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Made and prepared by: Daniels & Daniels, P.A.

Mail to: P. O. Box 13039

Research Triangle Park, NC 27709

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OCT 09 1987

DANIELS & DANIELS, P.A.

DECLARATION OF CONDOMINIUM

FOR

BRANDON RIDGE CONDOMINIUM

WITHIN THE SPRING HILL PLANNED RESIDENTIAL DEVELOPMENT

DEVELOPED BY

FRASER RESIDENTIAL PROPERTIES, INC.

COUNTY OF DURHAM

NORTH CAROLINA

DATE: 16 SEPTEMBER 1987
Brandon Ridge Condominium

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DATE: 16 SEPTEMBER 1987
 Brandon Ridge Condominium

DECLARATION

THIS DECLARATION, made this 16 day of September, 1987, by Fraser Residential Properties, Inc., a North Carolina Corporation ("Declarant"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (hereinafter "Act").

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in the City of Durham, County of Durham, and State of North Carolina, legally described on Exhibit A, 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, Declarant desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant, 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 in 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. Approved or Approval by the Association. Approved or approval by the Association shall mean and refer to any approval required under this Declaration to be made by the Unit Owners Association. Any Approval by the Association shall be provided in writing, signed by the President and Secretary of the Association and shall be maintained in the Association's records.

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1.4. Approved or Approval by the Declarant. Approved or approval by the Declarant shall mean and refer to a written approval issued by the Declarant signed by its President, or a Vice President, attested by its Secretary or an Assistant Secretary, and sealed with its corporate seal or a written approval by such officers or designated members of entities entitled to issue approvals for the Declarant as may be designated by the Declarant in supplemental declarations to this Declaration.

1.5. Association. The Brandon Ridge Condominium Unit Owners' Association, a nonprofit corporation organized under the laws of the State of North Carolina.

1.6. Bylaws. The Bylaws of the Association which are hereby incorporated herein and made a part hereof by this reference.

1.7. Common Elements. All portions of the Condominium except the Units. Common Elements shall also include but not be limited to common areas designated as "General Common Areas" in any plats or plans recorded by Declarant relating to this Condominium for which cross easements apply pursuant to Section 7.7. Limited Common Elements are Common Elements.

1.8. Common Expenses. Expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.9. Concept Research Plans and Master Plans. Concept Research Plans and Master Plans shall mean and refer to master plans, general land use maps, advertising brochures, scale models, designs and drawings commissioned by the Declarant prepared by landscape architects, planners, designers, engineers, graphic illustrators and artists and similar professionals displaying possible future uses of the Property prepared as an aid in orderly development of the Property as part of its communications with the public and property purchasers or as part of its research programs undertaken by the Declarant to determine economically optimal/environmentally sensitive programs for future development of the Property.

1.10. Condominium. The condominium created by this Declaration.

1.11. Declarant. The declarant is Fraser Residential Properties, Inc., a North Carolina corporation, and any person who succeeds to any Special Declarant Rights.

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1.12. Declarant Control Period. The period commencing on the date hereof and continuing until the earliest of (i) 120 days after conveyance of seventy-five percent (75%) of the units (including units which may be created pursuant to Special Declarant Rights) to unit owners other than a declarant; (ii) two (2) years after all declarants have ceased to offer units for sale in the ordinary course of business; (iii) two (2) years after any development right to add new units was last exercised; or (iv) the time at which Declarant voluntarily surrenders the right to appoint and remove officers and members of the Executive Board; (v) three (3) years following conveyance of the first unit in a single-phase project, or five (5) years following such conveyance in an expandable project; PROVIDED, that Declarant may reserve rights of approval in accordance with Section 47C-3-103(d) of the Act. PROVIDED that Declarant's rights during the Declarant Control Period shall also be governed by the provisions of Section 47C-3-103(e) of the Act.

1.13. Executive Board. The Board of Directors of the Association.

1.14. 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 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.

1.15. Function. Function shall mean and refer to those rights, duties and obligations set out in this Declaration which shall or may be performed by the Association.

1.16. Guest. Guest shall mean and refer to any customer, agent, guest or invitee of the Declarant, the Association or any Unit Owner or Lessee.

1.17. Improved Property. Improved Property shall mean land which has been improved by construction of buildings and other Structures to make the property suitable for human lodging, commerce, education and recreation as permitted pursuant to this Declaration.

1.18. Lessee. Lessee shall mean and refer to the person or entity who is the lessee or tenant, assignee of a lessee or

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sublessee from a lessee under any ground lease or any lease of any part or all of a Unit.

1.19. Limited Common Elements. Those portions of the Common Elements allocated by operation of Section 47C 2-102(2) or (4) of the Act for the exclusive use of one but fewer than all of the Units, any Limited Common Elements specifically allocated to Units on Exhibit B and Limited Common Elements as shown on the Plats or Plans. Property designated as "Limited Common Areas" on any plats or plans recorded in connection with this Condominium shall be deemed to be Limited Common Elements.

1.20. Member. Member shall mean and refer to the Declarant and all those Unit Owners who are members of the Association as provided in this Declaration.

1.21. Occupant. Any person or persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees.

1.22. Offensive or Noxious. Offensive or Noxious activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior which is inconsistent with both the reasonable pleasurable use of the Property area by Unit Owners, their Lessees, Occupants and Guests and their reasonable expectations of year round living, studying, working, or recreating free of excessively noisy activity grossly disrespecting the rights of others, flashing or excessively bright lights, speeding vehicles (regardless of the number of wheels), offensive displays of public sexuality, significantly loud electronic music distractions, vibrations which extend beyond property lines, or other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the Units, Common Elements, and other areas within the Property. Events, festivals, competitions or shows conducted under permit from the Association shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by the Association, or its terms and conditions violated.

1.23. Open Space. Open Space shall mean and refer to those parcels of land which are dedicated pursuant to Recorded declaration of the Declarant as land for such purposes, and which, pursuant to, this Declaration, or applicable covenants, cannot be developed or improved or altered except as provided in this Declaration or in applicable covenants.

1.24. Person. A natural person, corporation, business trust, estate, partnership, trust, association, joint venture,

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government, governmental subdivision or agency, or other legal or commercial entity.

1.25. Pertinent Laws. Pertinent Laws shall mean and refer to the statutes, ordinances, regulations and other laws in anyway relating to the ownership, financing, disposition, recordation, insuring, lease, sale, use, improvement and development of the Property, as are codified or promulgated by the State of North Carolina, the City of Durham, the County of Durham, North Carolina, the Government of the United States of America and any other public authorities having jurisdiction over the Property and the Unit Owners.

1.26. Plats or Plans. The plats or plans of the Condominium recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended. The initial plats or plans are recorded in the Office of the Register of Deeds of Durham County, North Carolina in Condominium Drawer 4, Pages 105-109.

1.27. Property. The real estate described on Exhibit A, and the real estate described on Exhibit A-1, if added by Declarant pursuant hereto, together with all buildings and improvement 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.

1.28. Recorded. Recorded shall mean and refer to a filing, in conformity with all legal formalities, of a document with the Register of Deeds as register of conveyances or other appropriate office in Durham County, North Carolina. A recording shall be proper if it can be shown and so judged by a court of law that such document was left in the custody of the Register of Deeds or other appropriate official and was spread upon the public books. No recording shall be invalid by virtue of an error of the Register of Deeds, its agents or employees, which causes such document or plat to fall outside of the appropriate chain of title.

1.29. Referendum. Referendum shall mean and refer to the power of all Members to vote by ballots on certain actions by the Executive Board of the Association.

1.30. Register of Deeds or Durham County Registry. Register of Deeds or Durham County Registry shall mean and refer to the Register of Deeds for Durham County, North Carolina, and the successors and assigns of that office, and to the extent applicable shall mean and refer to the appropriate office in Durham County, North Carolina, for the formal filing and recording of all conveyances including deeds, judgments, liens,

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wills, estate records, covenants, mortgages, plats and other evidences of real property interests or matter affecting real property interests.

1.31. Residential Purposes. "Residential Purposes" (as distinguished from "business," "commerce" or "mercantile") shall mean and refer to a use and occupancy of a building as a long-term abode, dwelling or residence. The restriction to use for "Residential" purposes is subject to the following qualifications.

(1) The use of a portion of a Unit as an office or art or craft studio of members of the Single Private Households shall be considered as a Residential use only if such use does not create a significant increase in traffic to and from the Unit, provided that: no sign, symbol, logo or nameplate identifying a business or professional office is affixed to or about the grounds of or the entrance to the Unit; the Unit is only incidentally used for business or professional purposes; and the Association, after responding to one or more reasonable complaints by a neighboring Unit Owner, has not expressly requested that the subject Unit not be used in whole or in part as an office or studio because of auto congestion or other nuisances.

(2) The use of a Unit as a situs of work and home occupations is permitted only as an incidental use subject to the following limitations: (i) no display of products or work area shall be visible from the street or from the entrance to the Condominium; (ii) no mechanical equipment shall be installed or used except equipment that is normally used for domestic purposes; (iii) no outside storage shall be used in connection with the home occupation; (iv) not over twenty-five percent (25%) of the total actual interior floor area or four hundred (400) square feet, whichever is less, shall be used for a home occupation; (v) traffic generation shall not be significantly increased; and (vi) in no circumstances may the parking area be used for commercial purposes.

1.32. Security for an Obligation. The mortgagee's interest in a mortgage, trustee's interest in a deed of trust, or the holder's interest in a lien on real property.

1.33. Security Holder. Any person owning a Security for an Obligation in a Unit.

1.34. Shall. "Shall", whether or not capitalized, indicates a mandatory requirement, condition or obligation; in contrast, the term "may" indicates a right to take permitted

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action without obligation or duty to take such action.

1.35. Single Private Household. "Single Private Household" shall mean and refer to a family or household unit blended into a single group for usual domestic purposes, including a traditional family of parents and those to whom the parents have legal duty to support and extended families related by blood or marriage, but also including two (2) or fewer companions and friends, nurses and domestic servants and their spouses, or including household members not related by blood or marriage. In no event shall a "household" include more than four (4) persons who are unrelated by blood, marriage, consanguinity or adoption. The Association may grant conditional variances to this provision for purposes of eliminating hardship. Unless expressly reserved in the deed of conveyance by Declarant, a Unit restricted to Single Private Household use may not be used as a "rooming" house to provide accommodations amounting to less than the entire (physical as opposed to temporal dimensions) Unit to boarders, roomers or tenants who are not members of the resident "household" as defined above.

1.36. Special Declarant Rights. The rights reserved herein and in the Bylaws for the benefit of a Declarant. Declarant shall have no right to convert Units owned by Declarant to any purpose or use other than the purposes or uses permitted by this Declaration.

1.37. Structure. Structure shall mean and refer to any construction, object, projection or piece of work artificially built up or composed of parts joined together in some definite manner, which is erected or shaped on the Property, including but not limited to buildings, fences, posts, suspended wires, bulkheads, tennis courts, pavilions, signs, tents, gazebos, garbage receptacles, abutments, ornamental projections, exterior fixtures, berms, shaped earth, masonry structures, large balloons, dirigibles and blimps attached to the Property or suspended so as to remain over the Property for greater than a total of forty-eight (48) hours in any given five-year period, together with any other lights or any device which might obstruct or interfere with the quality of a view from the windows of any improvements which have been made to the Property.

1.38. Transient Basis. Transient Basis shall mean and refer to the use of Property for offering overnight accommodations to transient guests.

1.39. 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 as

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set forth on Exhibit C. Each Unit is designated and delineated on the Plats or Plans.

1.40. Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plats or 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 sub-flooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling, 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.

1.41. Unit Owner. The person or persons, including the Declarant, owning a Unit in fee simple, but excluding any person or persons having an interest in a unit solely as security for an obligation.

ARTICLE II.

Submission of Property to the Act

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

2.2. Name. The property shall hereafter be known as the Brandon Ridge Condominium.

2.3. 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 twenty-four (24) Units and does hereby designate all such Units for separate ownership.

ARTICLE III.

Architectural and Landscaping Control

3.1. Architectural Review of Specifications for New Construction or Additions, Reconstructions, Alterations or Changes to Structures and Landscaping. Except as is undertaken by Declarant, no Structure may be commenced or erected upon the Property nor may any application for building permit for such Structure be made or any significant landscaping be done, or any addition to any existing building or alteration or change to the

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exterior thereof, be made until the proposed building plans, specifications, materials and exterior finish, plot plan, landscape plan and construction schedule have been submitted to and approved by the Association following consideration by the Architectural Review Board, as provided by Section 3.2.

3.2. Architectural, Siting, Vegetation and Building Control Function. The Association shall have the ultimate authority for decisions and actions made pursuant to this Declaration pertaining to architectural, siting, landscaping, tree and vegetation removal and building controls except with respect to lands, buildings, and improvements retained by Declarant. In order to carry out this Function, the Executive Board of the Association shall, immediately after transfer of control of the Association by Declarant, appoint on annual terms a three (3) or five (5) member Architectural Review Board, the members of which need not be Unit Owners, which shall function as an agent of the Association for the purpose of establishing and enforcing architectural, siting, landscaping, vegetation and building controls in conformity with this Declaration. The business of the Architectural Review Board shall be conducted as follows:

(a) Compensation and Consultation. The Association may compensate the members of the Architectural Review Board in a manner and to the extent that is deemed prudent, desirable and reasonable in the judgment and discretion of the Executive Board of the Association, and the Architectural Review Board may engage or contract with such consultants or professional services as may be necessary to carry out this Function; provided, however, that for so long as the Declarant shall have voting control of the Association, the Declarant shall reimburse the Association for any remuneration or compensation made to either members of the Architectural Review Board or to consultants or professionals, for the purpose of developing appropriate architectural, siting, tree and vegetation removal, landscaping, and building standards, as distinguished from the cost of processing individual applications.

