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DECLARATION OF
BOARDWALK OFFICE CONDOMINIUM
Phase 1

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**DECLARATION OF
BOARDWALK OFFICE CONDOMINIUM** , Phase 1

THIS DECLARATION, made this 18th day of January, 2002 by KENNERLY DEVELOPMENT SERVICES, LLC ("Developer"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes ("Act").

W I T N E S S E T H:

WHEREAS, Developer is the owner in fee simple of certain real estate situated in the Town of Davidson, County of Mecklenburg, and State of North Carolina, more particularly described on Exhibit A attached hereto and made a part hereof, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate; and

WHEREAS, Developer desires to submit all of said property to the Act.

NOW, THEREFORE, Developer, as the owner of said property, hereby declares as follows:

ARTICLE I

Definitions

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

1.1. Act. The North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

1.2. Additional Real Estate. The real estate described on Exhibit A-1 together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.3. Articles of Incorporation. The articles of incorporation of the Association filed with the Office of the Secretary of State of North Carolina which are incorporated herein and made a part hereof by this reference, and attached as Exhibit G.

1.4. Association. Boardwalk Office Association, Inc., a nonprofit corporation organized under Section 47C-3-101 of the Act.

1.5. Board. The Executive Board of the Association.

1.6. Building. One or more improved structures containing the Units and which comprises a portion of the Property and is more particularly described in the Plans.

1.7. Bylaws. The Bylaws of the Association which are hereby incorporated herein and made a part hereof by this reference, and attached as Exhibit B.

1.8. Common Elements. All portions of the Condominium except the Units. Limited Common Elements are Common Elements. The Common Elements include all portions of the Condominium that are not part of the Units, including, without limitation, the land, improvements that are not part of the Units including all foundations, columns, load bearing walls, girders, beams, supports, walls, roofs, corridors, lobbies, stairs, elevators and elevator shafts, fire escapes, and entrances and exits of the Building, the yards, gardens, parking areas and driveways and all installations of central services for the furnishing of utilities.

1.9. Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.10. Condominium. The condominium created by this Declaration.

1.11. Declarant. Developer and (i) any other person who has executed this Declaration, or who hereafter executes an amendment to this Declaration except First Mortgagees and except persons whose interests in the Property will not be conveyed to Unit Owners, and (ii) any person who succeeds to any Special Declarant Rights as defined in Section 47C-1-103(23) of the Act.

1.12. Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the Units to Unit Owners other than a Declarant.

1.13. First Mortgage and First Mortgagee. A First Mortgage is a mortgage or deed of trust which has been recorded so as to give constructive notice thereof, and which is a first lien on the Units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the Office of the Register of Deeds for the county in which the First Mortgage is recorded, including a purchaser at foreclosure sale upon foreclosure of a First Mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgagee for all purposes under this Declaration and the Bylaws.

1.14. Limited Common Elements. Those portions of the Common Elements allocated by this Declaration, the Plans or by operation of Section 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. The Limited Common Elements shall include, but shall not be limited to, the following:

(a) Those portions of any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially without the designated boundaries of a Unit serving exclusively that Unit shall be Limited Common Elements allocated exclusively to that Unit; and

(b) Any shutters, awnings, doorsteps, stoops, porches, balconies, patios, decks and all exterior doors, windows, and skylights designed to serve a single Unit, but located outside the Unit's boundaries, shall be Limited Common Elements allocated exclusively to that Unit; and

(c) Any portions of the heating, ventilating and air conditioning systems, including fans, compressors, return air grills and thermostats, whether located inside or located outside the designated boundaries of a Unit, including individual electricity and gas meters, shall be Limited Common Elements allocated exclusively to the Unit or Units that they serve.

1.15. Occupant. Any person or persons in possession of a Unit, including Unit Owners, lessees, guests and invitees of such person or persons, and guests and invitees of such lessees.

1.16. Office Unit. A Unit in a Building restricted as designated on Exhibit E hereto or in any Supplemental Declaration and on the Plans solely to office use as such usage is more particularly described in Article V, Section 5.3(a) hereof.

1.17. Person. A natural person, corporation, limited liability company, partnership, trust or other legal or commercial entity, or any combination thereof.

1.18. Plans. The plans of the Condominium recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended, and described on Exhibit C.

1.19. Plat. The survey plat depicting the Condominium and the location of the Building on the Property recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended, and described on Exhibit D.

1.20. Property. The real estate described on Exhibit A, and the Additional Real Estate if added to the Condominium, together with the Buildings and all other improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.21. Residential Unit. A Unit in a Building restricted as designated on Exhibit E hereto or in a Supplemental Declaration and on the Plans solely to residential use as such usage is more particularly described in Article V, Section 5.3(b) hereof.

1.22. Rules and Regulations. The rules and regulations of the Condominium promulgated by the Executive Board from time to time.

1.23. Special Declarant Rights. The rights as defined in Section 47C-1-103(23) of the Act for the benefit of a Declarant, including as follows: to complete the improvements indicated on the Plans; to maintain sales offices, models and signs advertising the Condominium on the Property; to exercise any development right as defined in Section 47C-2-110 of the Act; the right to add Additional Real Estate; to use easements over the Common Elements; to elect, appoint or remove members of the Board during the Declarant Control Period; to make the Condominium part of a larger condominium; and to withdraw any portion of the Property from the Condominium. Declarant shall have the right to subdivide or convert Units owned by Declarant.

1.24. Supplemental Declaration. Any supplement or amendment to this Declaration recorded in the Mecklenburg County Public Registry which adds the Additional Real Estate to the Condominium.

