

NORTH CAROLINA

WAKE COUNTY

DECLARATION OF CONDOMINIUM
ESTABLISHING
SOUTH FOREST SERVICE CENTER CONDOMINIUMS
(PLAT AND PLANS IN ACCORDANCE WITH NCGS § 47C-2-109 FILED
IN CONDOMINIUM FILE NO. 288
AT-KS

THIS DECLARATION is made effective as of the 20th day of December, 2001, by Grady, L.L.C., a North Carolina limited liability company ("Declarant"), pursuant to the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes *together with the consent and joinder of Central Carolina Bank and Trust Company and Southland Associates, Inc. beneficiary and trustee respectively under deed of trust recorded in Book 8790, Page 524, Wake County Registry.*

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of that certain real property in or near the Town of Wake Forest, Wake County, North Carolina, more particularly described in Exhibit A (the "Land"); and

WHEREAS, Declarant is constructing on the Land, a nonresidential condominium development consisting of at least fifty-three (53) office/warehouse flex use condominium units (hereinafter referred to as the "Project") established in accordance with the provisions of Chapter 47C of the North Carolina General Statutes; and

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

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

ARTICLE I.
DEFINITIONS

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

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

1.2 Association. South Forest Service Center Condominium Association, Inc., its successors and assigns.

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

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

1.5 Common Elements. All portions of the Condominium except the Units. Though a heating unit or furnace may be located within the boundary of another Unit or the Common Elements, said heating unit or furnace shall still be considered part of the Unit which it serves.

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

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

1.7 Common Unit. Unit 5101-N, title to which shall be vested in the Association; said unit shall house the Condominium security equipment and office, conference and lounge space for the benefit of all Unit Owners.

1.8 Condominium. South Forest Service Center Condominiums, the condominium created by this Declaration.

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

1.10 Declarant. Grady, L.L.C., a North Carolina limited liability company, its successors and assigns, and any person which succeeds to any Special Declarant Rights as provided in § 47C-1-103(23) of the Act by the recording of a document of assignment with the Wake County Register of Deeds.

1.11 Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) one hundred twenty (120) days after conveyance of all Units to Owners other than Declarant; (ii) the time at which Declarant voluntarily surrenders in writing the right to appoint and remove officers and members of the Board; or (iii) five (5) years after the date of the first conveyance of a Unit to an Owner other than Declarant.

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

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

1.14 Land. The real property subject to this Declaration which is more particularly described on Exhibit A attached hereto, exclusive of any Improvements located thereon or incorporated therein.

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

1.16 Master Association. Pursuant to Section G, Article IX of the Master Declaration an association to be organized by Wake Forest Business and Industry Partnership, Inc. or assigns ("WFBIP"), at such time as WFBIP owns less than twenty-five percent (25%) of the land subjected to such Master Declaration of which the Land is a part. The Members of the Association shall be members of the Master Association.

1.17 Master Declaration. Declaration of Covenants, Conditions and Restrictions for South Forest Business Park recorded in Book 8295, Page 975, Wake County Registry, which provide additional obligations and restrictions on the Units.

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

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

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

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

1.22 Plans. The plans and specifications of the Property prepared by JERA, Inc., and recorded under the name of the Condominium in the Office of the Register of Deeds of Wake County, in the Condominium File referenced on the first page of this Declaration, as the same may be duly modified or amended.

1.23 Property. The Land, together with all improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining thereto, and all articles of personal property intended for common use in connection therewith.

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

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

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

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

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

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

ARTICLE 2 LEGAL DESCRIPTION OF THE PROJECT PROPERTY

Declarant is the owner of the fee simple title to the Land. The Property which will be dedicated to condominium or unit ownership is situated in Wake County, North Carolina.