(b) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans. Two (2) copies of all plans and related data shall be furnished the Architectural Review Board. One (1) copy shall be retained in the records of the Architectural Review Board. The other copy shall be returned to the Unit Owner, and both copies shall be marked "approved" or "disapproved" with the signature of the Chairman or Executive Director of the Review Board. The Architectural Review Board of the Association may require payment of a cash fee, not to exceed \$100 plus an adjustment for changes in monetary

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values as reflected by any standard published price index specified by the Association, which fee is expected to partially compensate for the expense of reviewing plans and related data at the time they are submitted for review, for site inspections or related matters. A similar fee may be required for appeals and considerations. This paragraph shall not apply to any property utilized by a governmental entity or institution.

Approvals shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within sixty (60) days following receipt by the Architectural Review Board of written request for approval, the applicant may send a demand for action by certified mail, and if the application is neither granted nor denied within ten (10) days of receipt of such demand, the provisions of this Section shall be thereby waived by the Architectural Review Board and the Association.

Refusal of approval of plans, location or specifications may be based by the Architectural Review Board or the Association upon any reasonable ground which is consistent with the objectives of this Declaration, including but not limited to aesthetic considerations; the harmony, scale, bulk, coverage, function and density of use of proposed Structure; the effect of the Structure or plans on neighboring properties; consistency of color schemes within the Property; the view of the Structure or property from public or private roads; the placement of buffer zones, fences, shrubbery, trees, vegetation, berms and parking spaces; shading; desirable solar access; safety; the protection or view of Common Elements and Open Space areas, and the desirability of preserving significant trees or other unique vegetation. The architectural review process shall not be conducted in an arbitrary and capricious manner but denials may be made upon aesthetic consideration only. The reasons for any denial shall be provided in writing.

(c) Building Standards. The Architectural Review Board or the Association within twelve (12) months of the date hereof may promulgate standards through bulletins making reference to various national, regional, statewide or local building standards, fire safety standards and other

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building codes which must be followed in architectural designs submitted to the Declarant. Said standards if adopted, shall be published by the Architectural Review Board of the Association and shall be made available to any Unit Owner at the cost of publication. Modifications in like fashion may be made by the Architectural Review Board.

(d) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship. No approval of plans, location or specifications, and no publication of architectural standards bulletins by the Architectural Review Board or the Association shall ever be construed as representing or implying that such plans, specifications or standards may if followed, result in a properly designed structure or that such standards comply with Pertinent Law. Such approvals and standards shall in no event be construed as representing or guaranteeing that any structure will be built in a good workmanlike manner. NO IMPLIED WARRANTIES OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR PURPOSE OR MERCHANTABILITY SHALL ARISE AS A RESULT OF ANY STANDARDS OR APPROVALS MADE BY THE ASSOCIATION OR THE ARCHITECTURAL REVIEW BOARD.

(e) Liabilities for Approvals Granted by the Architectural Review Board or the Association. NEITHER THE ARCHITECTURAL REVIEW BOARD NOR THE ASSOCIATION SHALL BE LIABLE TO A UNIT OWNER OR TO ANY OTHER PERSON ON ACCOUNT OF ANY CLAIM, LIABILITY, DAMAGE OR EXPENSE SUFFERED OR INCURRED BY OR THREATENED AGAINST A UNIT OWNER OR SUCH OTHER PERSON ARISING OUT OF OR IN ANY WAY RELATING TO THE SUBJECT MATTER OF ANY REVIEW, ACCEPTANCES, INSPECTIONS, PERMISSIONS, CONSENTS OR REQUIRED APPROVALS WHICH MUST BE OBTAINED FROM THE ARCHITECTURAL REVIEW BOARD OR THE ASSOCIATION WHETHER GIVEN, GRANTED OR DENIED.

3.3. Tree and Bush Removal. Except as is undertaken by Declarant, no trees of any kind above four (4) inches in diameter at a point four (4) feet above the ground level may be removed by any Unit Owners, their successors and assigns anywhere within the Property, including trees within Common Elements, but not including trees which have died from natural causes, without the written approval of the Association following consideration by the Architectural Review Board, as provided by Section 3.2. A tree location plan showing all critical trees and location map of adjacent and nearby structures may be required as part of the submission under Sections 3.2. and this Section.

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3.4. Service Yards. Except as initially established by Declarant, all heat pump and air-conditioning equipment, water pumps, fuel tanks and other unsightly objects, equipment and service yard contents on the Property must be placed or stored in safe landscaped, fenced or screened-in areas to conceal them from the view from the road and adjacent properties, unless alternate locations are approved by the Association following consideration by the Architectural Review Board.

3.5. Lights and Signs. No promotional, advertising or commercial lights, search lights, signs, banners, flags or ornaments, whether mobile or fixed, may be erected on the Property by anyone other than Declarant except where Approved by the Association following consideration by the Architectural Review Board subject to reasonable rules and regulations established by the Association governing the lighting, size, color, materials, nature, graphic standards and content of any signs or ornaments, and except where lights and signs fall within one or more of the following categories or permitted uses:

- (a) During, preceding or after construction, the identification of all sponsors, lenders, designers and builders of the project may be provided on one (1) sign structure for the entire site;
- (b) Signs not in excess of four (4) square feet on each face may be used to offer the particular property for sale either pursuant to an order of the court or to avert a serious hardship;
- (c) The display of lights, flags and ornaments during holiday seasons;
- (d) Directional signs and street signs installed by Declarant or the Association.

The Association or the Declarant reserve the right to enter upon the lands or premises of any Unit Owner, after fourteen (14) days notice is given to the Unit Owner to remove any nonconforming sign at the expense of the owner of the sign, and, by this reservation, such entry shall not be a trespass.

3.6. Parking and Use of Parking Areas. Any Construction, alteration, relocation or additional landscaping of the parking areas, or extension of paved areas to areas previously grassed, landscaped or left in a natural condition shall be submitted for approval to the Architectural Review Board of the Association. Surfaces of parking areas which absorb water but which protect the land from erosion and wear shall be encouraged in lieu of fully paved surfaces.

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Each Unit Owner may park on the Property only two automobiles and at all times when not in use or being washed these automobiles shall be parked in the parking spaces assigned to his Unit. The Association may establish reasonable regulations concerning temporary parking for guests of Unit Owners, Occupants and guests.

3.7. 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 Executive Board.

3.8. Other Buildings and Vehicles. No mobile home, motor home, trailer, tent, barn or other similar outbuilding or structure shall be placed on the Property at any time without prior approval from the Association following consideration by the Architectural Review Board and such approvals shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No home trailer or residence trailers may be permitted on the Property. Boats, boat trailers, motor homes, campers, large trucks (i.e. trucks such as moving vans, flat bed utility trucks, refrigeration trucks, etc.) or utility trailers may not be stored in the assigned parking areas, but rather must be stored in a central or neighborhood screened-in storage facility for such boats, vehicles and trailers if, as and when such a screened-in area is constructed upon the Spring Hill Property and thereafter used for such purposes. This Section does not create in the Declarant or the Association an affirmative obligation to provide such a screened-in storage facility.

3.9 Antennas. No television antenna, satellite antenna, radio receiver or transmitter or other similar device for receipt or transmission of infrared, microwave, television or electromagnetic signals may be erected on the exterior portion of any Unit if coaxial cable, fiber optical cable or other transmission conduit running from an operating master antenna system or control satellite earth station(s) provided by the Association, Declarant, a utility or cable franchise has been made available to the building.

No radio, television, microwave, infrared or other form of electromagnetic or light radiation or energy shall be permitted to originate from any portion of the Property if said radiation interferes with any right reserve by Declarant or, interferes with the proper reception of radio, television or infrared signals within the Condominium by any Unit Owner or occupant.

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ARTICLE IV

Allocations, Encumbrances and Ordinances

4.1 Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit. In addition to those defined in Section 1.19, Limited Common Elements include those set forth on Exhibit B and are hereby allocated to Units as shown on Exhibit B and those set forth in the Plats or Plans which are hereby allocated to Units as shown on the Plats or Plans.

4.2. 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 C. Each Unit in the Condominium shall have one (1) vote. Each unit in the Condominium shall be assigned basis points which shall be used to determine that Unit's allocated interest in Common Elements and share of Common Expenses. Units will be designated as separate "types" of units based upon the physical and spatial configuration of each unit; all units of one designated type will be substantially identical in configuration. Each specific "type" of Unit shall be assigned the same number of basis points, but different "types" of Units are not required to have the same number of basis points. Basis points assigned to each Unit are set forth in Exhibit C to this Declaration. Basis points are determined by the relative fair market values of each "type" of Unit as determined by Declarant as of the date of this Declaration. Future changes in fair market values or sales prices of Units shall not in any way affect the allocation of basis points to Units. Each Unit's share of Common Expenses and interest in the Common Elements shall be a percentage determined by dividing the basis points assigned to that Unit by the total of all basis points assigned to all Units in the Condominium. If, as and when additional Units are added to the Condominium, the percentage interest in the Common Areas and share of the Common Expenses shall be recalculated for all Units then in the Condominium. For purposes of illustration only, if there are ten (10) Units in the Condominium, each having ten (10) basis points, then each Unit's percentage shall be 10 divided by 100. If an eleventh Unit is added having five (5) basis points, then each of the ten (10) original Units' percentages shall be 10 divided by 105, and the eleventh Unit's percentage shall be 5 divided by 105. If, as and when additional Units are added to the Condominium, each "type" of Unit added shall, solely for purposes of assigning basis points, be deemed to have the same fair market value as the same "type" of Unit has been determined to have as of the date of this Declaration, regardless of the

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actual appraised value or sales price of such additional Unit at the time such additional Unit is added to the Condominium. For purposes of illustrating the foregoing only, if a type A-1 Unit is determined to have a fair market value of \$100,000.00 at the date of this Declaration, then for the purpose of assigning basis points only all type A-1 Units shall be deemed to have a fair market value of \$100,000.00 regardless of when any such A-1 Unit is subjected to this Declaration.

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

4.4 Condominium Ordinances. The Condominium is not subject to any zoning, subdivision or building code, real estate use law, ordinance, or regulation (i) prohibiting the condominium form of ownership, or (ii) imposing conditions or requirements upon a condominium which are not imposed upon substantially similar developments under a different form of ownership.

ARTICLE V

Declarant Rights

5.1 Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights, except the right to withdraw any of the property or improvements located on the property described in Exhibit A.

5.2 Other Rights and Reservations. THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE SHALL NOT LIMIT ANY OTHER RIGHT OF OR RESERVATION BY THE DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISION IN THIS DECLARATION.

5.3 No Affirmative Obligation Unless Stated. ANY RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM THIS DECLARATION SHALL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DECLARANT UNLESS SUCH OBLIGATION EXPRESSLY STATED IN THIS DECLARATION.

5.4 Modification and Revision of the Concept Research or Master plans. The Declarant reserves the right to modify the Concept Research Plan or Master Plan with respect to any parcel, lot or area within the Property which has not by this Declaration been dedicated to the Unit Owner as Common Elements

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or already been conveyed to a Unit Owner. No implied equitable or legal covenants, servitudes or easements shall arise with respect to lands retained by the Declarant by virtue of any neighborhood scheme, Concept Research Plan or Master Plan. The right of the Declarant to modify the Concept Research Plan or Master Plan shall not include the right to do any act in violation of this Declaration or any supplemental Declaration which may hereafter be filed by the Declarant with respect to the Property.

5.5 Use of Trademark. Each Unit Owner or Occupant, by acceptance of a deed to any Unit, tenements or hereditaments with the Property, hereby acknowledges that "Spring Hill" and the gazebo logo is a trademark and servicemark of Fraser Residential Properties, Inc. Each Unit Owner or Occupant agrees to refrain from misappropriating or infringing this servicemark or trademark.

5.6 Subdivision and Replatting of Units. The Declarant expressly reserves unto itself, its successors or assigns the right to replat any two (2) or more adjacent Units into one (1), two (2) or more Units which are owned by the Declarant, and the Declarant may take such other steps as are reasonably necessary to make such replatted Unit suitable and fit for use for a structure or structures permitted under its Land Use Class as if originally platted as one Unit, such steps including but not limited to the relocation of easements and rights-of-way to conform to the new boundaries of said replatted Units, provided that no Unit originally shown on a Recorded Plat or Plan is reduced to a size smaller than the smallest Unit in such recorded plat or plan.

5.7 Limited Right to Amend Declaration. The Declarant specifically reserves to itself, its successors and assigns the limited right to amend this Declaration on its own motion from the date hereof until the termination of Declarant control solely for the purpose of making technical changes to eliminate or clarify conflicting provisions, so long as the amount of assessments or obligations of Unit Owners is not raised or changed in any material manner that would adversely affect Unit Owners.

In addition, until the termination of Declarant control, Declarant reserves the limited right to make changes in this Declaration requested by a land title insurance company or governmental mortgage lending or mortgage insurance agency (such as FHA, FNMA or VA) in order that clearer title can be conveyed to Unit Owners, any restraints on alienation adversely affecting either the issuance of, or cost of, title insurance be removed, or the securing of federal mortgage insurance, federal

guarantees, or purchase of Unit mortgages by federal agencies be effected.

5.8 Other Rights Reserved by Declarant. Declarant has reserved other rights and powers which are set forth in this Declaration, including the Declarant rights and powers set forth in the following Sections:

- (a) 1.12 Declarant Control Period.
- (b) 3.7. Alterations of Common Elements.
- (c) 5.7. Limited Right to Amend Declaration.
- (d) 6.1. Declarant's Right to Add Additional Real Estate.
- (e) 7.4. Declarant's Easement.
- (f) 7.5. Certain Utility, Communications, Transportation and Public Convenience Easements.
- (g) 7.6. Easements in Open Space and Common Elements.
- (h) 7.10. Easement for Compliance with Declaration.
- (i) 8.1. Compliance with Declaration, Bylaws and Rules and Regulations.
- (j) 8.3. Use Restricted; Use by Declarant.
- (k) 8.5. Prohibition of Renting for Transient or Hotel Purposes.
- (l) ARTICLE XV Amendment
- (m) 18.1. Declarant's Right of Enforcement.
- (n) 18.6. Who May Enforce.
- (o) 18.7. Enforcement Remedies.

