantee of a unit shall be jointly and severally liable with the grantor 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 grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or Board of Directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments in excess of the amount therein set forth.

ARTICLE XV

INSURANCE

A. Ownership of Policies. All insurance policies upon the condominium property shall be purchased by the Association or manager for the benefit of the Association, the unit owners, and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Unit owners may, at their option, obtain additional insurance providing such other coverage as they may desire.

B. Coverage. All buildings and improvements and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, or by 90% coinsurance blanket coverage or by such other form of policy as the Board of Directors annually determines will most reasonably provide the funds necessary to repair or reconstruct the insured improvements. Such coverage shall afford protection against (1) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and (2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location, and use as the buildings on the land, including, but not limited to, vandalism and malicious mischief.

C. Public Liability Insurance. Public liability insurance shall be secured by the Association or manager in such amount and with such coverage as shall be deemed necessary by the Board of Directors, including, but not limited to, an endorsement to cover liability of the unit owners as a group or to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors or manager shall determine from time to time to be desirable or necessary.

D. Premiums. Premiums upon insurance policies purchased by the Association or manager shall be paid by the Association and be chargeable to the Association as a common expense.

E. Proceeds. All insurance policies purchased by the Association or manager shall be for the benefit of the Association and the unit owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The Board of Directors of the Association is hereby irrevocably appointed agent for each unit owner and his mortgagee, as their interests may appear, for the purpose of compromising and settling claims arising under insurance policies purchased by the manager or Board of Directors for the benefit of the Association and the unit owners; said Board of Directors or its designee is hereby further empowered to execute and deliver releases to the insurance carrier upon the payment of claims. The Board of Directors' duty or its designee's duty upon receipt of such proceeds shall be to hold the same in trust for the purposes elsewhere stated herein or in the By-Laws for the benefit of the Association and the unit owners and their mortgagees, as their interests may appear.

F. In the Event a Mortgage Endorsement has been Issued to a Unit. The share of the unit owner shall be held in trust for the mortgagee and the unit owner, as their interest may appear.

G. Additional Coverage. Each individual unit owner shall be responsible for purchasing, at his own expense, including, but not limited to, liability insurance to cover accidents occurring

within his own unit, coverage upon his own personal property, business interruption, fire, and other hazard mortgage insurance, and such other insurance as the unit owner deems necessary or desirable.

ARTICLE XVI

DISTRIBUTION OF INSURANCE PROCEEDS

Proceeds of insurance policies shall be payable to The Commons of Duraleigh Ridge Condominium Association, Inc., as insurance trustee, and shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the Trust. All expenses of the insurance trustee shall be first paid or provision made therefor.

B. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as determined in Article XV hereof. Any proceeds remaining after defraying such cost shall be distributed as surpluses to the beneficial owners of the damaged units pursuant to Article XIII hereof.

C. Failure to Reconstruct or Repair. If it is determined, as provided in Article XVII hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed as surpluses to the beneficial owners of the damaged units thereof pursuant to Article XV hereof.

D. Mortgages. In the event a mortgage 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; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

ARTICLE XVII

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DAMAGE AND DESTRUCTION

A. Determination to Reconstruct or Repair. If any part of the condominium property shall be damaged by casualty, whether or not it will be reconstructed or repaired shall be determined in the following manner:

1. Common Element. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

2. Condominium Units.

(a) Partial Destruction. If the damaged improvement is a condominium unit and if termination as provided in subparagraph (b) below does not take place, the damaged property shall be reconstructed or repaired, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is a condominium unit, by the owners of all damaged unit therein, which approval shall not be unreasonably withheld. The Board of Directors may not lawfully reconstruct damaged property except in conformity with plans and specifications already approved by the City and recorded, unless these new plans are first approved by the City and then recorded with the Wake County Register of Deeds.

C. Responsibility. If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair

after casualty shall be that of the Association.

D. Estimate of Costs. Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the costs of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the unit owner's share in the common elements.