ARTICLE 3
DESCRIPTION OF BUILDINGS DEDICATED
TO CONDOMINIUM OWNERSHIP

South Forest Service Center Condominiums project site referred to hereinafter is situated in or near the Town of Wake Forest, Wake County, North Carolina, on the Land. The project currently consists of (i) Units "5101A" through "5101Z," inclusive, (ii) Units "5107A through 5107 M", inclusive, and (iii) "5053A through "5053 N," inclusive, of the Condominiums, recorded in Condominium File 283, Wake County Registry, and as depicted on the Plans. A 1-15

ARTICLE 4
SUBMISSION OF PROPERTY TO THE ACT

4.1 Submission. Grady, L.L.C., a North Carolina limited liability company hereby submits the Land to the Act.

4.2 Name. The Property shall hereafter be known as South Forest Service Center Condominiums.

4.3 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into fifty-three (53) Units, the Limited Common Elements and the Common Elements, subject to the Special Declarant Rights, and does hereby designate all such Units for separate ownership as freehold estates subject to the Act.

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

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

ARTICLE 5
EASEMENTS

5.1 Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Units now or hereafter encroaches upon 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.

5.2 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.

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

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

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

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

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

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

5.9 Easements to Run with Land. All easements and rights described in this Article 5 are appurtenant easements running with the land, and except as otherwise expressly provided in this Article 5, shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Security Holders and any other person having any interest in the Condominium or any part of any interest thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article 5, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE 6
RESTRICTIONS, CONDITIONS AND COVENANTS

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

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

6.3 Use Restrictions; Use by Declarant.

(a) The Units shall be occupied and used by Unit Owners and Occupants for (i) commercial and industrial warehousing and storage, ~~(ii) light industrial fabrication,~~ and (iii) general office space associated therewith (collectively, the "Permitted Uses"). Except in connection with the construction, maintenance, repair, replacement and renovation of Improvements on Units, no use, activity or operation, will be made, conducted or permitted on or with respect to all or any part of the South Forest Service Center Condominiums, which use or operation is obnoxious to, or out of harmony with such specified use. Without the intent to limit the generality of the foregoing, the following are specifically prohibited at the Condominium:

- (i) any public or private nuisance;
- (ii) subject to the terms of section 8.3(c) any noise or sound that is audible beyond the Unit from which it originates and that is objectionable due to intermittence, beat, frequency, shrillness or loudness to reasonable persons at other Units or at the Common Elements;
- (iii) production of any obnoxious odor that is perceptible as such beyond the Unit from which it originates;
- (iv) any fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks;
- (v) any fire sale, flea market, bankruptcy sale (unless pursuant to a court order) or auction operation or a pawn shop or a shop selling "second hand" goods other than incidental to other activities not prohibited by this Declaration;
- ~~(vi) any automobile, truck, trailer, or recreational vehicle sales, leasing or displays;~~
- (vii) any boat, boat trailer, motor home, travel trailer, camper or recreational vehicle, or unlicensed automobile or truck parked, stored or located outdoors at the Condominium; provided, however, that such vehicles may be stored within the Units in accordance with the Permitted Uses specified above.
- (viii) any "adult" bookstore or establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials other than incidental to its other activities

deleted per 2nd Amendment

deleted per 1st Amendment

not prohibited by this Declaration;

(ix) ~~any vehicle repair shop (including a lubrication or service center);~~

deleted per 15th Amendment

(x) use of the Common Elements for promotional events, except as previously approved by the Association;

(xi) use of the Common Elements for the 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 sole discretion of the Board; or

(xii) obstruction of sidewalks, yards, driveways, or parking areas in any way, or used for other than their intended purposes.

(b) No Unit Owner or Occupant shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any Unit, building, or any portion of the Common Elements, except as allowed by the Association pursuant to its Bylaws or the Rules and Regulations; provided, however, that any Unit Owner, or its respective agent, may place "For Sale" or "For Rent" signs on any unsold or unoccupied Units and in suitable places on the Property. Notwithstanding the foregoing, Declarant shall have the right to maintain upon the Property advertising and informational signs during the Declarant Control Period.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof, and all applicable laws, ordinances, and regulations of all government agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, and requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the Condominium Documents and that any failure by the lessee to comply with all of the terms of such Condominium Documents shall constitute a default under the lease. No Unit may be leased for a period shorter than thirty (30) days.