ARTICLE VI.

Additional Real Estate

6.1. 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

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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. All such additions of Additional Real Estate shall be completed within ten (10) years of the date of this Declaration. No assurances are made regarding the boundaries of portions of Additional Real Estate that may be added. Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Estate. If a portion of the 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 Section 47C-2-110 of the Act.

6.2. Maximum Number of Additional Units; Units Restricted to Single Private Household and Residential Purposes Use. The maximum number of additional Units that may be created within the Additional Real Estate is two hundred sixteen (216) Units. All of such Units will be restricted exclusively to Single Private Household and Residential Purposes use.

6.3. Compatibility of Style, Etc. 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.

6.4. Applicability of Restrictions. All restrictions in this Declaration and 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.

6.5. 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.

6.6. Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article VI will not apply with respect to any Additional Real Estate that is not added to the Condominium.

6.7. Improvements to be Substantially Completed. All improvements to Additional Real Estate to be added to the condo-

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minium shall be substantially completed before such Additional Real Estate or portion thereof is added to the existing condominium.

6.8. Unit Allocations for Additional Units. Each additional Unit added to the condominium shall have one (1) vote on all matters to be voted upon by members of the Association. Each additional Unit added to the condominium shall be assigned basis points for calculation of each Unit's share of Common Expenses and interest in Common Elements, and such calculation shall be, in accordance with the provisions of Section 4.2. of this Declaration.

6.9. Applicability of Declaration if Additional Real Estate Not Added. This Declaration shall not apply to benefit, burden or affect in any manner whatsoever any Additional Real Estate that is not added to the Condominium.

ARTICLE VII.

Easements

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

7.2. 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.

7.3. 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 Executive 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.

7.4. 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.

7.5. Certain Utility, Communications, Transportation and Public Convenience Easements. Unless expressly waived by Declarant, the Declarant reserves exclusively unto itself, a perpetual, alienable and releasable utility easement and right in, on, over and under the Common Elements to erect, maintain, operate and use poles; wires; cables; switches; computers; receptacles; satellite transmission earth stations; conduits; directional and informational signs; drainage ways; sewers; irrigation lines; wells; antennas; receivers; garbage collection facilities; pumping stations; tanks; water mains and other suitable equipment including microwave and satellite stations for the conveyance, transmission or use of video, voice, facsimile and data communications, electricity, gas, sewer, water, drainage or other public conveniences, utilities and communication facilities on, in or over those portions of such property as may be reasonably required for utility and communication facilities to serve the Spring Hill community; provided, however, that:

(a) no utility easement shall run across any portion of the Property which is covered by an existing building or across any area for which written approvals to construct a building thereon have been obtained within the past year from the Association or the Architectural Review Board;

(b) the Declarant, without obligation to do so, reserves the right to transfer such utilities and easements, in whole or in part, to the Association, at which time the Association shall be responsible for and shall have the obligations to operate and maintain such utilities and easements;

(c) the Declarant, without obligation, reserves the right to transfer such utilities and easements and easements of access, in whole or in part, to another entity, whether public or private, which shall undertake to provide such utility service.

No utility, communications, public convenience or transportation facility described in this Section may be installed or operated unless such facility is Approved by Declarant. The Declarant or its assigns may charge reasonable fees for the provision of such utility, communications, public convenience or transportation facilities or services.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the property of any Unit Owner or Common Elements caused by such utility installation shall be repaired and said grounds returned to a reasonable reconstruction of their prior condition by the Declarant or prompt and reasonable remuneration for such repair shall be made to such Unit Owner by the Declarant. The Declarant further reserves to itself, its successors and assigns the right to locate wells, pumping stations, siltation basins and tanks within the Property in any Common Element or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Unit Owner.

7.6. Easements in Open Space and Common Elements. The Declarant may make access trails or paths through Common Elements and Open Space for the purpose of permitting recreation, picnicking, health and fitness exercise, observation and study of wildlife, hiking and riding, to identify sites for and to construct helicopter landing pads, to erect small signs through the Open Space designating points of particular interest and attraction, to irrigate the Open Space and Common Elements including the use of treated sewerage effluent and to take such other steps as are reasonable, necessary and proper to further the community use and enjoyment of the Open Spaces; provided, however, there is no affirmative obligation on the Declarant to perform such functions.

7.7. Reciprocal Cross-Easements of Enjoyment Use of General Common Properties By Spring Hill Property Owners. The Spring Hill Planned Residential Development will be comprised of a variety of subdivisions, condominiums and townhouse projects, each of which may likely have general common areas. Each of the general common areas will likely be owned or managed by respective property owners association (including a condominium association) for that project. In order to provide for the use and enjoyment of all such general common areas by all Property Owners within Spring Hill, it is important that each project grant cross-covenants of use and enjoyment for such general

common areas to the property owners of each respective project within Spring Hill that is also subjected to recorded covenants with recorded reciprocal cross-covenants for use of general common areas as are indicated on Recorded survey plats filed by Declarant. There is therefore hereby granted a reciprocal non-exclusive cross-covenant for the use and enjoyment of General Common Areas to any property owner within Spring Hill who owns property within the project within Spring Hill which is subjected to reciprocal land use covenant substantially similar to this covenant which grants reciprocal rights for the use and enjoyment of the general common areas within that respective project. Where such cross-covenants are effective, the respective property owners associations, including the Brandon Ridge Condominium Unit Owners Association, shall coordinate to provide for reasonable rules and regulations regarding the use and maintenance of such general common areas. In the absence of such coordinators, reasonable rules and regulations established by the Brandon Ridge Condominium Unit Owners Association shall control the use and enjoyment of the Condominium Common Elements. This reciprocal non-exclusive cross-easement does not apply to Limited Common Areas and Elements (which are reserved solely for use by Unit Owners, their lessees, family members and guests).

7.8. Easements in Common Elements and Units. The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary for the proper maintenance and operation of the Association and the Property.

7.9. Ingress and Egress of Unit Owners. Each Unit Owner, Guest, Lessee and Occupant, and their heirs, personal representatives and assigns, shall have a right of ingress to and egress from his, her, its or their Unit, which right shall be perpetual and shall be appurtenant to the ownership or other legal interest in such Unit.

7.10. Easement for Compliance with Declaration. The Declarant and the Association retain an easement and license to enter upon any part of the Property, after reasonable notice, to engage in such repair, maintenance, upkeep or reconstruction as may be necessary to enforce compliance with this Declaration, and the full cost of such maintenance, repair, upkeep or reconstruction shall constitute an assessment upon the applicable Unit Owner's property and shall be a personal obligation of the applicable Unit Owner.

7.11. Easements to Run With Land. All easements and rights described in this Article VII are appurtenant easements running with the land, and except as otherwise expressly provided in

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this Article IV 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 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 VII, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE VIII.

Restrictions, Conditions and Covenants

8.1. 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 Executive 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 appropriate relief. Each Unit Owner, Occupant, their successors, heirs and assigns, and all others who take an interest in a Unit within the Condominium do promise, covenant and undertake to comply with each provision of this Declaration, which provisions:

(a) shall be considered incorporated in each deed or other instrument by which any right, title or interest in any Unit within the Condominium is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;

(b) shall, by virtue of acceptance of any right, title or interest in any Unit within the Condominium by a Unit Owner, or the Association, (i) be deemed accepted, ratified, adopted and declared as a personal covenant of the Unit Owner or the Association, and (ii) be deemed a personal covenant to, with and for the benefit of the Declarant, the Association, and any other Unit Owner provided, however, that such personal obligation shall not pass to successors in title unless assumed by them or required by Pertinent Law;

(c) shall be deemed a real covenant by the Declarant for itself, its successors and assigns and also an equitable servitude, running in each case, as both burdens and benefits with and upon the title to each Unit within the Condominium and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of any Unit now

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or hereafter owned by the Declarant within the Condominium and for the benefit of any and all other Units within the Condominium; and

(d) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to each Unit within the Condominium which lien, with respect to any respective Unit within the Condominium, shall be deemed a lien in favor of the Declarant and the Association, jointly and severally.

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

8.3. Use Restricted; Use by Declarant.

(a) All Units shall be used for Single Private Household and Residential Purposes as defined in 1.31. and 1.35. above.

(b) No outbuilding may at any time be used as a residence temporarily or permanently, nor shall any Structure of a temporary character be used as as residence.

(c) After its initial sale by the Declarant or the Owner of a Unit, no Unit may be further subdivided by the Unit Owner thereof. In addition, no Unit may be subdivided to permit "Time Sharing" or other "devices" to effect interval ownership.

For purposes of this Section, "devices" to effect interval ownership shall include but not be limited to ownership arrangements, including uses of corporations, trusts, partnerships or tenancies in common in which four or more persons not members of a Single Private Household have acquired, by means other than will, descent, inheritance or operation of law, an ownership interest (directly or indirectly, equitable or legal) in the same Unit and such owners have a formal or informal right-to-use agreement.

(d) 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.

(e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant may maintain sales offices for sales of Units in the Condominium and models as follows: a total of six (6) Units may be used as offices or models, with the number of Units designated as models and as offices to be determined by the

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Declarant from time to time in the exercise of its sole discretion.

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 the number set out above, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

(f) Declarant also may maintain signs 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 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.

(g) 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.

8.4. 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.

8.5. Prohibition of Renting for Transient or Hotel Purposes. No Unit Owner shall rent his Unit for transient or hotel purposes, which for purposes of this Declaration shall be defined as either a rental for any period less than sixty (60) days or any rental if the lessee of the Unit is provided customary hotel services. PROVIDED THAT, notwithstanding the foregoing, Declarant shall have the right to lease any Units owned by Declarant to a purchaser of a Unit pending the closing of the sale of a Unit (whether or not such Unit is the Unit rented by the purchaser) to such purchaser regardless of the

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rental period of such lease. Each permitted lease shall lease an entire 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 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. PROVIDED THAT, notwithstanding the foregoing, Declarant shall not be required to give such notice to the Association in the case of a lease of a Unit owned by Declarant to a purchaser of a Unit pending the closing of the sale of a Unit (whether or not such Unit is the Unit rented by the purchaser) to such purchaser. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit. The Association shall have the right but not the obligation to waive any of the requirements or prohibitions of this Section from time to time in the exercise of its discretion.

8.6. Water and Sewage. No private water wells may be drilled or maintained on the Property except by the Association.

8.7. Animals. Except as may be allowed by the Association under conditional, one-year permits, no animals, livestock or poultry of any kind shall be raised, bred, kept or pastured on the Property other than a maximum of two (2) adult household pets kept in any one Unit. In order to preserve the aesthetic qualities of the Property, to maintain sanitary conditions on the Property, to prevent the spread of worms and infectious diseases on the Property, to maintain a proper respect for other Unit Owners and users of the Property and to maximize the overall use and enjoyment of the Property, each person who keeps a pet within a Unit shall abide by the following restrictions and affirmative obligations: (a) no pets may be kept, bred or maintained on the Property for any commercial purpose; (b) best efforts shall be exercised to not allow the pets to excrete upon the shrubbery or in any area within the Property including but not limited to Limited and general-Common Elements which are regularly traversed by neighboring residents or in which children may be expected to play; (c) any defecation or solid excrement left by the pet upon the Common Elements shall be removed immediately by the owner or the attendant of the pet; (d) the pet shall not be allowed to roam on general or Limited Common Elements from its attendant uncontrolled by voice or leash; (e) any pet which consistently barks, meows, howls, or makes disturbing noises which might be reasonably expected to disturb other Unit Owners or Occupants shall be muzzled; and (f) any fencing, staking, runner or other arrangement for keeping pets outdoors shall be approved by the Association.

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8.8. Sound Devices. No exterior speaker, horn, whistle, bell or other sound device, except devices intended for use and used exclusively (and with reasonable regard for neighbors) for safety or security purposes, shall be located, used or placed upon any part of the Property without a conditional one-year permit of the Association.

8.9. Offensive Activity. No Offensive or Noxious activity shall be carried on upon the Property.

8.10. Laundry Drying. In order to preserve the aesthetic features of the architecture and landscaping, each Unit Owner, his or her family, his or her Guests or his or her tenants shall not hang laundry from the premises of any Unit if such laundry is within the public view of the view of residential units within Spring Hill. This provision, however, may be temporarily waived by the Association upon publication by the Executive Board, during periods of severe energy shortages or other conditions making the enforcement of this Section contrary to the national or local interests.

8.11. Motorcycles and Snowmobiles. No motorcycles, other motor powered off-road recreation vehicles or all terrain vehicles shall be permitted within the Property except on the paved roads and parking areas designed for automobiles within the Property. No snowmobiles shall be allowed on the Property.

8.12. Willful Destruction of Wildlife. No hunting shall be allowed on the Property, except under controlled conditions approved by the Association and appropriate governmental wildlife authorities for the purpose of protecting Unit Owners, the public and other animals against health hazards, disease and other anomalies resulting from species overpopulation and significant wildlife predation. Any violation of this provision shall constitute a trespass against property owned by the Unit Owners. Since this Property is not intended to be nor is to be maintained as a wildlife sanctuary, any depletion of wildlife stock which may result from the process of planned development shall not be deemed to be a violation of this Section.

8.13. Duty to Keep Property Attractive and in Good Repair. It shall be the affirmative duty of each Unit Owner and the co-owners within a Condominium to: prevent and remove the accumulation of litter, trash, packing crates or rubbish; prevent or remedy the development of any unclean, unsightly or unkempt conditions of buildings or grounds on the Property either before, during or after construction; remove accumulations which tend to substantially decrease the neat and attractive appearance of the Unit Owners' individual property or

the Property as a whole; and, keep their buildings, structures and improvements in good repair.

8.14. Smells and Odors. Each Unit Owner shall have the affirmative duty to prevent the release of obnoxious smells and odors from his Unit which might tend to adversely affect the reasonable use and enjoyment of the adjacent and nearby Units.