1.25. Unit. A portion of the Condominium, whether or not contained solely or partially within the Building, together with its percentage of undivided interest in the

Common Elements as set forth on Exhibit E. Each Unit is designated and delineated on the Plans.

1.26. Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, the undecorated surfaces of the ceiling facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all panelling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries. Also included as a part of the Unit shall be those portions of the heating and air conditioning system for the Unit which are located within the perimeter walls of the Unit.

1.27. Unit Owner. The person or persons, including the Declarant, owning a Unit in fee simple.

ARTICLE II

Submission of Property to the Act

2.1. Submission. Developer hereby submits the Property to the Act.

2.2. Name. The Property shall hereafter be known as Boardwalk Office Condominium.

2.3. Division of Property into Separately Owned Units. Developer, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into eight (8) Units and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.4 hereof.

2.4. Alterations of Units. Subject to the provisions of the Declaration and the Bylaws, a Unit may be altered pursuant to the provisions of Sections 47C-2-111, 47C-2-112 and 47C-2-113 of the Act.

2.5. Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit.

2.6. Unit Allocations. The allocation to each Unit of a percentage of undivided interest in the Common Elements is as stated on Exhibit E. The allocation of undivided interests in the Common Elements has been determined by a ratio formulated upon the relation that the square foot floor area of each Unit bears to the then aggregate square foot floor area of all Units. The allocation to each Unit of a percentage of undivided interest in the Common Expenses is as stated on Exhibit E and may be different than the allocation to each Unit of an undivided interest in the Common Elements.

The votes in the Association are allocated to all Units in accordance with the provisions of the Bylaws.

2.7. Encumbrances. The liens, defects and encumbrances affecting the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit F.

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

2.9. Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights for a period not to exceed five (5) years from the date of this Declaration.

ARTICLE III

Additional Real Estate

3.1. Declarant's Right to Add Additional Real Estate. Declarant expressly reserves the right to add the Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on Exhibit A-1 may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant is not obligated to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate to the Condominium shall be pursuant to Section 47C-2-110 of the Act.

3.2. Maximum Number of Additional Units. The maximum number of additional Units that may be created within the Additional Real Estate is sixteen (16) Units.

3.3. Compatibility of Style, Etc. It is the Declarant's present intent that any Buildings and Units that may be erected upon the Additional Real Estate or a portion thereof will be compatible with the other Buildings and Units in the Condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size. Declarant, however, expressly reserves the right to change the architectural style and size of any Buildings and Units which may be erected upon the Additional Real Estate.

3.4. Applicability of Restrictions, Etc. All restrictions set forth in this Declaration in Section 5.3 and in the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the Additional Real Estate.

3.5. Other Improvements and Common Elements. In addition to the Buildings and Units that may be erected upon the Additional Real Estate or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Estate or each portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.

3.6. Applicability of Assurances to Additional Real Estate. The assurances made in this Article III will apply with respect to any Additional Real Estate that is added to the Condominium.

3.7. Allocation of Interest in Common Elements and Common Expenses. At such time as Declarant adds the Additional Real Estate to the Condominium, the percentage interest of each Unit Owner in the Common Elements and the Common Expenses will be determined by using the same ratio formulas applicable to previous phases of the Condominium.

ARTICLE IV

Easements

4.1. Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the Buildings or other improvements comprising a part of the Property, any part of the Common Elements now

or hereafter encroaches upon any part of any Unit, or any part of the Common Elements, or upon any part of 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.

4.2. 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.

4.3. Easements of Owners and Association With Respect To Common Elements. Each Unit Owner shall have a perpetual, non-exclusive easement in common with all other Unit Owners to use all pipes, chutes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to a perpetual non-exclusive easement in favor of all other Unit Owners to use the pipes, chutes, wires, ducts, cables, conduits, public utility lines, and other Common Elements serving such other Units and located in such Units. The Association, or any person authorized by it, shall have the right of access to each Unit and to the Limited Common Elements upon reasonable advanced notice to the Unit Owner (except in cases of emergencies, in which cases no advanced notice shall be required) to the extent necessary for performance by the Association of its obligations of maintenance, repair, or replacement of the Common Elements. Such person shall use good faith efforts to conduct such maintenance, repair and replacement operations at such times and in such a manner as to minimize to the extent reasonably possible any intrusion on or interference with the activities of the Unit Owner.

4.4. 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 inspect, 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.

4.5. Easements for Utilities. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under the Declaration and Bylaws and all commitments in

favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section 4.5 shall include, without limitation, rights of Declarant, the Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 4.5, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its Occupants.

4.6. 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 purpose.

4.7. Easement for Entrance Monumentation. Declarant hereby reserves perpetual easements for itself, its successors and assigns, and the Association, and their employees and agents in and over the Common Elements for the construction, installation, maintenance and replacement of signage and entrance monumentation for the Deer Park Community along Southeast Drive, including lighting and landscaping for such monumentation. The foregoing easements shall include a right of access for construction and maintenance vehicles and personnel employed by the Declarant or the Association in exercising its easement rights hereunder.

4.8. Granting of Easements by the Executive Board. The Executive Board may hereafter grant easements encumbering the Common Elements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, sewer lines, pipes, ducts, gas mains, telephone, and television or cable television wires, cables, and equipment, electrical conduits, and wires over, under and along and upon any portion of the Common Elements, and may grant such other easements encumbering the Common Elements as the Executive Board deems in its discretion

necessary for the benefit of the Condominium; and each Unit Owner hereby grants the Executive Board an irrevocable power of attorney to execute, acknowledge, and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing.