(e) The foregoing provisions of this Article 6 or any other provision of this Declaration or the Bylaws notwithstanding, the Association or the Declarant may maintain models and sales offices for sales of Units in the Condominium.

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

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

written consent of the Board.

6.6 Parking and Use of Parking Areas. Each Unit Owner or Occupant may park on the Property up to one (1) licensed motor vehicle and at all times when not in use such motor vehicle(s) shall be parked in the parking space directly in front of the Unit as assigned to and reserved for the Unit Owner or Occupant by the Board. In addition to the foregoing, the Board shall designate specific parking spaces to be used solely by handicapped persons in accordance with applicable laws. Each Unit Owner and Occupant may utilize other spaces that are not assigned to a specific Unit Owner or Occupant that may be provided within parking areas within the Property, if any, pursuant to the Rules and Regulations promulgated by the Association. The Association shall have the authority to restrict parking of motor vehicles within the Property and shall also have the authority to repair the parking area within the Property, the cost of which shall be included in the Common Expenses.

6.7 Pets. No pet or other animal shall be allowed in the Condominium, except (i) as may be provided by the Rules and Regulations promulgated from time to time by the Board or the Association or in the Bylaws or (ii) those animals professionally trained and certified to assist handicapped or disabled persons.

6.8 Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or may become a nuisance or annoyance to Unit Owners, their employees, agents and invitees within the Property.

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

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

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

ARTICLE 7 ASSESSMENTS AND FINES

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

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

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

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

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

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

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

(b) Any transferee referred to in section 7.5(a) above shall be entitled to a statement from the Board, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

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

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under section 7.5(b) above or, resulting, as provided in section 7.5(c) above, from the exercise of remedies in a deed of trust, or by foreclosure thereof or by deed, or assignment in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under section 7.5(b) above and the mortgagee or such other person under section 7.5(c) above who acquires ownership by foreclosure or by deed, or assignment in lieu of foreclosure.

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

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

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

ARTICLE 8 MANAGEMENT, MAINTENANCE, REPAIRS REPLACEMENTS, ALTERATIONS AND IMPROVEMENTS

8.1 Maintenance of Common Elements By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, and, subject to the provisions of section 8.4 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to section 8.2 hereof; provided the Association shall have no duty to maintain any Common Elements which are maintained by any governmental body or by any public utility company. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

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

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

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

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

(c) To maintain, repair, or replace (if necessary) any portion of the Unit defined in section 1.28 including heating, plumbing, electrical and air-conditioning systems and water heating, electrical and plumbing apparatus, smoke detector systems and all pipes, ducts, conduits, and all electrical switches, wiring, and receptacles and wiring for television, telephone and electric, light fixtures, and hardware on exterior doors designed to serve only that Unit, whether located within or adjacent to such Unit.

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

(e) To install appropriate remedial soundproofing within the Unit sufficient to eliminate any violation of 6.3(a)(ii).

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

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

(h) Not to make any penetration of any portion of the roof of the building of which the Unit is a part it being specifically understood that in order to maintain the roofing warranty any roof penetration must be made by the original metal building supplier.

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

(j) In the event a Unit Owner fails to maintain the Unit or comply with the Unit Owner responsibilities as required herein or makes any structural addition or alteration to the Common Elements without the required consent of the Association, or fails to permit entrance to the Association, or its authorized agents, the Association or (in the case of section 8.3(c) any Unit Owner) shall have the right to proceed either at law or in equity for whatever appropriate remedy the circumstances require. In lieu thereof and/or in addition to this remedy, the Association, through the Board, shall have the right and power to have its employees or agents, or any subcontractor appointed by it, enter the Unit at any and all reasonable times to undertake (i) such required maintenance or (ii) to remove any unauthorized structure or alteration together with restoration of the subject Property to its former condition; the Association shall then levy an assessment against the Unit Owner and the Unit itself to reimburse the Association for the cost of such work including

reasonable administrative overhead for undertaking same.