8.15. Garbage Containers and Garbage Collection. Unless otherwise approved by the Association in writing, and except at pick-up times, all outdoor garbage containers shall be kept in the spaces designated by the Association. If the City of Durham or other governmental body prescribes the use of garbage containers which do not fit within the space--allocated for such containers, then the Association shall make reasonable provision for the establishment of screened-in or landscaped areas and the cost of such screened-in or landscaped garbage container shall be a Common Expense. If for any reason garbage collection service is not provided by a public authority, then the Association shall make arrangements to provide for garbage collection service to serve all of the Units and each respective Unit Owner shall be responsible for his respective share of the costs. The Association may establish reasonable rules and regulations relating to storage of garbage, maintenance of garbage storage facilities and collection of garbage so as to minimize odors and unsightly conditions and preserve and protect with a high duty of care the aesthetic quality of the Property.

8.16. Swimming and Ice Skating in Lakes and Ponds. Swimming, boating and ice skating in the pond located by the entrance road, and in Audobon Lake in Spring Hill are prohibited. While these areas are not within the Property, in order to protect the safety of Unit Owners and their Guests and Occupants and to promote the desirability of the property as a safe and desirable place to live, each Unit Owner shall have the affirmative duty to ensure that all persons using the Unit do not swim, boat or ice skate in such areas, and, to the extent that such areas are made accessible to Unit Owners by Section 7.7, each Unit Owner shall ensure that all additional rules and regulations which may be established shall be observed.

8.17. Prohibition of Oil and Gas Wells and Subsurface Mining. No well for the production of, or from which there may be produced, oil, gas or minerals shall be dug or operated upon the Property, nor shall any machinery, appliance or structure, ever be placed, operated or maintained thereon in connection therewith, nor shall there be any subsurface mining or drilling activity; provided, however, that the prohibition against drilling activity shall not include any drilling or excavation activity associated with the search for or development of water

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wells, the installation of utilities and communications facilities and any activity associated with soil testing, sewage and storm sewer facilities, construction of building foundations or master drainage control.

8.18. Use of Open Space. Except for minor improvements such as lawn furniture, bicycle racks, benches, bus stop shelters, gazebos, bulkheading adjacent to ponds, and signs which are either installed by Declarant or Approved by the Association, there shall be no Structures built or otherwise established in the Open Space.

8.19. 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 Executive Board or the Association, as more fully provided in the Bylaws.

ARTICLE IX.

Assessments

9.1. Power to Levy Assessments. The Executive Board has the power to levy assessments against the Units for Common Expenses.

9.2. Collection and Use of Assessments. The Standard Assessments, Special Assessments, fees, charges and liquidated damages described in this Declaration shall be collected by the Association and used exclusively for carrying out the Functions described in this Declaration.

9.3. Types of Assessments; Limits on Total Assessments; Other Charges and Fees. There shall be two (2) categories of Assessments applicable to all Units within the Condominium:

(a) Standard Assessments

(b) Special Assessments

The Assessments described in this Section of this Declaration shall not be in lieu of, nor shall they displace, any other charges or fees for services and use of Common Elements which may be required by the Executive Board of the Association pursuant to other Sections of this Declaration. Nor shall the Assessments described in this Section be in lieu of, or displace, any charges, fees or assessments owed by any Unit

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Owner to any other property owners association or voluntary recreational club in which the Unit Owner is also a member.

9.4. Assessment Duties of the Board of Directors. The Executive Board of the Association shall annually fix the amount of the Assessment against each Unit Owner and the Declarant and shall at that time direct the preparation of an index of the Units and assessments applicable thereto which shall be kept either in the office of the Association or by the Secretary of the Association and which shall be open to inspection at reasonable times by any Unit Owner. Written notice of assessment shall thereupon be sent to every Unit Owner subject to assessment.

9.5. Standard Assessments. The Executive Board shall fix the "Standard Assessments" at the level of Fifty-Eight Dollars (\$58.00) per month per one bedroom Unit and Sixty-Seven Dollars (\$67.00) per two bedroom Unit which assessment shall be the obligation of each respective Unit Owner unless a higher Standard Assessment is recommended by the Executive Board of the Association, and approved by the Unit Owners in accordance with the Bylaws.

The fixed dollar amount for the Standard Assessment may, in each year other than 1986, be adjusted (without Referendum) by an amount of ten percent (10%) in excess of the prior year's assessment.

9.6. Assessment Reserves. The Association shall establish Reserve Funds adequate to meet expected future costs of long term repairs as part of its Standard Assessments to be held in an interest drawing account or in prudent investments as a reserve for major rehabilitation or major repairs, for ongoing and periodic maintenance of roofs and exterior walls, and for emergency and other repairs required as a result of depreciation, erosion, storm, fire, natural disaster or other casualty loss. In addition, an initial working capital fund equal to the first two months of assessments of all Units shall be established by the Declarant upon closing of the sale of the first Unit. All amounts for this initial working capital fund shall be paid into the separate account of the Association, with Declarant being repaid the prorata amount of the initial working capital fund, upon the closing of sale of each Unit. Amounts paid into the fund are not considered to be advance assessments.

9.7. Special Assessments for Major Repairs and Debt Retirement. In addition to the Standard Assessments authorized by Section 6.5. hereof, the Association may levy Special Assessments, for the purpose of reconstruction, repair or replacement of capital improvements upon the Open Space and Common Elements,

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and including the necessary fixtures and personal property related thereto, or for improvements to Open Space or to Common Elements, for the necessary facilities and equipment to offer the services authorized herein, to repay any loan made to the Association, provided that such assessment shall have received the approval of two-thirds (2/3) of the Unit Owners in a Referendum. Special assessments shall be collected on a monthly basis.

9.8. Time and Method of Payment of Standard Assessments: Supporting Data. Any assessment year shall run from January 1 to December 31, and the annual assessments provided for herein shall commence no earlier than January 1, 1987. Each Unit Owner shall pay in advance each month, ~~one-twelfth~~ of all annual assessments due on said property as billed by the Association.

9.9. Rounding of Assessment Figures. For accounting convenience all assessments charged by the Association and interest thereon may be rounded off to the nearest dollar.

9.10. Notice of the Proportion of Capital, Interest and Expenses in Standard Assessments. On January 30 of each year, the Association may send to each Unit Owner a notice stating the percentage of the Standard Assessment which is devoted to capital, interest and other interests.

9.11. 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 of unpaid assessments from the Executive Board, pursuant to 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 First Mortgage, or by foreclosure or by deed 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.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is

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not a lien under (b) above or, resulting, as provided in (c) above, from the exercise of remedies in a First Mortgage, or by foreclosure thereof or by deed 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 in lieu of foreclosure.

(e) Except as provided by law or as provided in this Section, the personal obligation of a Unit Owner for unpaid assessments shall be and forever remain the personal obligation of such Unit Owner, which obligation may be enforced in law or in equity.

9.12. Common Expenses Associated with Limited Common Elements or Benefiting 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 or portion thereof benefiting less than all of the Units against the Units benefited in the proportion that their Common Expense liabilities bear to each other.

9.13. 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 X.

Management, Maintenance, Repairs,

Replacements, Alterations and Improvements

10.1. 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 10.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 10.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for

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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 misconduct or the misconduct of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

10.2. 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 Unit Owners and 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 Owner(s) of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

10.3. 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 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. 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

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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 of, 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.

(c) For Warranty Repair. The members of the Association hereby individually and jointly agree to allow access to, on, through and within their premises and any limited common elements appurtenant thereto within normal, reasonable hours, after receiving proper notice, to the developer, builder, or construction representative of the Residential Warranty Corporation, (or other home owners warranty corporation approved by the Federal Housing Administration which provides warranty insurance to units within the Brandon Ridge Condominium), or their agents, in order that they may effect repairs to any adjoining or adjacent unit(s) and/or any adjoining or adjacent limited or general common elements as called for under a residential warranty agreement or program, should this access be the reasonable and ordinary way to effect such repairs as called for under a residential warranty agreement or program. The Members of the Condominium Association also agree that if emergency repairs such that would be the responsibility of the developer, builder, or construction representative of the Residential Warranty Corporation (or similar home owners warranty corporation approved by the Federal Housing Administration providing warranty insurance to units within the Brandon Ridge Condominium), or their agents, are required and the owners or members of the Condominium Association affected cannot be contacted within a reasonable time, given the nature of the emergency, they shall waive such notice. Such entry, with or without notice, shall be made with as little inconvenience to the owner or member of the Condominium Association affected as practicable. Any and all deductibles payable to Residential Warranty Corporation (or similar homeowner warranty corporation approved by the Federal Housing Administration providing warranty insurance to units within the Brandon Ridge Condominium), and pertaining to repairs

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to the Common Elements as defined in the residential warranty agreement shall be borne by the Association.

10.4. Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order preserve the aesthetic value and economic value of all individual properties within the Property, each Unit Owner with respect to property owned by each Unit Owner, the Declarant, with respect to improved property owned by the Declarant, and the Association, with respect to Common Properties, shall have the affirmative duty to rebuild, replace, repair, or clear and landscape within a reasonable period of time any: building, structure, improvement or significant vegetation which is damaged or destroyed by Act of God, ~~fire or~~ other casualty other than war. Variations and conditional waivers of this provision may be made only upon a vote of the Executive Board of the Association establishing that the overall purpose of this Declaration will be best effected by allowing such a variation. The allowance of a variance or waiver by the Executive Board shall not be deemed to be a waiver of the binding effect of this Section on all other Unit Owners.

ARTICLE XI.

Insurance

11.1 Property Insurance. The Association shall maintain property insurance upon the Property insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. Such insurance shall be in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and Security Holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis as determined at the time the insurance is purchased and at each renewal date. The insurance 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 the provisions of this Section, and shall provide that, notwithstanding any provisions 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. Such insurance shall also provide that:

- (i) each Unit Owner is an insured person under the policy with respect to liability arising out of his

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interest in the common elements or membership in the Association;

(ii) the insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

(iii) no act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy; and

(iv) if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the Association's policy, the Association's policy provides primary insurance.

In the event that any Unit has fixtures, equipment or other property which are to be financed by a mortgage or deed of trust loan to be purchased by Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, then the insurance maintained by the Association shall also insure such fixtures, equipment or other property.

11.2. Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants, the Association, the Executive Board, the manager, 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 Executive Board; provided that the public liability insurance shall be for at least One Million Dollars (\$1,000,000) per occurrence for death, bodily injury and property damage. Said insurance shall 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 Executive 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. Such insurance shall also provide that:

(i) each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the common elements or membership in the Association;

(ii) the insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

(iii) no act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy; and

(iv) if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the Association's policy, the Association's policy provides primary insurance.

11.3. Fidelity Coverage. 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 premiums on such bonds shall be a Common Expense.

11.4. 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 financing, the Association shall obtain and keep in force such insurance as any Lender or insurer or guarantor of any such financing shall require from time to time.

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

11.6. Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, 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. Such Unit Owner's 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

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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.

11.7. Insurance Trustees; Power of Attorney. Notwithstanding anything contained in this Declaration to the contrary, the named insured in any property or liability insurance obtained by the Association may be the Association's authorized representative, including any insurance trustee or successor insurance trustee with whom the Association has entered into an insurance trust agreement. Any such authorized representative shall have exclusive authority to negotiate losses under any policy maintained by the Association providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

EACH UNIT OWNER, BY ACCEPTING TITLE TO A UNIT, APPOINTS THE ASSOCIATION OR ANY AUTHORIZED REPRESENTATIVE DESIGNATED BY THE ASSOCIATION (AS PROVIDED ABOVE) AS ATTORNEY-IN-FACT FOR THE PURPOSE OF PURCHASING AND MAINTAINING SUCH PROPERTY AND LIABILITY INSURANCE, INCLUDING THE COLLECTION AND APPROPRIATE DISPOSITION OF INSURANCE PROCEEDS, THE NEGOTIATION OF LOSSES, THE EXECUTION OF RELEASES OF LIABILITY AND ALL OTHER DOCUMENTS PERTAINING TO SUCH INSURANCE, AND THE PERFORMANCE OF ALL OTHER ACTS NECESSARY TO ACCOMPLISH SUCH PURPOSE.

ARTICLE XII.

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 used and applied in accordance with the provisions of Section 47C-3-113(h) or, in the event the Condominium is terminated, Section 47C-2-118 of the Act as such Sections exist at the date of this Declaration or as may hereafter be amended.

ARTICLE XIII.

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 Section 47C-1-107 of the Act as such Section exists at the date of this Declaration or as may hereafter be amended.

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EACH UNIT OWNER, BY ACCEPTING TITLE TO A UNIT, APPOINTS THE ASSOCIATION AS ATTORNEY-IN-FACT FOR THE PURPOSE OF REPRESENTING SUCH UNIT OWNER IN ANY CONDEMNATION PROCEEDING OR IN ANY NEGOTIATIONS, SETTLEMENTS OR AGREEMENTS WITH ANY CONDEMNING AUTHORITY WITH RESPECT TO THE ACQUISITION OF THE COMMON ELEMENTS, OR ANY PORTION THEREOF, BY SUCH CONDEMNING AUTHORITY.

ARTICLE XIV.

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act as such Section exists at the date of this Declaration or as may hereafter be amended.

ARTICLE XV.

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Sections 47C-2-110 and 47C-2-117 of the Act as such Sections exist at the date of this Declaration or as may hereafter be amended, except that no amendments altering or impairing Special Declarant Rights may be made without the written consent of the Declarant.

ARTICLE XVI.

Rights of First Mortgagees

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

16.1. 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, approval shall be deemed to have been given by such First Mortgagee.

16.2. 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 and the insurers and guarantors of a First Mortgage on any Unit, current

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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 audited financial statement for the preceding fiscal year if requested in writing by a First Mortgagee or insurer or guarantor of a First Mortgage. 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, other rules and regulations governing the Condominium, and the most recent annual audited financial statement (if one is prepared).

16.3. 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.

16.4. Management and Other Agreements. Any management agreement between the Declarant or the Association and a professional manager or any other agreement providing for services of the developer, sponsor, builder or Declarant shall be terminable by either party thereto without cause and without payment of a termination fee upon not more than thirty (30) days' prior written notice and shall not exceed a term of three (3) years, subject to renewal by the consent of both parties.