4.9. Easements To Run With Land. All easements and rights described in this Article IV are appurtenant easements running with the land, and except as otherwise expressly provided in this Article IV shall be non-exclusive and perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, First Mortgagees and any other person having any interest in the Condominium or any part 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 IV, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE V

Restrictions, Conditions and Covenants

5.1. Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and 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.

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

5.3. Use Restrictions.

(a) All Office Units shall be used for general office purposes only. All office use by an Owner or Occupant of his or her Office Unit shall comply in all respects with all zoning ordinance regulations and requirements applicable to the Property. Notwithstanding the foregoing, however, Declarant may use Units owned by Declarant for the storage of equipment and construction materials during construction of the Condominium.

(b) The Residential Units shall be occupied and used by Owners and Occupants for residential purposes only and no trade or business may be conducted in or from any Residential Unit, except that an Owner or Occupant residing in a Residential Unit may conduct business activities within the Residential Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Unit; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

The term "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Residential Unit shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Property or its use of any Units which it owns within the Property.

5.4. Prohibited Uses. No obnoxious, offensive, or unlawful activity shall be conducted within any Unit or on or about the Common Elements, nor shall anything be done thereon or therein which may be or which may become an annoyance or a nuisance to the other Unit Owners. Further, and without limiting the generality of the foregoing, each Unit Owner shall use his Unit and the Common Elements in such a manner as to comply with all laws, ordinances, orders, regulations and zoning classifications of any governmental authority, agency or other public or private regulatory authority (including insurance underwriters and rating bureaus) having jurisdiction over the Property. In addition, no Unit may be used for the treatment, storage, use or disposal of toxic or hazardous waste or substances or any other substance that is prohibited, limited, or regulated by any governmental or quasi-governmental authority or that, even if not so regulated does pose a hazard to health and safety of the Occupants and patrons of the Units or of surrounding property; provided, however, any Office Unit may be used for the treatment,

storage, use or disposal of toxic or hazardous substances provided that such treatment, storage, use or disposal is incident to a lawful and permitted activity being conducted within such Unit and is conducted in compliance with all necessary permits and authorizations and in accordance with all applicable laws, ordinances, orders, rules and regulations. Each Unit Owner shall indemnify and save every other Unit Owner and the Association harmless from and against any claims, liabilities, penalties, fines, costs, expenses or damages resulting from any violations of the provisions of this Section 4.4.

5.5. Prohibitions and Use of Common Elements. The Common Elements shall not be used for storage of supplies, personal property or trash or refuse of any kind, except that common trash receptacles may be placed at various locations on the Common Elements at the discretion of the Board. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way. In general, no activity shall be carried on or conditions maintained by any Unit Owner either in his Unit or upon the Common Elements which despoils the appearance of the Property.

5.6. Shrubbery. No Unit Owner shall plant or permit to remain on the Property any type of hedge, shrubbery or other plantings, except with the prior written permission of the Association.

5.7. Parking. No Unit Owner and no employee, agent or invitee of any Unit Owner shall park, store, or keep any vehicle on the Property, except wholly within those portions of the Common Elements designated by the Association for such use. The Board may promulgate rules and regulations regarding the size, type and location of motor vehicles, trailers, campers, boats and other watercraft and other commercial or recreational vehicles permitted on the Common Elements. The foregoing restriction shall not apply to sales trailers, construction trailers or other vehicles which may be used by Declarant and its agents and contractors in the conduct of their business prior to completion of the Condominium, and shall not apply to service vehicles which are temporarily parked while service contractors are providing temporary service work in one or more Units in the Condominium or on the Common Elements.

5.8. Signs. Subject to the rights of Declarant under Section 5.9 hereof, no sign, flag, banner or pennant of any kind shall be displayed to the public view from any Unit or from the Common Elements without the prior written consent of the Executive Board; provided however, the Executive Board shall issue rules and regulations permitting each Office Unit Owner to have signs advertising his or her place of business in certain specific locations. Further, the size, design, color scheme, style and other aesthetic characteristics of such signs shall be uniform for all Office Units and shall be determined and approved by the Executive Board.

No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit Owner or Occupant on any part of the Condominium without the prior written consent of the Executive Board.

5.9. Declarant's Offices and Models. The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed two (2), and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

Declarant shall also have an easement to maintain signs, flags, banners and pennants on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs, flags, banners and pennants not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs, flags, banners and pennants.

The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the Condominium for management of the Condominium.

5.10. Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse, or destruction) to or in his Unit or the Common Elements.

5.11. 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.

5.12. Leases. Any lease of a Unit or a portion of a Unit shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any lease of a Residential Unit shall be for a period of not less than six (6) months. Any Unit Owner who enters into a lease of his Unit shall promptly notify the Association of the name and address of each lessee, the Unit rented, and the term of the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit. Declarant may lease any Unit owned by Declarant subject to the provisions of this Declaration.

5.13. Television, Aerials, Antennas and Satellite Dishes. No radio, television or other aerial, antenna, satellite dish, tower or other transmitting or receiving structure or support thereof, of whatever size, shall be erected, installed, placed or maintained within the Condominium unless so erected, installed, placed or maintained entirely out of sight within a Unit; provided, however, television dishes 24 inches or less in diameter may be installed by a Unit Owner on the rear balcony or patio comprising a Limited Common Element of his or her Unit provided such dish is installed out of sight in a location approved by the Board. Prior to installing a television dish, a Unit Owner must submit to the Board for its approval the proposed location for the television dish within sixty (60) days prior to the proposed installation. The Board, in its sole discretion, may approve or disapprove of the proposed location of the dish. If the Board disapproves of the proposed location of the dish, the Board shall provide to the Unit Owner a suggested alternate location for the dish that will be acceptable to the Board.