8.4 Common Expenses Associated with Limited Common Elements or Benefitting Less Than All Units.

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

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

(c) Anything to the contrary contained herein notwithstanding, despite the reservation of parking spaces provided for in section 6.6 hereof, the cost of maintaining and repairing the parking area shall not be deemed to be associated with Limited Common Elements or benefitting less than all Units and shall be included in the Common Expenses allocable to all Units.

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

8.6 Waiver of Claims. Except as otherwise provided, the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

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

inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

8.8 Right of Entry 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 Owners or Occupants making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owners or Occupants 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. Notwithstanding anything herein to the contrary, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Elements.

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

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

ARTICLE 9 INSURANCE

9.1 Ownership of Policies. All insurance policies upon the Property shall be purchased by the Board for the benefit of the Board and the Unit Owners and their mortgagees as their 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 insurance coverage at their own expense upon their own personal property and personal liability and such other coverage as they may desire.

9.2 Coverage. All buildings and improvements upon the land and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against (i) loss by fire and other hazards covered by a standard extended coverage endorsement, (ii) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land, and (iii) workmen's compensation insurance, if and to the extent required by law.

The Board may, if it so elects, include in its insurance coverage for the benefit of the Unit Owners any or all of those items owned by the Unit Owners which would normally be deemed real estate under the laws of the State of North Carolina, including, without limitation, such items as sheetrock, non-load bearing walls, doors and built-in appliances. The foregoing sentence notwithstanding, it is expressly the

responsibility of Unit Owners to ensure adequate insurance coverage against losses in connection with any and all items not included in the Common Areas. Unit Owners are advised to consult with their respective insurance provider to ensure against loss for those items not included in the Common Areas. If such items are included in the insurance coverage obtained by the Board, the extra cost of such coverage shall be borne by the Unit Owners in the same ratio that applies to other assessments.

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

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

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

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

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

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

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

9.6 Additional Coverage. Each individual Unit Owner shall be responsible for purchasing, at his own expense, including but not limited to, liability insurance with respect to his ownership and/or use of his Unit, coverage upon his own personal property, fire and other hazards, mortgage insurance and such other insurance as the respective Unit Owner deems necessary or desirable, including insurance covering those items referenced in the second paragraph of section 9.2 hereof, which the Board may or may not elect to include in its insurance coverage. Any insurance procured by any Unit Owner shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of proceeds that would otherwise be payable on the insurance

purchased by the Unit Owner, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and shall assign the proceeds of such reduction to the Association.

ARTICLE 10 SPECIAL DECLARANT RIGHTS

10.1 Reservation of Special Declarant Rights. With respect to the Property described in Exhibits A for a period of ten (10) years from the date of this Declaration of Condominium, unless sooner released by Declarant, and subject to the provisions of § 47C-3-104 of the Act, Declarant hereby reserves unto itself, its successors and assigns, the following Special Declarant Rights:

- (a) the right to complete the improvements indicated on the recorded plats and Plans;
- (b) the right to exercise any Development Right set forth in Article 11;
- (c) the right to maintain, within the Condominium, sales offices, management offices, signs advertising the Condominium, and models;
- (d) an easement through the Common Elements or within the real estate which may be added to the Condominium for the purpose of making improvements within the Condominium and the exercise of any Development Right;
- (e) the right to make the Condominium a part of a larger condominium; and,
- (f) the right to appoint or remove any member of the Board during the Declarant Control Period.

The Declarant may exercise the Special Declarant Rights over any portion of the Condominium as it, in its discretion, deems necessary or appropriate.