16.5. Right of First Refusal. The right of a Unit Owner to sell, transfer, mortgage or otherwise convey his interest in his Unit shall not be subject to any right of first refusal.

16.6. Consent of First Mortgagees. This Section 16.7 shall be effective only if, at the time this Section would apply, at least one Unit is subject to financing. Any decision to terminate the condominium for reasons other than substantial destruction or condemnation of the property shall require the prior written consent of Eligible Mortgage Holders, as defined in Section 13.9 hereof, representing at least 67% of the votes allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act. Except for any amendment to the Declaration made for the purpose of adding any of the Additional Real Estate to the Condominium in accordance with the provisions hereof, any amendment to the Declaration or Bylaws which changes any of the following shall require the prior written consent of Unit Owners holding at least 67% of the total votes in the Association and of Eligible Mortgage Holders representing at least 51% of the votes allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act or hereunder:

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- (a) voting rights;
- (b) assessments, assessment liens or subordination of such liens;
- (c) reserves for maintenance, repairs and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interest in the Common Elements or Limited Common Elements or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or Common Elements into Units;
- (h) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;
- (l) a decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
- (m) restoration or repair of the Condominium (after damage or destruction or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws; or
- (n) any provisions that expressly benefit First Mortgagees or insurers or guarantors of First Mortgages.

16.7. Consent of First Mortgagees or Unit Owners. This Section 16.7 shall be effective only if, at the time this Section would apply, at least one Unit is subject to financing. Unless First Mortgagees holding at least 67% of the votes allocated to First Mortgagees (except First Mortgagees having one vote per Unit financed), or such higher percentage as is required by law, of the First Mortgagees (based upon one vote

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for each First Mortgage owned) and Unit Owners (other than a Declarant) holding at least 80% of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

(a) by act or omission, seek to abandon or terminate the Condominium;

(b) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, change the pro rata interest or obligations of any Unit for the purpose of:

(i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(ii) determining the pro rata share of ownership of each Unit in the Common Elements;

(c) partition or subdivide any Unit;

(d) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause);

(e) use hazard insurance proceeds for losses to any part of the Condominium (whether to Units or to Common Elements) for other than repair, replacement or reconstruction thereof;

(f) any action to terminate the legal status of the Condominium after substantial damage or destruction or condemnation.

16.8. Notice. Each First Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of First Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage; (iii) any 60-day delinquency in the

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payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee has its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each First Mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders shall be considered an "Eligible Mortgage Holder." With respect only to non material amendments (which excludes items (a) to (n) of Section 16.6), such as for the correction of technical errors or for clarification, any First Mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

16.9. Assessments. Assessments shall be due and payable in monthly installments. 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 ratification of the budget by the members of the Association. Unit Owners shall have no obligation to pay monthly assessments until an assessment is levied. Assessments will begin at such time as the Executive Board elects.

16.10. Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. 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 for a taking of Units and/or Common Elements.

16.11. Additional Real Estate; Consent of First Mortgagees; Common Elements Interests; Reallocation. In the event there are any First Mortgages, the Additional Real Estate may not be added to the Condominium without the prior written consent of the First Mortgagees. If the Additional Real Estate is added, the ownership interest in the Common Elements and the liability for Common Expenses for each Unit shall be reallocated in accordance with Section 4.2 of this Declaration. The effective date for said reallocation shall be the date of recordation of the amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the Units added to the Condominium shall be the date the assessment is levied against said Units.

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All improvements intended to be located within any portion of the Additional Real Estate added to the Condominium shall be substantially completed prior to the addition of said portion of the Additional Real Estate.

ARTICLE XVII

Unit Owners' Association

17.1. Creation of The Brandon Ridge Condominium Unit Owners' Association. Prior to any conveyance or lease of any Unit, the Declarant shall cause to be incorporated, under the laws of North Carolina, a non-profit corporation called the Brandon Ridge Condominium Unit Owners' Association, Inc.

The Brandon Ridge Condominium Unit Owners' Association, Inc. (hereinafter called the "Association"), its successors and assigns shall be considered: (1) assignees of the Declarant; (2) as the trustee of the Unit Owners, their successors and assigns with respect to the Functions specified herein; (3) by virtue of the rights and obligations assigned and assumed by the Association herein, as a real-party-in-interest under this Declaration; and (4) as a third-party beneficiary under this Declaration. The Association and its successors and assigns shall have standing and authority at law or in equity, to carry out and enforce this Declaration or any supplemental Declaration made pursuant to this Declaration.

17.2. Limitations on Liabilities, Duties and Obligations. The Association shall diligently strive to carry out and put into effect the Functions and services specified or reasonably implied in this Declaration; however, the Functions and services to be carried out or offered by the Association at any particular time shall be determined by the Executive Board of the Association with due consideration given to the quantum of reserves, revenues, and assessment powers available to the Association, and the relative demands upon the resources which the Association, and the relative demands upon the resources which the Association can utilize to execute the Functions. Functions for which the Association "shall" be obligated are mandatory and shall have priority over Functions which the Association "may" perform.

THE ASSOCIATION, ITS DIRECTORS AND OFFICERS SHALL NOT BE LIABLE TO ANY UNIT OWNER, THEIR LESSEES, GUESTS AND OCCUPANTS

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FOR ANY DAMAGE OR INJURY WHICH RESULTS FROM ANY RULE OR REGULATION PROMULGATED PURSUANT TO THIS DECLARATION IN GOOD FAITH.

The Association shall have the right to enter into contracts and leases with third parties, including management contracts for the Association. However, the Association, prior to the termination of Declarant Control, may not either directly or indirectly enter into contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after said termination, upon not more than ninety (90) days' notice to the other party.

17.3. New Functions. The Association may perform other Functions not in this Declaration so long as: (1) the Executive Board specifically finds that such Function will likely benefit the Property by improving or maintaining its economic, recreational, environmental or aesthetic value, or reasonably enhance the use and enjoyment of the Property; (2) the commitment to provide for such new Function is approved by an affirmative vote of the Executive Board of the Association; and (3) the commitment to provide for such new Function is approved by the affirmative vote of the Members.

17.4. Ownership of Property. The Association shall be authorized to own equipment, furnishings and improvements necessary to carry out its Functions pursuant to these Covenants.

17.5. Power to Mortgage and Pledge. The Executive Board of the Association shall have the power and authority to mortgage the property of the Association and to pledge designated percentages of the revenues of the Association as security for loans made to the Association in performing its authorized Functions, provided, however, that the Common Elements may not be mortgaged or conveyed without the consent of at least eighty percent (80%) of the Unit Owners excluding the Declarant.

17.6. Property Maintenance Function. Subject to the limitations provided in Section 17.2., the Association shall provide for:

(1) the care, operation, management, maintenance, repair and replacement of all Common Elements including Open Space, Limited Common Elements, parking areas, roads, walks, drives and other similar areas, as necessary for their customary use and enjoyment; or maintenance of lighting provided for transportation corridors and court-yards, parking areas, walks, drives, fountains, bikeways,

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waterways and other similar Common Elements; maintenance of other areas as may be necessary for access to the boundary of or full utilization of any land or any improvements within the Property;

(2) the maintenance (including periodic painting) for normal wear and tear of the roofs and exterior walls of the Condominium and shall establish a sinking fund to accomplish this objective. Unless expressly approved by the Architectural Review Board, all Units shall maintain their color for walls and various colors of trim which were originally established by Declarant. Any roof replacement shall match existing roof colors.

Any material damage which occurs to the exterior walls, windows or roofs (but not patios, decks or porches) shall be reported by the Unit Owner immediately to the Association and the Association shall promptly take appropriate actions to make the necessary repairs.

(3) consistent with this Declaration with respect to that portion which is located within the Property, the maintenance and care of the private wastewater treatment, collection and/or disposal facilities and other related obligations pursuant to the Agreement between the North Carolina Environmental Management Commission and Declarant, a copy of which is attached as Exhibit E and incorporated by reference herein.

17.7. Operation Function. Subject to Pertinent Law, the Association or the Association in conjunction with other Associations within Spring Hill may perform all Functions within the power of a Special Purpose District pursuant to the General Statutes of North Carolina which are not being performed by such a district which may be reasonably necessary or desirable to keep or maintain the Property as a part of a safe, attractive, desirable residential community.

17.8. Security Function. The Association may provide security and fire protection within the Property and provide and maintain a fire and watch system which may include periodic fire prevention inspections and equipment certifications, cable, microwave, telephone or radio-based fire monitoring and television security electronics which do not unreasonably offend the privacy of the Unit Owners, the Declarant or their Occupants. The Association may also organize its "Community" watch or related programs pursuant to which residents monitor and report suspicious activity.

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17.9. Parking Function. The Association shall care for, clean, operate, manage, maintain, repair or replace parking areas to accommodate Unit Owners, Lessees, Occupants and Guests, and such parking areas may include but not be limited to signs, fences, landscaping or other facilities appurtenant to parking areas.

In addition, the Association shall have the power to protect the use and enjoyment of the roadways within the Condominium, including but not limited to restrictions on the types, sizes and weights or vehicles permitted to use roads, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. Restrictions on the use of the roads may be more restrictive than the laws of any state or local government having jurisdiction over the Property. The Association may prohibit the entry into the Property of excessively noisy vehicles and restrict or prohibit two-wheel and three-wheel vehicles, other than those with engines of one-brake horsepower or less.

17.10. Recreation and Festival Function. In order to promote the use and enjoyment of the Property, the Association may provide limited year-round sports, recreation, festival and education programs of suitable variety and such miscellaneous equipment as may be necessary therefor.

17.11. Domestic Animal Control Function. The Association shall be obligated to and shall provide regulations, facilities, manpower and funds to enforce pet control in a manner consistent with Section 8.7., or to exclude pets from Common Elements and other public areas, in which case it may, but shall not be obligated to, provide reasonable kennel facilities for the keeping and care of Unit Owners', Lessees', Guests' and Occupants' dogs or for the orderly confinement or demise of stray animals in cooperation with the local Humane Society or similar public or quasi-public entity. The Association may capture any animal in violation of Section 8.7. and may charge the owner or keeper thereof a fee reasonably related to the cost incurred by the Association in enforcing Section 8.7.

17.12. Environmental Resource Protection Functions. The Resource Protection Functions of the Association shall be as follows:

(a) Drainage Control Function. The Association may promulgate, prescribe and amend from time to time, reasonable standards and regulations for drainage control to minimize the ecological damage which would tend to result

from any grading, paving, landscaping, clearing of vegetation, excavation, burning, application or discharge of chemicals and nutrients, construction or demolition activity on the Property.

(b) Environmental Hazard Function. The Association may promulgate, prescribe and amend from time to time; reasonable rules and regulations which shall govern activities which may be environmentally hazardous, such as the application or discharge of fertilizers, pesticides and other chemicals.

(c) Insect, Reptile and Woods Fire Control Function. To implement effective insect, reptile and woods fire control, the Association or its agents have the right to enter upon any unimproved portions of the Property (e.g., property on which no building or structure has been constructed, and upon which no landscaping plan has been implemented) for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other growth, removing trash or dispensing pesticides.

(d) Wildlife Function. The Declarant intends that the Property is to be developed and maintained for the principal purpose of accommodating human uses and that the Property is not intended to be nor is to be maintained as a wildlife sanctuary; nonetheless, the Association may undertake reasonable measures to protect or replenish species of wildlife that can be expected to adapt to man's presence on the Property, particularly in Open Space areas, and the Association shall undertake to enforce the prohibitions of Section 8.15. against willful destruction of important species of wildlife that can be expected to adapt to man's presence in the area.

(e) Hazardous Waste Function. In addition to the requirements for solid waste management and for disposition and control of hazardous wastes as provided by Pertinent Law, the Association may from time to time establish appropriate, reasonable regulations and controls designed to reduce the likelihood that noxious and hazardous wastes may seep into the water table or into any lakes, lagoons or ponds which are or may in the future be located on the Property. The Association may, however, use appropriate substances to maintain any ponds as attractive visual amenities.

(f) Environmental Monitoring Function. The Association may monitor air and water quality within the

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Property to determine environmental trends and to detect violation of the Association's rules and regulations as well as violations of local, state and federal pollution laws.

17.13. Reconstruction Function. In the event that any facilities or structures maintained on Common Elements are damaged or destroyed by fire, Act of God or other casualty other than war, the Association shall have the affirmative duty to repair or rebuild such structure or improvement or to clear such structure or facility from the land and to landscape the Property so as to render it attractive.

17.14. Other Utilities Function. Subject to Pertinent Law and the rights reserved by the Declarant in this Declaration, the Association may regulate the installation of any utilities, including but not limited to water, light poles, sewage, power lines, cable television, satellite communications and microwave transmission facilities on the Property.

Consistent with Section 17.26., the Association shall have the obligation to maintain that portion of the private sewer system which is within the Property.

Consistent with Section 17.26., the Association shall maintain and pay power bills for street lights that are within and adjacent to Common Elements, including Limited Common Elements.

17.15. Assessment Function. The Association shall be authorized to levy and collect assessments, fees and charges as prescribed in this Declaration.

17.16. Tax Payment Function. The Association shall pay all ad valorem real estate taxes, special improvement and other assessments, ad valorem personal property taxes and all other taxes, duties, charges, fees and payments required to be made to any governmental or public authority, which shall be imposed, assessed or levied upon, or arise in connection with any property owned by the Association.

17.17. Right to Dispose of Property. The Association shall have full power and authority to acquire, accept, sell, lease, grant rights in, transfer, encumber, abandon or dispose of any property owned by the Association.

17.18. Implied Rights and Functions. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except to the extent limited

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by the terms and provisions of this Declaration, given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to engage necessary labor and acquire use of or purchase necessary personal property, equipment or facilities; employ personnel necessary to manage affairs of the Association; obtain and pay for legal, accounting and other professional services as may be necessary or desirable; and to perform any function by, through or under contractual arrangements, licenses or other arrangements with any governmental or private entity, including but not limited to Declarant or any clubhouse operating on the Property, as may be necessary or desirable.