ARTICLE XVIII

USE AND OCCUPANCY

A. Use. The buildings and each of the units shall be used primarily for office and business purposes. Any unit owner may delegate, in accordance with this Declaration and the By-Laws of the Association, his rights of possession, use, and enjoyment of his unit and the common area and facilities to his invitees, employees, guests, and tenants.

B. Nuisance. The unit owner shall not permit or suffer anything to be done or kept in or about his unit which will increase the rate of insurance on the building, or which will obstruct or interfere with the rights of other unit owners or annoy them by unreasonable noises, odors, or otherwise. No unit owner shall commit nor permit any nuisance, immoral, or illegal act in or about the building.

C. Exterior. It shall be the responsibility of each unit

owner and the Board of Directors to prevent the development of any unclean, unsightly, or unkempt condition of the property which shall tend to decrease the beauty of the neighborhood either as a whole or the specified area.

The unit owner shall not cause anything to be hung, displayed, or placed on the exterior walls, doors, balconies, chimneys, windows, or any other exterior part of the building without the prior written consent of the Board of Directors. No person may place or cause to be placed any communications aerial, television aerial, or similar device on any portion of the condominium property without the written consent of the Board.

D. Signs. No signs (including "for rent", "for sale", and other similar signs) or property identification signs shall be erected or maintained on any unit, except in accordance with the Raleigh City Code and with written permission from the Board of Directors, or except as may be required by legal proceedings.

E. Structures, Outbuildings, and Trailers. No structure of a temporary character shall be placed upon the property at any time; provided, however, this prohibition shall not apply to shelters used by a contractor during the construction or repair of the multi-unit buildings, so long as these temporary shelters are not, at any time, used as residences, offices, or for business purposes of a unit owner or permitted to remain on the building plot after completion of said construction or repair.

No mobile home of any kind, trailer, tent, barn, storage shed, garage, tree house, or other similar outbuilding or structure, regardless of purpose or function, shall be placed on the property at any time, either temporarily or permanently.

F. Rules and Regulations. No person shall use the common elements, or any part thereof, or a condominium unit, or the condominium property, or any part thereof, or any other property, the use of which has been acquired for the benefit of the Association, or the unit owners, in any manner contrary to or not in accordance with the Rules and Regulations pertaining thereto, as from time to time may be promulgated by the Board of Directors

or the Association.

G. Breach of Restrictions. In the event of a violation or breach of any of the restrictions contained in this Declaration or of any other covenants contained in this Declaration, the By-Laws or Rules and Regulations of the Association by any unit owner, tenant, employee or agent of such owner, or any of them, jointly or severally, 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 By-Laws or Rules and Regulations of the Association. In addition to the foregoing, the Board of Directors shall have the right whenever there shall have been any violation of these restrictions, to enter upon the property where such violation exists, then to 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 not have been corrected by the unit owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, or condition in this Declaration, the By-Laws, or 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. The invalidation by any court of any restrictions in this Declaration, the By-Laws or Rules and Regulations shall in no way affect any of the other restrictions, but they shall remain in full force and effect. An aggrieved unit owner has similar rights to those of the Board of Directors as set out in The North Carolina Condominium Act.

ARTICLE XIX

UNITS SUBJECT TO DECLARATION

All present and future owners, tenants, and occupants of units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and any Rules and Regulations of The Commons of Duraleigh Ridge Association, Inc., as said Declaration, By-Laws, and Rules and Regulations may be amended

from time to time. The acceptance of a deed, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-Laws, and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant, 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 made a part of each and every deed, conveyance, or lease.

ARTICLE XX

AMENDMENT OF DECLARATION

This Declaration may be amended by the vote of at least 66 2/3% of the undivided interests of all unit owners in the common elements as set forth in Exhibit D, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. No such amendment shall be effective until recorded in the Office of the Register of Deeds of Wake County. Notwithstanding anything else contained in the Declaration, it is understood and agreed that Declarant reserves the right to change the interior design and arrangements of units, so long as Declarant owns the units so altered and does not increase or decrease the square footage and to more particularly explain and describe the Exhibits attached hereto by altering them for the purpose of clarifying their meaning. Such amendments to plans and exhibits do not require the 66 2/3% elsewhere described in this Article.