5.14. Pets. No animals, live stock or poultry of any kind shall be raised, bred or kept on the Property, and no domestic pets shall be allowed in the Condominium except as may be provided by the Rules and Regulations promulgated from time to time from the Board or the Association or in the Bylaws.

5.15. 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 therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws.

5.16. Restrictions, Conditions and Covenants To Run With Land. Each Unit Owner and 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, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

ARTICLE VI

Assessments

6.1. Assessment Liens. The Board has the power to levy assessments against the Units for Common Expenses. Such assessments shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws.

6.2. Personal Liability of Transferees; Statement; Liability of First Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 6.2 of the Bylaws, 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 First Mortgagee, or other person claiming through such First 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 First 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 (b) above or, resulting, as provided in (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 (b) above and the First Mortgagee or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.3. 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.

ARTICLE VII

Management, Maintenance, Repairs Replacements, Alterations and Improvements

7.1. Common Elements.

(a) 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 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. 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.

(b) 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 acts or the intentional acts of any Occupant, guest or invitee of his Unit. Such payment shall be made upon demand made by the Association.

7.2. 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 in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense benefitting less than all of the Units against the Units benefitted in proportion to their Common Expense liability.

(c) The cleanliness and orderliness of the Limited Common Elements shall be the responsibility of the individual Unit Owner or Unit Owners having the right to the use and enjoyment of such Limited Common Elements, but the responsibility for maintenance,

painting, repair and replacement, together with control over the exterior decoration of the Limited Common Elements visible from any other Unit or from the Common Elements, shall remain with the Association. Notwithstanding any other provisions of this Declaration, or any provision of the Bylaws or the Act, the obligation for maintenance, repair, or replacement of any portions of the heating, ventilating, and air conditioning systems that are Limited Common Elements shall be the sole responsibility of the Unit Owners to which such Limited Common Elements are allocated. Electricity and gas service to each Unit shall be individually metered and each Unit Owner shall pay all charges assessed against his Unit for the use of such services.

7.3. 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. All windows and doors within the walls enclosing a Unit shall be a part of that Unit, but the authority and responsibility for maintenance and painting, together with control over the exterior decoration, of all portions of doors and windows visible from the exterior of the Building or from any Common Element, shall remain with the Association. Replacement of any broken glass in a window that is part of a Unit shall be the sole responsibility and expense of the Unit Owner of that Unit. Routine maintenance and repair of all lath, furring, wallboard, plasterboard, plaster, and subflooring beneath, above, and/or beyond the finished surfaces of the perimeter walls, floor and ceiling of each Unit shall be the sole responsibility of the Unit Owner. Each Unit Owner shall perform his responsibilities in such manner as not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agents, any defect or need for repairs 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 of any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

7.4. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous condition or situation originating in or threatening that Unit or any of the Limited 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 the purposes of performing 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. The

Association shall be responsible for the repair of any damage caused by the Association or its authorized person 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.

(b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. The person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Element.

7.5. Relocation of Boundaries. The boundaries between adjoining Office Units may be relocated upon application to the Association by the owners of such adjoining Office Units ("Adjoining Owners") and upon approval by the Association of such application; provided, however, no such relocation of boundaries shall be binding upon any First Mortgagee holding a First Mortgage on any Office Unit whose boundaries are relocated, unless consented to in writing by such First Mortgagee. Any such application to the Association must be in such form and contain such information as may be reasonably required by the Association and shall be accompanied by a plat detailing the proposed relocation of boundaries. If the Adjoining Owners have agreed upon a reallocation of the allocated interests in the Common Elements between their Office Units, the application should state the proposed reallocation of the allocated interest. Unless the Association determines within thirty (30) days after submission to it of the application that the proposed relocation of boundaries or proposed reallocation of allocated interests is unreasonable, the application shall be deemed approved. If the Adjoining Owners did not specify reallocation of the allocated interests between their Office Units, then the Association shall determine such reallocation. Upon approval of the proposed relocation of boundaries and reallocation of allocated interests, the Association shall cause to be prepared and filed, at the Adjoining Owners' expense, an amendment to this Declaration and a plat which identifies the Office Units involved, describes and depicts the altered boundaries, gives the dimensions of the altered Office Units, and specifies the reallocation of the allocated interests between the adjoining Office Units. Such amendment shall also contain operative words of conveyance and be signed by the adjoining Owners and consented to by their

First Mortgagees, if any, and shall be indexed by the Register of Deeds in the names of the Adjoining Owners.

7.6. Subdivision of Units. An Office Unit may be subdivided into two (2) or more Office Units upon application to the Association by the owner of such Office Unit and upon approval by the Association of such application. Provided, however, no such subdivision shall be binding upon any First Mortgagee holding a First Mortgage on any Office Unit which is subdivided, unless consented to in writing by such First Mortgagee. Any such application to the Association shall be in such form and contain such information as may be reasonably required by the Association and shall be accompanied by a plat detailing the proposed subdivision of the Office Unit. Unless the Association determines within thirty (30) days after submission to it of the application that the proposed subdivision is unreasonable, the application shall be deemed approved. Upon approval of the application, the Association shall cause to be prepared and filed, at the Office Unit Owner's sole expense, an amendment to this Declaration, together with plats and plans, which shall identify the Office Unit which is subdivided, assign an identifying number to each new Office Unit created, describe and depict the location, dimensions, area and boundaries of each new Office Unit created, and reallocate among the new Office Units the allocated interest of the subdivided Office Unit in the approximate relation that the size of each new Office Unit bears to the aggregate size of all new Office Units created. Such amendment shall be executed by the owner of the Office Unit being subdivided and consented to by such Office Unit Owner's First Mortgagee, if any, and shall be indexed under such owner's name by the Register of Deeds.