17.19. Indemnification Function. The Association shall be obligated to and shall indemnify the Declarant and hold it and its officers, partners, employees and managers harmless from all liability, loss, cost, damage and expense, including attorneys' fees, arising with respect to any operations of the Association or any Functions.

17.20. Limited Regulation Function. The Association shall be authorized to and shall have the power to adopt, amend and enforce reasonable rules and regulations applicable within the Property with respect to any Common element or Function, and to implement the provisions of this Declaration, the Association's Articles of Incorporation or its By-Laws, and a copy of all such rules and regulations shall be provided to each Unit Owner. Each Unit Owner, Occupant, Lessee, Guest and their employees shall be obligated to and shall comply with and abide by such rules and regulations and shall reimburse the Association for its cost of enforcement and damages upon failure to comply with or abide by such rules and regulations.

17.21. Charges for Use of Facilities. The Association may establish charges for use of Common Elements to assist the Association in offsetting the costs and expenses of the Association attributable to the Common Elements. All charges established shall be reasonable and shall be uniformly applied. Each Owner, Occupant, Lessee and Guest shall be obligated to and shall pay any such reasonable charges for use of Common Elements.

17.22. Charges for Service Functions. The Association may establish charges for providing any service as required or permitted by any Function on a regular or irregular basis to a Unit Owner, Occupant, Lessee or Guest to assist the Association in offsetting the costs and expenses of the Association attributable to the service.

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17.23. Annual Reporting Function. The Association shall annually, within ninety (90) days after the closure of the fiscal year of the Association, provide to Unit Owners a general itemized statement showing the assets and liabilities of the Association at the close of such fiscal year, and a general statement of the Association's revenues, costs and expenses. It shall be necessary to set out in the statement the name of any creditor of more than \$1,000 of the Association. The Association shall furnish to each Member of the Association who makes request therefor in writing a copy of such statement within thirty (30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail.

17.24. Notice Function. Notice and copies of all rules or regulations established by the Association shall be made available to Unit Owners upon written request. The Association may establish a charge for reproducing and distributing the rules or regulations. Copies of the rules and regulations shall be available for review at the Association offices or the Association clubhouse if said facilities exist. In addition, the Association may publish such rules and regulations in a local newspaper, make personal delivery to the mail box of each Unit or mail the rules and regulations to Unit Owners at the address registered with the Association.

The Association or its agents may not enter into the Unit of any Unit Owner to perform any Resource Material Function or to install any utility, communications or public convenience facility without providing at least two (2) weeks mail notice to the Unit Owner.

17.25. Professional Association Management Function. The Executive Board of the Association shall engage pursuant to a written contract the services of a professional property association agent or management firm to execute the Functions and other obligations of the Association, except the Architectural Review Function and the establishment of Rules and Regulations, as provided for in this Declaration. In order to minimize the cost of such services, to promote consistency and coordination within the various properties within Spring Hill, and to maintain a high standard of care throughout the Property, the Association shall work with all the other property owners' associations and condominium associations within Spring Hill to jointly engage such professional association management agent or firm and, in such case, the various associations shall have the affirmative duty to act in good faith and with reasonable diligence to share the cost of such management based upon the relative number of residential units within each Association or other formula which may be jointly agreed upon by the various associations. Under no circumstances, however, may such

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property management agent or firm be able to convey real property owned by the Association. In all circumstances the Association's manager shall as a minimum be bonded at the expense of the Association at such levels or protections as the Executive Board in its discretion deems prudent.

17.26. Coordination With Other Associations. In order to ensure that all signage throughout Spring Hill is maintained in a consistent, attractive manner, to ensure that entrance ways and all of the Property are attractive and well maintained, to ensure that the private sewer system serving the Spring Hill community is maintained properly, the Association shall have the affirmative duty in good faith and with reasonable diligence to work with other property owners' associations in Spring Hill to establish such agreements as may be necessary and appropriate to provide for such care and maintenance on a per unit basis or such other basis as is agreed upon by the respective Associations.

17.27. Automatic Memberships. Every Unit Owner and the Declarant shall be a member of the Association (hereinafter called "Member").

17.28. Voting Rights. The Association shall have one type of regular voting membership. Votes in the Association are allocated in Article IV of this Declaration.

During the Declarant Control Period, Declarant or persons so designated in writing by Declarant may appoint and remove the officers of the Association and the members of the Executive Board. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Unit Owners other than Declarant.

When any property entitling any owner to membership in the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants by the entirety, time share or interval owners, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effect: (a) if only one (1)

votes in person or by proxy, his act binds all; (b) if more than one (1) votes in person or by proxy, the act of majority so voting binds all; (c) if more than one (1) votes in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled its proportionate share of the vote or votes; (d) if the instrument or order so filed shows that any such tenancy is held in unequal interest, a majority or even split for purposes of this paragraph shall be a majority or even split in interest; (e) the principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Unit Owner may be assigned by said Unit Owner to his or Lessee who has entered into a lease with a term of one (1) year or more; provided, however, that the Unit Owner may not assign to such Lessee any vote or votes not attributable to the property actually leased by the Lessee; provided, further, that such assignment of voting rights is in writing and a copy of such assignment is filed with the Association.

17.29. Referendum. As provided elsewhere in this Declaration, and pursuant to procedures established by the Bylaws of the Association to the extent not inconsistent with this Declaration, each Member of the Association shall have a right to vote to approve or disapprove certain major actions which affect the interest of the Unit Owners including the adoption of New Functions for the Association, raising the Standard Assessment, Major Repairs or Debt Retirement, termination of the Association or such other matters that the Executive Board of the Association shall deem advisable to submit to the Unit Owners (other than Declarant except with respect to Units owned by Declarant) for a vote. Unless otherwise specified in this Declaration, the number of votes cast in order to approve an action or measure shall be a majority of those entitled to vote. Unless otherwise waived by consent of all Members, a minimum of thirty (30) days written notice of the time, place and subject of any meeting at which a matter shall be submitted to a vote of the Members shall be given to all Members.

ARTICLE XVIII

Enforcement

18.1. Declarant's Rights of Enforcement. The Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to complete compliance to the terms of this

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Declaration or to prevent the violation or breach in any event. Violators shall be personally obligated to reimburse the Declarant in full for all its direct and indirect costs or damages resulting from the violation or breach, including but not limited to legal fees and expenses incurred by the Declarant and/or the Association in maintaining compliance with this Declaration.

18.2. Lien for Assessments. Any assessment levied against a Unit which remains unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when filed of record in the Office of the Clerk of Superior Court of the County in which the Unit is located, and such lien may be foreclosed as a mortgage on real estate under a power of sale, all as provided by the Act. Any past due common expense assessment or installment thereof shall bear interest at a rate to be established by the Association, which rate shall not exceed the highest rate allowed by applicable law.

18.3. Enforcement of Functions.

(a) If any Unit Owner or the Declarant fails to maintain any Open Space or other Structure, facility or lands within the Property, fails to perform any acts or maintenance or repair required under this Declaration, the Association may provide such exterior maintenance and repair upon such Property and improvements thereon. In addition, the Association may, without notice, make such emergency repairs and maintenance as may in its judgment be necessary for the safety of any person or to prevent damage to any other property. The cost of such emergency exterior maintenance and repair shall be assessed against the applicable Unit Owner and shall be a lien on the subject property and an obligation of the Unit Owner and shall become due and payable as set forth in this Declaration and the Bylaws of the Association. For the purpose of performing the emergency exterior maintenance authorized by this Section, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to any Unit Owner, to enter upon the respective property during reasonable hours on any day. The Association is given an irrevocable license or easement over all the Property to inspect in order to determine whether any repair is necessary under this Section.

(b) DECLARANT, THE ASSOCIATION OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES SHALL NOT BE LIABLE FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE

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OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY ANY NON-NEGLIGENT ACT OR OMISSION IN THE INSPECTION, REPAIR OR MAINTENANCE OF ANY SITE, IMPROVEMENTS OR PORTION THEREOF.

(c) Whenever the Association or the Declarant undertakes, pursuant to this Declaration, to correct, repair, clean, preserve, clear out or perform any action on the property or on easement areas adjacent thereto, entering the property and taking such action shall not be a trespass, and an irrevocable license or easement to enter is hereby granted by any Unit Owner who takes subject to this Declaration.

(d) The Association shall respond to complaints received as to violations of the Declaration and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Association may engage legal counsel to bring an appropriate action at law or in equity, including any appeals, to enforce this Declaration. After final adjudication, violators of this Declaration shall be obligated to reimburse the Association in full for all its direct and indirect costs including but not limited to legal fees and expenses incurred by the Association in maintaining compliance with this Declaration.

18.4. 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, regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

18.5. Compliance with Controlling Documents. Section 8.1 of this Declaration contains certain enforcement provisions relating to each Unit Owner's and Occupant's obligation to comply with this Declaration, the Bylaws, the Articles of Incorporation of the Association and rules and regulations promulgated by the Executive Board or the Association. Reference is hereby made to Section 8.1 for additional details on said enforcement provisions.

18.6. Who May Enforce. The benefits and burdens of this Declaration run with the land at law and in equity and to the extent permitted by applicable law, the Declarant, its successors and assigns, the Association, its successors and

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assigns, or any Unit Owner and his heirs, successors, representatives, administrators and assigns with respect to the Property, shall have the right to proceed pursuant to Section 18.8 against a party specified in Section 18.7 to compel a compliance to the terms hereof or to prevent the violation or breach in any event. The Association may carry out its Enforcement Function as provided in this Declaration.

18.7. Against Whom May the Covenants Be Enforced. The obligation and benefits prescribed by this Declaration shall run with the Property and shall, to the extent permitted by applicable law, be enforceable against the Declarant, his heirs, successors, representatives, administrators, assigns, or other person whose activities bear a relation to the Property, including Guests, Occupants and Lessees when the aforesaid persons or entities engage in activities (including omissions and failures to act) which constitute violations or attempts to violate, contravene or circumvent the covenants, burdens, obligations, easements, servitudes and restrictions set forth in this Declaration.

18.8. Enforcement Remedies. To the extent permitted by applicable law, in addition to the enforcement rights of the Declarant and Association, in the event that any Structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any Structure or land use is in violation of this Declaration, the Association, the Declarant or any Unit Owner may institute appropriate legal proceedings or actions, at law or in equity: (a) to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use; (b) to restrain, correct or abate such violation, or breach of this Declaration; (c) to prevent the occupancy of said building, structure or land; (d) to prevent any act, conduct, business, or uses which is in breach of this Declaration; or (e) to compel any affirmative act which, pursuant to this Declaration "shall" be performed.

18.9. Enforcement by Governmental Authorities; Assumptions of Responsibility by the Association. Upon default for a period of six (6) months or more by the Association in the payment of any ad valorem taxes or other assessments, taxes, fees and charges required to be made to any governmental or public authority by the Association, the governmental or public authority shall be entitled to a lien on each Unit then subject to this Declaration in an amount equal to the taxes or other payments due divided by the total number of Units subject to this Declaration. Such liens may be foreclosed by the governmental or public authority in the manner provided for foreclosure of liens for ad valorem taxes. The Association is empowered to levy assessments against the Unit Owners for the

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payment of ad valorem taxes, other assessments, taxes, fees and charges as provided above and in Section 17.16 of this Declaration, which assessments may be enforced by the Association as other assessments levied by the Association are enforced.

ARTICLE XIX.

General Provisions

19.1. 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.

19.2. 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.

In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Unit Owners, which will carry out the intent of the Declarant, and which will preserve the Property as a situs for a high amenity, attractive, well maintained, privately-governed commercial and residential Village community. Common law strict rules of construction shall not apply as they do not reflect modern day interests in high quality land use planning, constitutional freedoms of association, whether by contract or otherwise, and the need for flexibility in the land plan and private governance structure for a large scale development.

Contrary to the restrictive common law rule of construction, this Declaration shall be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles,

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theories and practices. It is the Declarant's intent, and all Unit Owners who take ownership subject to this Declaration, do covenant and agree, and are thereby estopped to deny, that any Function of the Association and any other covenant, condition, restriction or obligation with this Declaration is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

19.3. 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.

19.4. Exhibits. Exhibits A, A-1, B, C, D and E attached hereto are made a part hereof.

19.5. Severability. Should any Covenant or restriction herein contained, or any Part, Article, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matter and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

19.6. No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE ASSOCIATION PURSUANT TO THIS DECLARATION SHALL NOT IMPLIEDLY CREATE ANY DUTY TO ANY UNIT OWNER NOT EXPRESSLY PROVIDED FOR IN THIS DECLARATION.

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

FRASER RESIDENTIAL PROPERTIES, INC.

By:  (SEAL)
President

ATTEST:


Secretary

EXHIBIT A
(Property Description for Phases 1 and 2)

Phase 1:

Beginning at a point at the southeastern corner of the property hereinafter described, said point being in the northern boundary of the right-of-way of Audubon Lake Drive and also being designated Control Corner with N.C. Grid Coordinates of N(y) 785,961.50, E(x) 2,015,515.79, as shown on the plat hereinafter referred to; running thence along and with the northern boundary of the right-of-way of Audubon Lake Drive South 47 degrees 27' 45" West 76.50 feet to a point; thence leaving the boundary of the right-of-way of Audubon Lake Drive and running along the common boundary of property of Fraser Residential Properties, Inc., now or formerly, the following courses and distances: North 42 degrees 32' 15" West 85.50 feet to a point; thence North 47 degrees 27' 45" East 17.85 feet to a point; thence North 42 degrees 32' 15" West 112.75 feet to a point; thence North 47 degrees 27' 45" East 66.08 feet to a point; thence South 87 degrees 32' 15" East 76.13 feet to a point; thence South 42 degrees 32' 15" East 58.92 feet to a point; thence South 47 degrees 27' 45" West 61.27 feet to a point; thence South 42 degrees 32' 15" East 85.50 feet to a point in the northern boundary of the right-of-way of Audubon Lake Drive, the point and place of Beginning, and being more particularly described on Sheet 2 of 5 as shown on the plat and plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, Page 1010, Durham County Registry.