ARTICLE XXI

WAIVER

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

ARTICLE XXII

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.

ARTICLE XXIII

LIMITATION OF LIABILITY

A. Limitation upon Liability of Association.

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by a latent condition of the property to be maintained and repaired by the Association, or by the elements or other owners or persons.

B. Property in Trust. All funds and the titles of all properties acquired by the Association and the net proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the By-Laws of the Association.

ARTICLE XXIV

EMINENT DOMAIN

In the event of a taking by eminent domain (or condemnation or a conveyance in lieu of condemnation) of part or all of the common elements, the award of such taking shall be payable to the Association, which shall represent the owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement, or improvement of the remaining common elements, if only a part are taken. If all or more than two-thirds (2/3) of all of the general common elements are taken, it shall be deemed a destruction of more than two-thirds (2/3) of all of the general common elements and the condominium regime shall be terminated as hereinbefore provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In

the event of a taking of all or part of a unit, the award shall be made payable to the owner of such unit and his mortgagee, if any, as their interests may appear.

ARTICLE XXV

MISCELLANEOUS

A. Encroachments. The owners of the respective condominium units agree that if any portion of a condominium unit or common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed and then re-built, the owners of the condominium units agree that encroachments on parts of the common elements or limited common elements or condominium units, as described herein, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

B. Exemption from Liability. No owner of a condominium unit may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his condominium unit.

C. Merger of Units. Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the removal of any party wall between any condominium unit in order that said units might be used together as one unit. In such event and in the event of the ownership of any purchaser of both upstairs and connecting downstairs units, all assessments, voting rights, and the share of common elements shall be the same as for one unit multiplied by the number of original units so combined.

D. Construction. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of condominium property.

E. 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 therein, 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 deemed accurate, but no warranty or guaranty is made or intended nor may one be relied upon.

F. Controlling. This Declaration and Exhibits attached hereto and Amendments hereof shall be construed and controlled by and under the laws of the State of North Carolina.

G. 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 part thereof and interest therein, including, but no limited to, every unit and the appurtenances thereof, including the common elements and every unit owner and claimant of the property or any part thereof, or of any interest therein, and his heirs, executors, administrators, tenants, successors, and assigns, shall be bound by all of the provisions of said Declaration of Exhibits annexed hereto and Amendments thereof.

H. Control of Parking and Street Repairs. The Association shall have authority to regulate parking of motor vehicles within the property affected by these covenants and also shall have authority to repair the streets within said property. Further, Section 10-3074(b) of the City Code of the City of Raleigh provides: "In no case shall the City be responsible for failing to provide any emergency or other regular fire, police, or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowner's association or occupant."

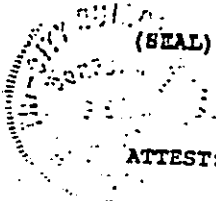
I. Invalidation. If any provision of the Declaration, the Exhibits hereto, the Amendments hereof, or of the Unit Ownership

Act included in Chapter 47C of the North Carolina General Statutes, or any section, sentence, clause, phrase, or word, or the application thereof, in any circumstances is held invalid, the validity of the remainder of this Declaration, the Exhibits hereto, the Amendments hereof, or the Unit Ownership Act, shall not be affected thereby.

J. Survey and Description of Improvements. Filed simultaneously herewith and expressly made a part hereof as a Unit of Ownership File No. 126 (herein "Unit Ownership File"), consisting of 5 pages, is a survey of the land and graphic descriptions and plans of the improvements constituting the Condominium, identifying the Condominium Units and Common Areas and Facilities, as said terms are hereinabove defined, and their respective locations and approximate dimensions.