7.7. Partitioning. The interest in the Common Elements allocated to each Unit shall not be conveyed, devised, encumbered, partitioned, or otherwise dealt with separately from said Unit, and the interest in the Common Elements allocated to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such interests are not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage, or other instrument which purports to grant any right, interest, or lien in, to or upon the Unit, shall be null, void, and of no effect insofar as the same purports to affect any interest in a Unit's allocated interest in the Common Elements unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the identifying number assigned thereto in the Plans and herein without limitation or exception shall be deemed and construed to affect the entire Unit and its allocated interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its allocated interest in the Common Elements by

more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety or any other form by law permitted.

7.8. Conveyance of or Lien Against Common Elements. For such time as the Property remains subject to this Declaration and to the provisions of the Act, no conveyances of or security interests or liens of any nature shall arise or be created against the Common Elements unless the Unit Owners holding at least eighty percent (80%) of the total allocated interests in the Common Elements agree to that action; provided, however, all the owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest or lien. Every agreement for the performance of labor or the furnishing of materials to the Common Elements, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and that the right to file a mechanics' lien or other similar lien by reason of labor performed or material furnished is subordinated to this Declaration and to the lien of assessments for Common Expenses provided for in Article VII of this Declaration. Provided, however, nothing in this Section shall be construed to limit the right of any Unit Owner to convey or to encumber his allocated interest in the Common Elements as an appurtenance to and in connection with the conveyance or mortgaging of his Unit.

7.9. Nature of Interest in Unit. Every Unit, together with its allocated interest in the Common Elements, shall for all purposes be, and it 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 fee simple ownership and possession of his Unit, subject only to the covenants, conditions, restrictions, easements, uses, limitations, obligations, rules, regulations, resolutions and decisions adopted pursuant hereto and as may be contained herein and in the accompanying Bylaws and in the minutes of the Executive Board of the Association.

ARTICLE VIII

Insurance

8.1. Casualty Insurance. The Association shall maintain, to the extent available, casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and First Mortgagees as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than one hundred percent (100%) full insurable value of the Property on a replacement cost basis exclusive of land, excavations, foundations and other items normally excluded from property policies, and shall insure against such risks and

contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-113(h) of the Act. In addition, if any fixtures, property or equipment used or kept in a Unit are financed by the proceeds of any First Mortgage on such Unit, then the Association, at its option, may obtain insurance coverage for such fixtures, property or equipment.

8.2. Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000) per occurrence for death, bodily injury and property damage. Such insurance shall comply in all respects to the requirements of the Act and shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

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

8.4. Insurance Unavailable. If the insurance described in Section 8.1, 8.2 or 8.3 is not reasonably available, the Association shall promptly cause notice of such fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and First Mortgagees.

8.5. Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners. If at least one Unit is subject to mortgage financing, the Association shall obtain and keep in force such insurance as such mortgagee shall reasonably require from time to time.

8.6. Insurance Trustee. The Board may engage, and pay as a Common Expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

8.7. Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interests; provided that any such insurance 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 the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, 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 assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE IX

Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced unless: (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners elect not to rebuild or replace by a ninety percent (90%) vote, including one hundred percent (100%) approval of owners of Units not to be rebuilt or owners assigned to Limited Common Elements not to be rebuilt. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act.

ARTICLE X

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 awards paid on account thereof shall be applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XI

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act. Any termination of the Condominium shall be subject to the prior approval of at least fifty-one percent (51%) of the First Mortgagees; provided, however, that if any First Mortgagee fails to respond to a written request for approval within thirty (30) days of said request made in accordance with the notice requirements of such First Mortgage, approval shall be deemed to have been given by such First Mortgagee.

ARTICLE XII

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Sections 47C-2-105 and 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant. Notwithstanding the foregoing, no amendment of this Declaration may be made specifically abridging, altering, modifying or terminating the rights of Owners of Office Units in the Condominium unless such amendment is consented to by at least sixty-seven percent (67%) of all Office Unit Owners and at least fifty-one percent (51%) of the First Mortgagees; provided, however, that if any First Mortgagee fails to respond to a written request for approval within thirty (30) days of said request made in accordance with the notice requirements of such First Mortgage, approval shall be deemed to have been given by such First Mortgagee.

ARTICLE XIII

Rights of First Mortgagees

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

13.1. Amendments during Declarant Control Period. Any amendments to this Declaration or to the Bylaws during the Declarant Control Period shall be subject to the prior approval of all First Mortgagees provided, however, that, if any First Mortgagee fails to respond to a written request for approval within thirty (30) days of said request made in accordance with the notice requirements of such First Mortgage, approval shall be deemed to have been given by such First Mortgagee.

13.2. Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the First Mortgagees, current copies of the Declaration, the Bylaws, other rules and regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide an unaudited accountant prepared financial statement for the preceding fiscal year if requested in writing by a First Mortgagee. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, the Rules and Regulations governing the Condominium, and the most recent annual financial statement.

13.3. Successors' Personal Obligation for Delinquent Assessments. The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the successors in title or interest to said Unit unless said delinquent assessments are expressly assumed by them.