Phase 2:

Beginning at a point at the southernmost corner of the property hereinafter described, said point also being in the northern boundary of the right-of-way of Audubon Lake Drive and being designated "Control Corner" with N.C. Grid Coordinates N(y) 785,961.50, E(x) 2,015,515.79 on the plat hereinafter referred to; thence leaving the boundary of the right-of-way of Audubon Lake Drive and running with the common line of property of Fraser Residential Properties, Inc., now or formerly, the following courses and distances: North 42 degrees 32' 15" West 85.50 feet to a point; thence North 47 degrees 27' 45" East 61.27 feet to a point; thence North 42 degrees 32' 15" West 58.92 feet to a point; thence North 87 degrees 32' 15" West 76.13 feet to a point; thence South 47 degrees 27' 45" West 66.08 feet to a point; thence North 42 degrees 32' 15" West 30.74 feet to a point; thence North 8 degrees 32' 05" East 50.46 feet to a point; thence North 47 degrees 27' 45" East 133.80 feet to a point; thence South 42 degrees 32' 15" East 15.00 feet to a point; thence North 47 degrees 27' 45" East 15.81 feet to a point; thence South 42 degrees 32' 15" East 245.70 feet to a point in the northern right-of-way of the boundary of Audubon Lake Drive; thence along and with the northern boundary of the right-of-way of Audubon Lake Drive South 47 degrees 27' 45" West 130.21 feet to the point and place of beginning, and being more particularly described on Sheet 4 of 5 as shown on the plat and plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, Page 1008, Durham County Registry.

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NORTH CAROLINA

Durham

COUNTY

I, Gisele A. Sullivan, a Notary Public of said state and county certify that William C. Loan personally appeared before me this day and acknowledged that he is Secretary of FRASER RESIDENTIAL PROPERTIES, INC. and that by authority duly given and as the act of the corporation, the foregoing Declaration was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and notarial seal this the 16th day of September, 1987.

Gisele A. Sullivan
Notary Public

My Commission Expires:

February 12, 1992

209-6/1/2/3DECLAR

FILED
BOOK 1402 PAGE 897-908
SEP 22 4 33 PM '87
RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, NC

State of North Carolina-Durham County

The foregoing certificate(s) of

Gisele A. Sullivan

A Notary (Notaries) Public for the Designated Governments
units is (are) certified to be correct.

This the 22 day of Sept A.D. 1987
Ruth C. Garrett Ruth C. Garrett
Register of Deeds By [Signature]
Register of Deeds

EXHIBIT A-1
(Property Description for Phases 3-20)

Beginning at a point, said point being located South 01 degrees 17' 54" East 7.96 feet from the Control Corner having N.C. Grid Coordinates of N(y)=786,477.42, E(x)=2,015,150.10, as shown in Plat Book 112, Page 105, Durham County Registry, running thence South 88 degrees 15' 14" East 220 feet to a stake; thence North 46 degrees 44' 46" East 225 feet to a stake; thence South 38 degrees 30' 14" East 203.98 feet to a stake; thence South 38 degrees 30' 14" East 28.02 feet to a stake; thence South 58 degrees 30' 14" East 25.00 feet to a stake; thence South 58 degrees 30' 14" East 224.24 feet to a stake; thence South 47 degrees 27' 45" West 876.330 feet to a stake; thence along and with a curve in a clockwise direction, said curve having a radius of 270.000 feet, an arc distance of 199.991 feet and a chord bearing and distance of South 68 degrees 40' 56.0" West 195.451 feet to a stake; thence South 89 degrees 54' 02.0" West 15.24 feet to a stake; thence North 0 degrees 05' 53" West 743.480 feet to a stake; thence North 85 degrees 40' 14" East 97.81 feet to a stake; thence North 85 degrees 40' 14" East 4.32 feet to a stake; thence North 1 degree 17' 54" East 76.660 feet to a stake, the point and place of Beginning.

SAVE AND EXCEPT from the above-described property Phases 1 and 2, Exhibit A, more particularly described as follows:

Phase 1:

Beginning at a point at the southeastern corner of the property hereinafter described, said point being in the northern boundary of the right-of-way of Audubon Lake Drive and also being designated Control Corner with N.C. Grid Coordinates of N(y) 785,961.50, E(x) 2,015,515.79, as shown on the plat hereinafter referred to; running thence along and with the northern boundary of the right-of-way of Audubon Lake Drive South 47 degrees 27' 45" West 76.50 feet to a point; thence leaving the boundary of the right-of-way of Audubon Lake Drive and running along the common boundary of property of Fraser Residential Properties, Inc., now or formerly, the following courses and distances: North 42 degrees 32' 15" West 85.50 feet to a point; thence North 47 degrees 27' 45" East 17.85 feet to a point; thence North 42 degrees 32' 15" West 112.75 feet to a point; thence North 47 degrees 27' 45" East 66.08 feet to a point; thence South 87 degrees 32' 15" East 76.13 feet to a point; thence South 42 degrees 32' 15" East 58.92 feet to a point; thence South 47 degrees 27' 45" West 61.27 feet to a point; thence South 42 degrees 32' 15" East 85.50 feet to a point in the northern boundary of the right-of-way of Audubon Lake Drive, the point and place of Beginning, and being more particularly described on Sheet 2 of 5 as shown on the plat and plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, Page 106, Durham County Registry.

Phase 2:

Beginning at a point at the southernmost corner of the property hereinafter described, said point also being in the northern boundary of the right-of-way of Audubon Lake Drive and being designated "Control Corner" with N.C. Grid Coordinates N(y) 785,961.50, E(x) 2,015,515.79 on the plat hereinafter referred to; thence leaving the boundary of the right-of-way of Audubon Lake Drive and running with the common line of property of Fraser Residential Properties, Inc., now or formerly, the following courses and distances: North 42 degrees 32' 15" West 85.50 feet to a point; thence North 47 degrees 27' 45" East 61.27 feet to a point; thence North 42 degrees 32' 15" West 58.92 feet to a point; thence North 87 degrees 32' 15" West 76.13 feet to a point; thence South 47 degrees 27' 45" West 66.08 feet to a point; thence North 42 degrees 32' 15" West 30.74 feet to a point; thence North 8 degrees 32' 05" East 50.46 feet to a point; thence North 47 degrees 27' 45" East 133.80 feet to a point; thence South 42 degrees 32' 15" East 15.00 feet to a point; thence North 47 degrees 27' 45" East 15.81 feet to a point; thence South 42 degrees 32' 15" East 245.70 feet to a point in the northern right-of-way of the boundary of Audubon Lake Drive; thence along and with the northern boundary of the right-of-way of Audubon Lake Drive South 47 degrees 27' 45" West 130.21 feet to the point and place of beginning, and being more particularly described on Sheet 4 of 5 as shown on the plat and plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, Page 108, Durham County Registry.

209-6/3DECLAR/09-13-87/gas/

EXHIBIT B

To Declaration

Limited Common Elements

Each Unit Owner shall be allocated those Limited Common Elements, as shown on the Plats and Plans, in the manner set forth on the Plat and Plans.

EXHIBIT C
To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basic Points
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Phase I (Building One)

One A-11	D	.0431	.0431	67
One A-12	D	.0431	.0431	67
One A-13	F	.0431	.0431	67
One B-11	E	.0431	.0431	67
One A-21	D	.0431	.0431	67
One A-22	D	.0431	.0431	67
One A-23	F	.0431	.0431	67
One B-21	E	.0431	.0431	67
One A-31	D	.0431	.0431	67
One A-32	D	.0431	.0431	67
One A-33	F	.0431	.0431	67
One B-31	E	.0431	.0431	67

Phase 2 (Building Two)

Two C-11	B	.0373	.0373	58
Two C-12	A	.0373	.0373	58
Two C-13	C	.0431	.0431	67
Two C-14	C	.0431	.0431	67
Two C-21	B	.0373	.0373	58
Two C-22	A	.0373	.0373	58
Two C-23	C	.0431	.0431	67
Two C-24	C	.0431	.0431	67
Two C-31	B	.0373	.0373	58
Two C-32	A	.0373	.0373	58
Two C-33	C	.0431	.0431	67
Two C-34	C	.0431	.0431	67

10431

209-6/3DECLAR/09-13-87/gas/

EXHIBIT D

To Declaration

Liens, Defects and Encumbrances

- a. Building and zoning laws, ordinances, and state and federal regulations;
- b. The provisions of Articles of Incorporation ~~and the~~ Bylaws of Brandon Ridge Condominium Unit Owners' Association;
- c. The Plats or Plans of the Condominium;
- d. Existing streets and alleys, utility easements and other easements of record, if any; restrictions of record, if any;
- e. The provisions of North Carolina General Statutes, Chapter 47C, as amended from time to time.

EXHIBIT E

NORTH CAROLINA
DURHAM COUNTY

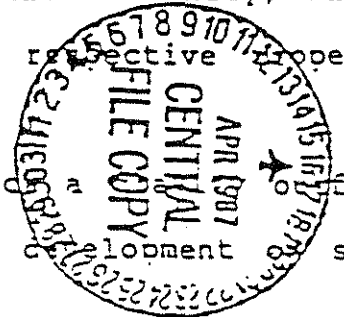
AGREEMENT

THIS AGREEMENT made and entered into this the 9TH day of APRIL, 1987, by and upon the North Carolina Environmental Management Commission, an agency of the State of North Carolina, hereinafter known as the Commission and Fraser Residential Properties, Inc., a corporation licensed to do business in the State of North Carolina, hereinafter known as the Developer:

WITNESSETH:

1. The Developer is the owner of certain lands lying in the southern part of Durham County, North Carolina, upon which it is erecting and will erect dwelling units and other improvements, said development to be known as the Spring Hill Planned Residential Community. The Community will be comprised of a number of different subdivisions or condominium developments, each of which will have different property owners associations. The Developer, prior to sale of its dwelling units, will file declarations of covenants or declarations of condominiums pursuant to the laws of North Carolina for each subdivision or condominium project within the Community, which declarations will be administered by the respective property owners association.

2. The Developer desires to construct a full wastewater collection system to serve the development said lands.

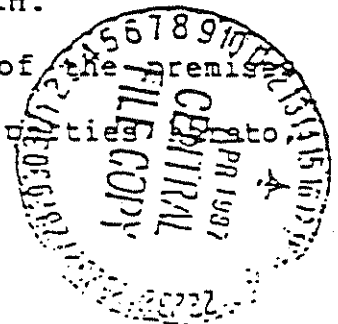


3. The Developer will cause to be formed prior to the time of filing of the as mentioned declarations, non-profit corporations organized and existing under and by virtue of the laws of the State of North Carolina, to perform the obligations set forth in the applicable recorded declaration for each subdivision or condominium project including operating, maintaining, re-constructing and repairing the common elements of the lands and improvements subject to the declaration and including maintaining the wastewater collecting system, and wastewater treatment and/or disposal facilities; and of collecting dues and assessments to provide funds for such operation, maintenance, re-construction and repair.

4. The Developer has applied to the Commission for the issuance of a permit pursuant to G.S. 143.215.1 to construct, maintain, and operate said wastewater collection system and wastewater treatment and/or disposal facilities.

5. The Commission desires to assure that the wastewater collection system, and wastewater treatment and/or disposal facilities of Spring Hill Planned Residential Community are properly constructed, maintained and operated in accordance with law and permit provisions in order to protect the quality of the waters of the State and the public interest therein.

NOW, THEREFORE, for and in consideration of the premises and the benefits to be derived by each of the parties hereto



the North Carolina Environmental Management Commission and Fraser Residential Properties, Inc. do hereby mutually agree as follows:

1. The Developer shall construct the wastewater collection system, and wastewater treatment and/or disposal facilities in accordance with the permit and plans and specifications hereafter issued and approved by the Commission; and shall thereafter properly operate and maintain such systems and facilities in accordance with applicable permit provisions and law until each system and facilities have been transferred to the Association.

2. The Developer shall not transfer ownership of the wastewater collection system, or the wastewater treatment and/or disposal facilities to the Association until they have been inspected and a permit issued to the Association by the North Carolina Environmental Management Commission.

3. For each subdivision or condominium project within the Spring Hill Planned Residential Community prior to the sale of any unit within any such subdivision, the Developer as Declarant shall indicate the same or substantially the same language as follows in each such declaration of covenants or declaration of condominium filed.

"(1) The Developer, at its expense, shall construct a private sewer system to serve the Spring Hill Planned Residential Community. When the system has been constructed, the facilities have been inspected and approved by the North Carolina Environmental Management Commission, and a permit has been issued by the North Carolina Environmental Management Commission, the Developer will dedicate such portion of the system to the Association."

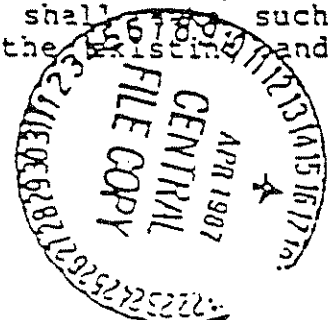
Association as is to be located upon the Property as is reflected a "private sewer easement" on the plat recorded in Book 1402, Page 965 of the Durham County Registry. Upon such dedication, the Association shall undertake the following obligations, which obligations under this section may be enforced by the North Carolina Environmental Management Commission as a third party beneficiary of this section:

(a) The Association, after transfer of ownership of the respective portion of the private sewer system to it by the Developer, shall apply to North Carolina Environmental Management Commission for a permit to operate the system and shall thereafter properly maintain and operate the wastewater collection system and appurtenances thereto in conformity with law and the provisions of the permit for construction, operation, repair, and maintenance of the system and facilities hereafter issued by the North Carolina Environmental Commission. In order to provide the necessary funds to carry out such construction operation, repair and maintenance, the Association shall levy and collect the assessments provided for in this Declaration, including special or additional assessments, and in the event that the sum realized by the levy of such assessments shall not be adequate to maintain and operate the system and facilities as required by law and permit provisions, the Association shall take such action as is necessary to secure funds adequate for such purposes.