ARTICLE 11 DEVELOPMENT RIGHTS

Declarant expressly reserves the right to add additional real estate to the Condominium and/or to erect or create additional Units within the Property without the consent of the Unit Owners. Upon such addition of real estate, the term "Property" shall be automatically amended to include such added real estate. All such additions of additional real estate shall be completed within ten (10) years of the date of this Declaration of Condominium. No assurances are made regarding the boundaries of portions of additional real estate that may be added. Declarant shall have the unlimited right to assign some of the additional real estate, and improvements thereon, as Common Elements or Limited Common Elements. Declarant shall have no duty or obligation of any kind to add any additional real estate. If a any additional real estate is added to the Condominium, Declarant shall not be under any obligation to add any further portion or portions of additional real estate to the Condominium. The method of adding the additional real estate to the Condominium shall be pursuant to § 47C-2-110 of the Act.

ARTICLE 12 CASUALTY DAMAGE

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

ARTICLE 13
CONDEMNATION

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

ARTICLE 14
TERMINATION

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

ARTICLE 15
AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Elements shall have the assent of Unit Owners to which at least eighty percent (80%) of the votes in the Association are allocated.

ARTICLE 16
AMENDMENT

This Declaration may be amended only in strict compliance with § 47C-2-117 of the Act. Except as limited by § 47C-2-117(d), this Declaration may be amended only by the affirmative vote of, or a written agreement signed by, Unit Owners of Units to which at least two-thirds of the votes in the Association are allocated; provided that Article 15 hereof may not be amended unless such amendment is assented to by Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. No such amendment shall be effective until recorded in the Office of the Register of Deeds of Wake County, North Carolina.

ARTICLE 17
MISCELLANEOUS PROVISIONS

17.1 South Forest Business Park. The Condominium is part of the South Forest Business Park. In accordance therewith the members of South Forest Service Center Condominium Association, Inc. are or will be members of the Master Association (as defined in section 1.16) and are subject to and bound by the terms, conditions and restrictions of the Master Declaration (as defined in section 1.17).

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

17.3 Breach of Restrictions. In the event of a violation or a breach of any other restrictions

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

ARTICLE 18 WATER AND SEWER CHARGES

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

ARTICLE 19 GENERAL PROVISIONS

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

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

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

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

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

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

19.7 Merger of Units. Nothing hereinbefore set forth in this Declaration shall be construed as prohibiting the Board from removing or authorizing removal of any common wall between Units, or any portion thereof, between any Units in order that the said Units might be used together as one Unit. If a Unit Owner desires to sell, transfer or convey title to the original component Units of any previously merged Units, such Unit Owner shall have the sole obligation to restore or repair the common wall between such Units as nearly as practicable in accordance with the architectural plans and specifications.

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

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

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

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

[SIGNATURE PAGE ATTACHED]

Grady, L.L.C., Declarant (SEAL)

By:  (SEAL)
John D. Lyon, Manager

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that John D. Lyon, as Manager of Grady, L.L.C., personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official stamp or seal, this the 6th day of December, 2001.

Carelynn B. Calark
Notary Public

My Commission Expires:

9-22-02

JOINER AND CONSENT OF MORTGAGEE

Declarant is duly indebted to CENTRAL CAROLINA BANK AND TRUST COMPANY ("CCB"), as evidenced by that certain deed of trust recorded in the public records of Wake County, North Carolina in Book 8790, Page 524 to Southland Associates, Inc., Trustee (the "Deed of Trust"), and the undersigned Declarant, CCB and Trustee have joined in the execution of the Declaration solely to confirm:

1. That CCB and Trustee consent to the execution and recording of this Declaration and subordination of the lien of the Deed of Trust thereto and declares that any Property made subject to this Declaration by the filing hereof or any Supplementary Declaration and encumbered by the Deed of Trust shall be subject to all the covenants, conditions, restrictions, easements and conditions set forth in this Declaration; and

2. In the event of any foreclosure of Property subject to the Deed of Trust, title thereto shall include all development rights and special Declarant rights that Declarant has or may come to have as Declarant under this Declaration with respect to such foreclosed Property; and

3. Upon receipt of such development rights and special declaration rights of Declarant as aforesaid, then until recording of an instrument permitting the exercise of any such rights, CCB, on behalf of itself and such successors and assigns to whom it assigns its such rights, shall hold same solely for transfer to another person, and CCB shall not be subject to any liability or obligation as a Declarant for the period it owns such Declarant rights unless and until such instrument permitting exercise of any such rights is filed of record by CCB, or by its successor or assign.