13.4. Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

13.5. Rights to Notice. If any First Mortgagee has served written notice upon the Association of its desire to receive notices under this section by certified mail, return receipt requested, addressed to the Association and sent to its current address, identifying the First Mortgage that it holds, which notice designates the place to which notices are to

be given by the Association to such party, then such party shall have the right to receive from the Association prompt written notice of the following:

(a) Default under any of the terms and provisions of the Declaration and the Bylaws by any Unit Owner owning a Unit encumbered by a First Mortgage held by such party.

(b) Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a First Mortgage held by such First Mortgagee.

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action by the Association, the Board or the Unit Owners, which under the terms of the Declaration or Bylaws requires the consent of all or any portion of the First Mortgagees.

13.6. Assessments. Assessments shall be due and payable in installments as determined by the Board. As legally required by Section 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 that Unit. Unit Owners shall have no obligation to pay assessments until an assessment is levied. Assessments will begin at such time as the Board elects.

13.7. Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. With respect to First Mortgages held by or for the benefit of First Mortgagees, no provision of this Declaration or the Bylaws shall be deemed to give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its First Mortgage on said Unit Owner's Unit, in the case of a distribution to said Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE XIV

Waiver of Article IV of the North Carolina Condominium Act

By acceptance of a deed or other conveyance or transfer of an Office Unit, each Office Unit Owner agrees that such Office Unit Owner has waived any and all protections,

rights and benefits conferred under Article IV of the North Carolina Condominium Act which Article is entitled "Protection of Purchasers," including, without limitation, the right to receive a public offering statement, the right to receive a resale certificate, and the right to cancel any contract to purchase an Office Unit pursuant to Section 47C-4-108 of the Act.

ARTICLE XV

Master Association

Pursuant to that certain Master Declaration of Covenants, Conditions and Restrictions for Deer Park recorded in the Mecklenburg County Public Registry and all supplemental declarations and amendments thereto (the "Master Declaration") certain land and facilities located adjacent to or in close proximity of the Condominium have been or will hereinafter be dedicated to the use and benefit of the Condominium and other property which is developed or will be developed as part of the Deer Park community. Under the Master Declaration, a community park will be dedicated for the non-exclusive use of Unit Owners of the Condominium together with the owners, occupants, or users of other developments within the Deer Park Community. The community park and any other amenities which are established, dedicated or constructed, now or hereafter, pursuant to the Master Declaration and/or any supplements or amendments thereto are hereinafter referred to as the "Off Site Amenities". A portion of the expenses of operation, maintenance, repair and replacement of the Off Site Amenities is assessable against the Association as a member of the Deer Park Community Association, Inc. and the Association shall be entitled to charge and assess its share of such expenses to the Unit Owners in the Condominium as Common Expenses. The Association's expenses relating to the Off Site Amenities is determinable in accordance with the terms and conditions of the Master Declaration.

ARTICLE XVI

General Provisions

16.1. Conflict with the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the

rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstances.

16.2. Interpretation of Declaration. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

16.3. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

16.4. Exhibits. Exhibits A, A-1, B, C, D, E, F and G attached hereto are hereby made a part hereof.

16.5. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of 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.

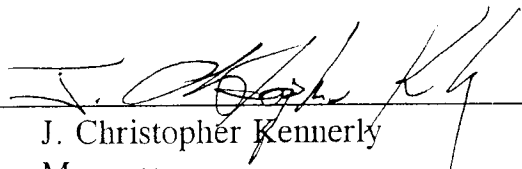
16.6. Waiver. No provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

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

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

KENNERLY DEVELOPMENT SERVICES, LLC, a
North Carolina limited liability company

(SEAL)

By:  (SEAL)

J. Christopher Kennerly
Manager

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

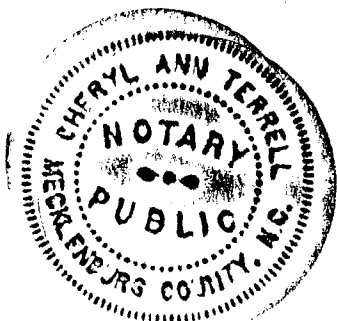
I, Ceryl Ann Terrell, a Notary Public of the County and State aforesaid, certify that J. Christopher Kennerly, Manager of KENNERLY DEVELOPMENT SERVICES, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 18 day of January, 2002.

Ceryl Ann Terrell
Notary Public

My Commission Expires:

Sept. 17, 2006



**ATTACHMENT TO DECLARATION OF
BOARDWALK OFFICE CONDOMINIUM** *Phase 1*

CONSENT AND SUBORDINATION OF MORTGAGEE

CENTURA BANK, holder of that certain Note secured by that certain Deed of Trust dated November 16, 2000 and recorded in Book 11723 at Page 1 in the Mecklenburg County Public Registry and CB SERVICES CORP., Trustee, do hereby consent to the terms, conditions, and covenants in the foregoing Declaration of Boardwalk Office Condominium and the Bylaws described therein, and agree that the lien of said deed of trust, and the interest of the beneficiary therein, are subject and subordinate, in all respects, to the terms, conditions, and covenants contained in said Declaration, including all exhibits, supplemental declarations and other amendments thereto.

IN WITNESS WHEREOF, the undersigned has caused this Consent to be duly executed this 18th day of January, 2002.

CENTURA BANK

By: *Paul H. Bingham*
Its: *vice* President

CB SERVICES CORP.