TRI-CITY BUILDERS, INC.

By J. D. Bullock



Harold A. Har
ASST. Secretary

NORTH CAROLINA
WAKE COUNTY

I, the undersigned Notary Public do hereby certify that Harold A. Har personally came before me this day and acknowledged that he is Secretary of Tri-City Builders, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by herself as its ASST. Secretary.

Witness my hand and notarial seal, this 27th day of March, 1987.

Norma S. Medlin
Notary Public

January 11, 1988
My Commission expires:



NORTH CAROLINA - WAKE COUNTY
The foregoing certifies _____ of Norma S. Medlin

EXHIBIT "A"

Beginning at a point in the West right-of-way line of Duraleigh Road, said point being 0.20 miles South of the intersection of Duraleigh Road with Delta Lake Drive, said point also being the Southeast corner of Poyner, thence along the right-of-way line of Duraleigh Road South 01 degrees 02 minutes West 504.20 feet to a point; thence along the North line of Desern North 83 degrees 15 minutes West, 498.46 feet to a point, said point being in the line of Raleigh Memorial Park; thence along the line of Raleigh Memorial Park, North 04 degrees 25 minutes East 644.64 feet to a point, said point being in the line of Poyner; thence along the South line of Poyner South 82 degrees 33 minutes 37 seconds East 462.44 feet to the point and place of BEGINNING containing 7.065 acres in accordance with survey of Bass, Nixon and Kennedy, Inc., Consulting Engineers, dated 3/7/86 and recorded in Book of Maps 1986, Page 514, Wake County Registry, Raleigh, North Carolina.

EXHIBIT "B"

The Commons of Duraleigh Ridge shall consist of 46 units in seven separate buildings. The buildings shall be designated building 100 through building 700, and buildings 100, 200, 500, 600 and 700 shall consist of basements or "lower levels" with two additional levels referred to as the "middle" and "upper" levels, and building 300 and 400 shall not have basements or "lower levels".

The approximate square footage of each unit, subject to change in construction, shall be as follows: Building 100, 8,832 square feet; Building 200, 12,500 square feet; Building 300, 6,440 square feet; Building 400, 4,345 square feet; Building 500, 12,766 square feet; Building 600, 13,974 square feet; Building 700, 8,832 square feet. Total square footage in the condominium development is approximately 67,730 square feet.

The exterior walls shall consist of brick veneer and composition siding. The roof shall consist of cedar shake shingles supported by wooden trusses. The interior floors shall consist of wall to wall carpeting wood flooring or brick flooring laid concrete or wood flooring. The interior walls will consist of sheetrock on wood studs covered by wallpaper panelling or paint.

EXHIBIT "C"

The letter A is used to designate the "lower level" or ground level units; the letter B is used to designate the "middle" level and the letter C is used to designate "upper level". Seven buildings are to be built and they are to be designated as building 100 through building 700. Building 100 will contain three units, to wit: 100A, 100B and 100C. Building 200 will contain three units, to wit: 200A, 200B and 200C. Building 300 will contain two units, to wit: 300B and 300C. Building 400 will contain one unit, to wit: 400. Building 500 will contain three units, to wit: 500A, 500B and 500C. Building 600 will contain three units, to wit: 600A, 600B and 600C. Building 700 will contain three units, to wit: 700A, 700B and 700C. The approximate square footage of each building is designated in a prior exhibit. The immediate common area to each unit is the front yard and the back yard of each unit as well as the exterior walls and the land lying beneath each unit.

EXHIBIT "D"

BOOK 3973 PAGE 491

<u>Unit</u>	<u>Percentage Interest Upon Completion</u>
100A	3.5
100B	6.0
100C	3.5
200A	3.5
200B	9.0
200C	6.0
300B	6.0
300C	3.5
400	6.5
500A	4.5
500B	12.4
500C	1.9
600A	5.0
600B	12.5
600C	3.2
700A	3.3
700B	5.3
700C	4.4
	100.0