IN WITNESS WHEREOF, this instrument has been executed under seal by authority duly given effective as of the 20th day of December, 2001.

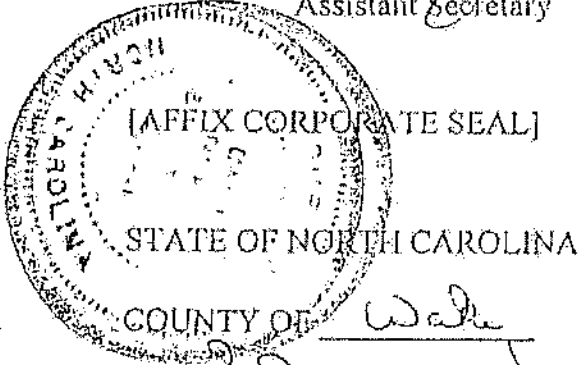
[SIGNATURE PAGE ATTACHED]

CENTRAL CAROLINA BANK AND TRUST COMPANY

By: Michael Kay
Asst. Vice President

ATTEST:

Dany Woodley
Assistant Secretary



I, Shirley Watkins, a Notary Public for the State and County aforesaid, certify that Dany Woodley personally appeared before me this day and acknowledged that s/he is Assistant Secretary of CENTRAL CAROLINA BANK AND TRUST COMPANY and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/herself as its Assistant Secretary.

Witness my hand and official seal this 3 day of Dec, 2001.



Shirley Watkins
Notary Public

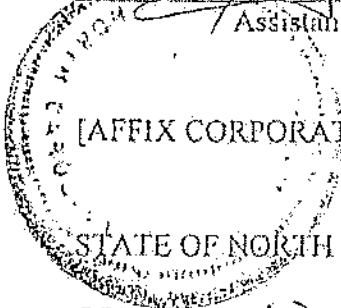
Signature Page
Consent of Beneficiary and Trustee
Declaration of Condominium
South Forest Service Center Condominiums

SOUTHLAND ASSOCIATES, INC., Trustee

By: Susan J. Staley, V.P.
[Signature]
Assistant President
Susan T. Sawyer, Vice President

ATTEST:

[Signature]
Assistant Secretary



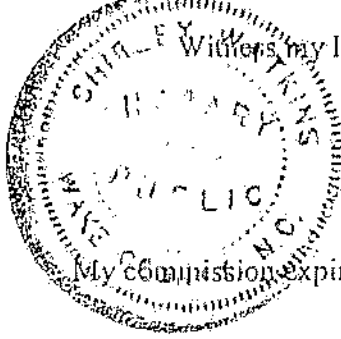
[AFFIX CORPORATE SEAL]

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, *[Signature]*, a Notary Public for the State and County aforesaid, certify that Michael Kay personally appeared before me this day and acknowledged that she is Assistant Secretary of SOUTHLAND ASSOCIATES, INC. and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/herself as its Assistant Secretary.

Witness my hand and official seal this 3 day of December, 2001.



[Signature]
Notary Public

My commission expires: 10-3-06

Exhibit A
to Declaration
of
South Forest Service Center Condominiums

Legal Description

BEING all of Tracts 22 and 23 as recombined containing 5.38 acres according to that map entitled "Recombination of Tract 22 and Tract 23, South Forest Business Park BM 1999, Page 176," dated December 11, 2001, prepared by Stallings Surveying and now on file in the Office of the Register of Deeds of Wake County in Book of Maps 2001, Page 2389, Wake County Registry.