By: *Bruce B. [Signature]*
Its: *vice* President

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

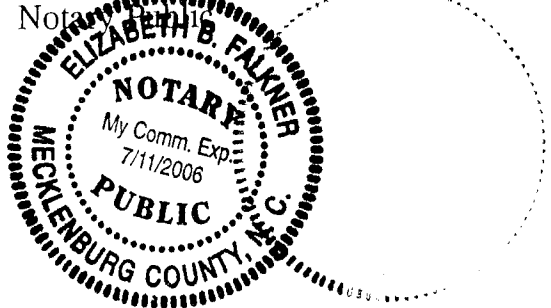
This 18 day of January, 2002, before me, the undersigned Notary Public in and for the County and State aforesaid, personally came Fred Bumgardner, who, being duly sworn, says that s/he is vice - President of CENTURA BANK, and that s/he as vice - President being authorized to do so, executed the foregoing on behalf of the corporation.

AKA Fred H. Bumgardner

WITNESS my hand and seal this 18 day of January, 2002.

Elizabeth B. Falkner

My Commission Expires: 07-11-06



STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

This 18 day of January, 2002, before me, the undersigned Notary Public in and for the County and State aforesaid, personally came Bill Bickett, who, being duly sworn, says that s/he is vice President of CB SERVICES CORP., and that s/he as vice President being authorized to so, executed the foregoing on behalf of the corporation.

AKA Bill G. Bickett

WITNESS my hand and seal this 18 day of January, 2002.

Elizabeth B. Falkner

Notary Public

My Commission Expires: 07-11-06

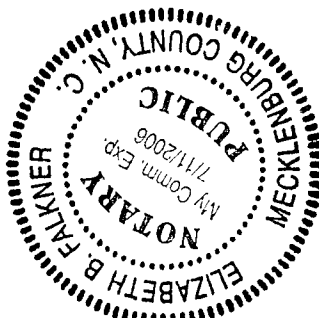


EXHIBIT A

To Declaration

Lying and being in the Town of Davidson, Mecklenburg County, North Carolina, being more particularly described as follows:

Tract 1:

BEGINNING at an iron pin marking the intersection of the westerly margin of the 60 foot public right of way of Southeast Drive and the southerly margin of the public right of way of Peninsula Lane, and running thence along the aforesaid margin of Southeast Drive the following three (3) courses and distances: (1) with the arc of a circular curve to the left having a radius of 681.14 feet, an arc distance of 23.60 feet and a chord bearing and distance of S 31-28-56 E 23.60 feet to an iron pin, (2) N 57-31-30 E 4.50 feet to an iron pin, and (3) with the arc of a circular curve to the left having a radius of 676.64 feet, an arc distance of 35.02 feet and a chord bearing and distance of S 33-57-28 E 35.02 feet to an iron pin; thence leaving said margin of Southeast Drive, S 51-16-57 W 55.42 feet to an iron pin; thence S 30-02-35 W 78.25 feet to an iron pin; thence S 02-29-39 E 77.93 feet to an iron pin; thence S 65-42-45 W 20.00 feet to an iron pin; thence N 26-08-02 W 178.40 feet to an iron pin in the southerly margin of Peninsula Lane; thence along said margin of Peninsula Lane the following two (2) courses and distances: (1) with the arc of a circular curve to the right having a radius of 322.35 feet, an arc distance of 13.26 feet and a chord bearing and distance of N 60-45-10 E 13.26 feet to an iron pin and (2) N 61-55 -53 E 145.74 feet to the Point and Place of Beginning, and containing approximately 16,984 square feet and being 0.3899 acre, more or less, as shown on survey entitled "Survey for Kennerly Development Services, LLC As Built Survey of Boardwalk Office Condominium Phase I" dated December 12, 2001 by James H. Mauney, Jr., NCRLS of R.B. Pharr & Associates, P.A. (File No. 55123.DWG), to which survey reference is hereby made for a more particular description of the property.

Tract 2:

BEGINNING at an iron pin marking the intersection of the easterly right of way margin of the 60 foot public right of way of Southeast Drive and the southerly margin of the public right of way of Peninsula Drive, said pin being located S 25-26-48 E 1,329.75 feet from North Carolina Grid System Monument "Star Drill" having North Carolina Grid System Coordinates of N = 643,450.356 feet and E = 1,444,676.116 feet (NAD 1983), and running thence along the aforesaid margin of the right of way of Peninsula Drive the following two (2) courses and distances: (1) N 61-56-29 E 26.55 feet to an iron pin and (2) with the arc of a circular curve to the right having a radius of 221.45 feet, an arc distance of 94.97 feet and a chord bearing and distance of N 74-06-57 E 94.24 feet to an iron pin; thence leaving said margin of Peninsula Drive S 33-26-56 E 65.83 feet to an iron pin; thence S 46-23-40 W 58.75 feet to an iron pin; thence N 77-44-29 W 8.91 feet to an iron pin; thence S 51-01-25 W 56.27 feet to an iron pin in the aforesaid margin of Southeast Drive; thence along said

margin of Southeast Drive the following four (4) courses and distances: (1) with the arc of a circular curve to the right having a radius of 616.64 feet, an arc distance of 77.61 feet and a chord bearing and distance of N 36-54-05 W 77.56 feet to an iron pin, (2) N 56-42-51 E 4.50 feet to an iron pin, (3) with the arc of a circular curve to the right having a radius of 612.14 feet, an arc distance of 25.92 feet and a chord bearing and distance of N 32-04-59 W 25.91 feet to an iron pin, and (4) with the arc of a circular curve to the right having a radius of 3.00 feet, an arc distance of 4.86 feet and a chord bearing and distance of N 15-32-26 E 4.35 feet to the Point and Place of Beginning, and containing approximately 11,360 square feet and being 0.2608 acre, more or less, as shown on survey entitled "Survey for Kennerly Development Services LLC As Built Survey of Boardwalk Office Condominium Phase I" dated December 12, 2001 by James H. Mauney, Jr., NCRLS of R.B. Pharr & Associates, P.A. (File No. 55123.DWG), to which survey reference is hereby made for a more particular description of the property.

EXHIBIT A-1

To Declaration

Lying and being in the Town of Davidson, Mecklenburg County, North Carolina, being more particularly described as follows:

Tract 1:

BEGINNING at a iron pin in the westerly margin of the 60 foot right of way of Southeast Drive, said iron being located the following four (4) courses and distances from North Carolina Grid System Monument "StarDrill" having North Carolina Grid System Coordinates of N = 643,450.356 feet and E = 1,444,676.116 feet (NAD 1983): (1) S 22-21-42 E 1,336.98 feet to an iron pin in the westerly margin of Southeast Drive, (2) along said margin of Southeast Drive with the arc of a circular curve to the left having a radius of 681.14 feet, an arc distance of 23.60 feet and a chord bearing and distance of S 31-28-56 E 23.60 feet to a point, (3) continuing along said margin of Southeast Drive N 57-31-30 E 4.50 feet to an existing iron, and (4) continuing along said margin of Southeast Drive, with the arc of a circular curve to the left having a radius of 676.64 feet, an arc distance of 35.03 feet and a chord bearing and distance of S 33-57-28 E 35.02 feet to the Beginning Point, and running thence from said Beginning Point along said margin of Southeast Drive the following two (2) courses and distances: (1) with the arc of a circular curve to the left having a radius of 676.64 feet, an arc distance of 142.43 feet and a chord bearing and distance of S 41-28-16 E 142.17 feet to a point and (2) S 47-30-06 E 90.98 feet to an iron pin; thence leaving said margin of Southeast Drive, S 42-29-54 W 118.51 feet to a point; thence N 47-26-35 W 93.06 feet to a point; thence N 45-32-58 W 52.36 feet to a point; thence S 65-42-45 W 59.54 feet to an iron pin; thence N 02-29-38 W 77.93 feet to a point; thence N 30-02-36 E 78.25 feet to a point; thence N 51-16-58 E 55.42 feet to the Point and Place of Beginning, and containing approximately 30,390 square feet and being 0.6977 acre, more or less, as shown on survey entitled "Survey Prepared for Kennerly Development Group" dated July 6, 2000 by Michael J. Lucas, NCRLS of R.B. Pharr & Associates, P.A. (File No. LN-314AB), to which survey referenced is hereby made for a more particular description of the property.

Tract 2:

BEGINNING at an iron pin the easterly right of way margin of Southeast Drive, said pin marking a southwesterly corner of the property conveyed to Gethsemanie Baptist Church by Deed recorded in Deed Book 3717 at Page 538 in the Mecklenburg County Public Registry, said iron being located the following six (6) courses and distances from North Carolina Grid System Monument "StarDrill" having North Carolina Grid System Coordinates of N = 643,450.356 feet and E = 1,444,676.116 feet (NAD 1983): (1) S 25-26-48 E 1,329.75 feet to a point marking the intersection of the southerly margin of a 56 foot proposed street right of way and the easterly margin of Southeast Drive, (2) along the aforesaid margin of Southeast Drive with the arc of a circular curve to the left having a radius of 3.00 feet, an arc distance of 4.86 feet and a chord bearing and distance of S 15-31-51 W 4.35 feet to a point,

(3) continuing along said margin of Southeast Drive with the arc of a circular curve to the left having a radius of 612.14 feet, an arc distance of 25.92 feet, and a chord bearing and distance of S 32-04-58 E 25.91 feet to an existing iron pin, (4) continuing along said margin of Southeast Drive S 56-42-15 W 4.50 feet to a point, (5) continuing along said margin of Southeast Drive with the arc of a circular curve to the left having a radius of 616.64 feet, an arc distance of 152.89 feet and a chord bearing and distance of S 40-23-55 E 152.50 feet to a point, and (6) S 47-30-06 E 59.62 feet to the Beginning Point, and running thence from said Beginning Point along the aforesaid margin of Southeast Drive the following two (2) courses and distances: (1) N 47-30-06 W 59.62 feet to a point and (2) with the arc of a circular curve to the right having a radius of 616.64 feet, an arc distance of 75.28 feet and a chord bearing and distance of N 44-00-15 W 75.23 feet to an iron pin; thence N 51-01-25 E 56.27 feet to a point; thence S 77-44-29 E 8.91 feet a point; thence N 46-23-40 E 58.75 feet to a point; thence N 33-26-55 W 65.83 feet to an iron pin in the southerly margin of the aforesaid 56 foot proposed street right of way; thence along said margin of the aforesaid street right of way the following two (2) courses and distances: (1) with the arc of a circular curve to the right having a radius of 221.45 feet, an arc distance of 81.43 feet and a chord bearing and distance of S 83-03-48 E 80.98 feet to a point and (2) S 72-38-44 E 22.77 feet to an iron pin in the westerly margin of the aforesaid Gethsemanie Baptist Church property (now or formerly); thence along a westerly line of the aforesaid Gethsemanie Baptist Church property (now or formerly), S 17-21-16 W 216.62 feet to the Point and Place of Beginning, and containing approximately 16,525 square feet and being 0.3794 acre, more or less, as shown on survey entitled "Survey Prepared for Kennerly Development Group" dated July 6, 2000 by Michael J. Lucas, NCRLS of R.B. Pharr & Associates, P.A. (File No. LN- 314AB) to which survey referenced is hereby made for a more particular description of the property.