Exhibit B
to Declaration
of
South Forest Service Center Condominiums

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

BUILDING ONE	UNIT DESIGNATION	SQUARE FOOTAGE	PERCENTAGE INTEREST*	VOTES IN ASSOCIATION
	5101-A	925	1.7992%	18
	5101-B	951	1.8497%	18
	5101-C	951	1.8497%	18
	5101-D	951	1.8497%	18
	5101-E	951	1.8497%	18
	5101-F	951	1.8497%	18
	5101-G	951	1.8497%	18
	5101-H	951	1.8497%	18
	5101-I	951	1.8497%	18
	5101-J	951	1.8497%	18
	5101-K	951	1.8497%	18
	5101-L	951	1.8497%	18
	5101-M	925	1.7992%	18
	5101-N**	1895	3.6858%	37
	5101-O	974	1.8945%	19
	5101-P	974	1.8945%	19
	5101-Q	974	1.8945%	19
	5101-R	974	1.8945%	19
	5101-S	974	1.8945%	19
	5101-T	974	1.8945%	19
	5101-U	974	1.8945%	19
	5101-V	974	1.8945%	19
	5101-W	974	1.8945%	19
	5101-X	974	1.8945%	19
	5101-Y	974	1.8945%	19
	5101-Z	974	1.8945%	19

* The percentage shown reflects the percentage of undivided interest in the Common Elements and the percentage of Common Expenses. To the extent additional Units are added to the Condominium, the undivided interest in Common Elements of each Unit shall be re-allocated equally based on total number of Units.

** Two Story Unit "Common Unit" (as defined in Section 1.7).

Exhibit B (continued)
to Declaration
of
South Forest Service Center Condominiums

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

BUILDING FOUR	UNIT DESIGNATION	SQUARE FOOTAGE	PERCENTAGE INTEREST*	VOTES IN ASSOCIATION
	5107-A	909	1.7680%	18
	5107-B	935	1.8186%	18
	5107-C	935	1.8186%	18
	5107-D	935	1.8186%	18
	5107-E	958	1.8633%	19
	5107-F	958	1.8633%	19
	5107-G	958	1.8633%	19
	5107-H	958	1.8633%	19
	5107-I	958	1.8633%	19
	5107-J	958	1.8633%	19
	5107-K	958	1.8633%	19
	5107-L	958	1.8633%	19
	5107-M	925	1.7992%	18

* The percentage shown reflects the percentage of undivided interest in the Common Elements and the percentage of Common Expenses. To the extent additional Units are added to the Condominium, the undivided interest in Common Elements of each Unit shall be re-allocated equally based on total number of Units.

Exhibit B (continued)
to Declaration
of
South Forest Service Center Condominiums

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

BUILDING FIVE	UNIT DESIGNATION	SQUARE FOOTAGE	PERCENTAGE INTEREST*	VOICES IN ASSOCIATION
	5053-A	909	1.7680%	18
	5053-B	935	1.8186%	18
	5053-C	935	1.8186%	18
	5053-D	935	1.8186%	18
	5053-E	953	1.8536%	19
	5053-F	953	1.8536%	19
	5053-G	953	1.8536%	19
	5053-H	953	1.8536%	19
	5053-I	953	1.8536%	19
	5053-J	953	1.8536%	19
	5053-K	953	1.8536%	19
	5053-L	953	1.8536%	19
	5053-M	953	1.8536%	19
	5053-N	925	1.7992%	18
TOTAL:			100.0000%	

* The percentage shown reflects the percentage of undivided interest in the Common Elements and the percentage of Common Expenses. To the extent additional Units are added to the Condominium, the undivided interest in Common Elements of each Unit shall be re-allocated equally based on total number of Units.

Exhibit C
to Declaration
of
South Forest Service Center Condominiums

Restrictions and easements of record

Declaration of Covenants, Conditions and Restrictions for South Forest Business Park recorded in Book 8295, Page 975, Wake County Registry;

Matters shown on plat recorded in Book of Maps 1999, Page 716, Wake County Registry.