(b) In order to assure that there shall be funds readily available to repair or re-construct the wastewater collection system, wastewater treatment and/or disposal facilities, in the event of severe damages or destruction, the Association shall create, maintain and use the contingency funds as provided in this Declaration; the By-Laws.

This obligation shall receive the highest priority for expenditures by the Association except for Federal, state and local taxes, and insurance.

(c) If a wastewater collection system provided by any city, town, village, county, water and sewer authorities, or other unit of government shall hereinafter become available to serve the Property, the Association or the Developer, shall take such action as is necessary to cause the existing and



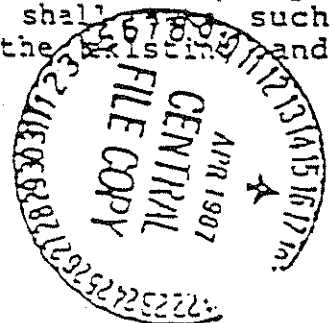
Association as is to be located upon the Property as is reflected a "private sewer easement" on the plat recorded in Book 110, Page 132 of the Durham County Registry. Upon such dedication, the Association shall undertake the following obligations, which obligations under this section may be enforced by the North Carolina Environmental Management Commission as a third party beneficiary of this section:

(a) The Association, after transfer of ownership of the respective portion of the private sewer system to it by the Developer, shall apply to North Carolina Environmental Management Commission for a permit to operate the system and shall thereafter properly maintain and operate the wastewater collection system and appurtenances thereto in conformity with law and the provisions of the permit for construction, operation, repair, and maintenance of the system and facilities hereafter issued by the North Carolina Environmental Commission. In order to provide the necessary funds to carry out such construction operation, repair and maintenance, the Association shall levy and collect the assessments provided for in this Declaration, including special or additional assessments, and in the event that the sum realized by the levy of such assessments shall not be adequate to maintain and operate the system and facilities as required by law and permit provisions, the Association shall take such action as is necessary to secure funds adequate for such purposes.

(b) In order to assure that there shall be funds readily available to repair or re-construct the wastewater collection system, wastewater treatment and/or disposal facilities, in the event of severe damages or destruction, the Association shall create, maintain and use the contingency funds as provided in this Declaration; the By-Laws.

This obligation shall receive the highest priority for expenditures by the Association except for Federal, state and local taxes, and insurance.

(c) If a wastewater collection system provided by any city, town, village, county, water and sewer authorities, or other unit of government shall hereinafter become available to serve the Property, the Association or the Developer, shall take such action as is necessary to cause the existing and



future wastewater from the Property to be accepted and discharged into said governmental system; and shall convey or transfer as much of the wastewater collection system and wastewater treatment and/or disposal facilities and such necessary easements as the governmental unit may require as a condition of accepting wastewater from the Property.

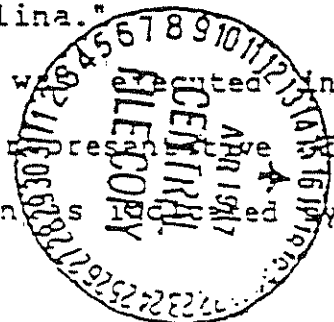
(d) The Association, recognizing that it would be contrary to the public interest and to the public health, safety and welfare to enter into voluntary dissolution without having made adequate provision for the continued proper maintenance, repair and operation of its wastewater collection system and wastewater treatment and/or disposal facilities, shall not enter into voluntary dissolution without first having transferred its said system and facilities to some person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission by the issuance of a permit.

(e) The Association shall not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation of its portion of the private sewer system and until it has first secured the written approval of the North Carolina Environmental Management Commission.

4. The agreements set forth in numbered paragraphs 1, 2 and 3 above shall be conditions of any permit issued by the Commission to the Developer or the Association for the construction, maintenance, repair and operation of a water collection system or wastewater treatment and/or disposal facilities.

5. A copy of this agreement shall be filed in the offices of the Secretary of State of North Carolina."

IN WITNESS WHEREOF, this agreement was executed in triplicate originals by the duly authorized representatives of the parties hereto on the day and year written on each of the parties named below:



THIS the 19TH day of APRIL, 1987.

BY AUTHORITY OF THE ENVIRONMENTAL MANAGEMENT COMMISSION

[Signature]
R. Paul Wilms, Director
Division of Environmental Management

Fraser Residential Properties, Inc.

[Signature]
Agent's Name and Title (Print or Type)

209-3/AGREEMENT



209-6/3DECLAR/09-13-87/gas/

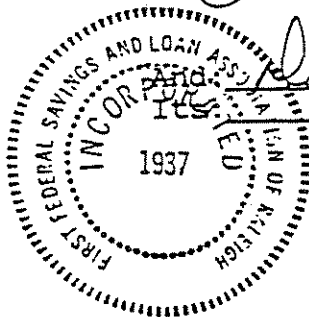
CONSENT OF MORTGAGEE

First Federal Savings & Loan Association of Raleigh, a corporation, is the holder of that certain mortgage or deed of trust on the property as described in the foregoing Declaration for Brandon Ridge Condominium, said mortgage or deed of trust having been recorded in Book 48 at page 1233, in the office of the Register of Deeds of Durham County, North Carolina, and as holder of said mortgage or deed of trust does hereby consent to the terms, conditions, and covenants in the foregoing Declaration and the Bylaws described therein, and agrees that the lien of said mortgage or deed of trust, the assignment of leases and rents filed in connection therewith, and the interest of the mortgagee or beneficiary therein, are subject to the terms, conditions, and covenants contained in said Declaration.

IN WITNESS WHEREOF, the undersigned has caused this Consent to be duly executed this 15 day of September, 1987.

By: J. B. WheelerIts: President

(Corporate Seal)

Secretarydocument certification

these condo documents have been certified for recordation by the city of durham subdivision review board

by: John D. Fisher chairman

date: 9-21-87

approval void 30 days from signature date.

Prepared by: Harlow, Reilly, Derr & Stark
BOOK NOTED Mail to: P.O. Drawer 13448, Research Triangle Park, NC 27709

BOOK 1478 PAGE 574

AMENDMENT
TO
DECLARATION OF CONDOMINIUM
FOR
BRANDON RIDGE CONDOMINIUM
WITHIN THE SPRING HILL PLANNED RESIDENTIAL DEVELOPMENT
DEVELOPED BY
FRASER RESIDENTIAL PROPERTIES, INC.
COUNTY OF DURHAM
NORTH CAROLINA

Assign: Bk 1479 p. 896-97 9-21-88

Assign: Book 1479 p. 898-899 9-21-88

18887

200

DATE: 13th SEPTEMBER 1988
Brandon Ridge Condominium

AMENDMENT TO DECLARATION

THIS AMENDMENT TO DECLARATION, made this 13th day of September, 1988, by Fraser Residential Properties, Inc., a North Carolina Corporation ("Declarant"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (hereinafter "Act").

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in the City of Durham, County of Durham, and State of North Carolina, legally described on Exhibit A, 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, Declarant desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant, as the owner of said property, hereby declare as follows:

ARTICLE I.

Submission of Property to the Act

1.1 Submission. Declarant hereby submits the Property to the Act.

1.2 Original Declaration Applicable To. The Property shall hereafter be controlled by and subject to the full and original Declaration of Condominium For Brandon Ridge Condominium, dated September 16, 1987, recorded in Book 1402, page 897 in the Durham County Registry on September 22, 1987 at 4:33 p.m., as amended hereby.

1.3 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 twenty-four (24) Units and does hereby designate all such Units for separate ownership.

ARTICLE II.

Allocations

2.1 Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated

solely and exclusively to each such Unit. Limited Common Elements include those portions of the Common Elements allocated by operation of Section 47C-2-102(2) or (4) of the Act, those set forth on Exhibit B which are hereby allocated to Units as shown on Exhibit B, and those set forth in the Plats or Plans which are hereby allocated to Units as shown on the Plats or Plans.

2.2 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 C. Each Unit in the Condominium shall have one (1) vote. Each Unit in the Condominium shall be assigned basis points which shall be used to determine that Unit's allocated interest in Common Elements and share of Common Expenses. Units will be designated as separate "types" of Units based upon the physical and spatial configuration of each Unit; all Units of one designated type will be substantially identical in configuration. Each specific "type" of Unit shall be assigned the same number of basis points, but different "types" of Units are not required to have the same number of basis points. Basis points assigned to each Unit are set forth in Exhibit C to this Declaration. Basis points are determined by the relative fair market values of each "type" of Unit as determined by Declarant as of the date of the original Declaration. Future changes in fair market values or sales prices of Units shall not in any way affect the allocation of basis points to Units. Each Unit's share of Common Expenses and interest in the Common Elements shall be a percentage determined by dividing the basis points assigned to that Unit by the total of all basis points assigned to all Units in the Condominium. If, as and when additional Units are added to the Condominium, the percentage interest in the Common Areas and share of the Common Expenses shall be recalculated for all Units then in the Condominium. If, as and when additional Units are added to the Condominium, each "type" of Unit added shall, solely for purposes of assigning basis points, be deemed to have the same fair market value as the same "type" of Unit has been determined to have as of the date of the original Declaration of Condominium For Brandon Ridge Condominium, regardless of the actual appraised value or sales price of such additional Unit at the time such additional Unit is added to the Condominium.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration, this the 13th day of September, 1988.

FRASER RESIDENTIAL PROPERTIES, INC.

(CORPORATE SEAL)

ATTEST:

Secretary

By:

W. C. Blount, Jr. (SEAL)
President

EXHIBIT A
(Property Description for Phases 7 and 8)

Phase 7:

BEGINNING at the easternmost corner of the property hereinafter described, said point also being 87.67 feet from the right-of-way of Audubon Lake Drive at Cottage Lane in a course South 58° 30' 14" East with N. C. Grid Coordinates N(y) 786,351.25, E(x) 2,015.815.90 on the plat hereinafter referred to; running thence South 66° 59' 43" West 63.23 feet to a nail in the pavement; thence along and with a curve to the right, which curve has a radius of 75', a chord course and distance of North 40° 30' 50" West 45.129 feet to an existing iron pin; thence South 31° 58' 37" West 1.5 feet to an existing iron pin; thence along and with a curve to the left, which curve has a radius of 528.843 feet, a chord course and distance of North 56° 41' 42" West 24.511 to an existing iron pin; thence South 34° 37' 58" West 28.5 feet to a nail in a railroad tie; thence along and with a curve to the right, which curve has a radius of 557.343 feet, a chord course and distance of North 50° 51' 13" West 87.717 feet to an existing iron pin; thence South 60° 39' 14" West 73.48 feet to a new iron pin; thence South 2° 32' 15" East 33.19 feet to a nail set in concrete; thence South 47° 27' 45" West 69.91 feet to a new iron pin; thence North 42° 32' 15" West 135.17 feet to a new iron pin; thence North 47° 27' 45" East 47.95 feet to a new iron pin; thence South 42° 32' 15" East 38.25 feet to a new iron pin; thence South 85° 14' 45" East 79.77 feet to a point on a manhole lid; thence North 60° 39' 14" East 61.54 feet to an existing iron pin; thence North 55° 3' 51" East 64.39 feet to an existing iron pin; thence South 38° 30' 14" East 21.87 feet to a point; thence South 58° 30' 14" East 161.57 feet to an existing iron pin, the point and place of beginning, and being more particularly described on Sheet 1 of 4 as shown on the Plat and Plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, Page 146, Durham County Registry, on September 15, 1988 at 3:25 P.M.

Phase 8:

BEGINNING at a point at the easternmost corner of the property hereinafter described, said point being on the western boundary of Cottage Lane; running thence South 55° 3' 51" West 64.39 feet to an existing iron pin; thence South 60° 39' 14" West 61.54 feet to a point on a manhole lid; thence North 85° 14' 45" West 79.77 feet to a new iron pin; thence 42° 32' 15" West 38.25 feet to a new iron pin; thence North 47° 27' 45" East 118.54 feet to a nail in a railroad tie; thence South 38° 30' 14" East 32.61 feet to a point; thence North 57° 3' 51" East 67.88 feet to a new iron pin; thence along and with the westernmost boundary of Cottage Lane South 38° 30' 14" East 75.76 feet to an existing iron pin, the point and place of beginning, and being more particularly described on Sheet 3 of 4 as shown on the Plat and Plans of Brandon Ridge Condominium filed in Condominium Drawer 4, at Page 146, Durham County Registry, on September 15, at 3:25 P.M.

EXHIBIT B

To Declaration

Limited Common Elements

Each Unit Owner shall be allocated those Limited Common Elements, as shown on the Plats and Plans, in the manner set forth on the Plats and Plans.

EXHIBIT C

To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basis Point
<u>Phase 1 (Building One)</u>				
One A-11	D	.0147	.0147	67
One A-12	D	.0147	.0147	67
One A-13	F	.0147	.0147	67
One B-11	E	.0147	.0147	67
One A-21	D	.0147	.0147	67
One A-22	D	.0147	.0147	67
One A-23	F	.0147	.0147	67
One B-21	E	.0147	.0147	67
One A-31	D	.0147	.0147	67
One A-32	D	.0147	.0147	67
One A-33	F	.0147	.0147	67
One B-31	E	.0147	.0147	67

Phase 2 (Building Two)

Two C-11	B	.0127	.0127	58
Two C-12	A	.0127	.0127	58
Two C-13	C	.0147	.0147	67
Two C-14	C	.0147	.0147	67
Two C-21	B	.0127	.0127	58
Two C-22	A	.0127	.0127	58
Two C-23	C	.0147	.0147	67
Two C-24	C	.0147	.0147	67
Two C-31	B	.0127	.0127	58
Two C-32	A	.0127	.0127	58
Two C-33	C	.0147	.0147	67
Two C-34	C	.0147	.0147	67

PHASE THREE
BUILDING 3

3A 11	.0147
3A 12	.0147
3A 13	.0127
3A 14	.0127
3A 21	.0147
3A 22	.0147
3A 23	.0127 - 96
3A 24	.0127 - 96
3A 31	.0147
3A 32	.0147
3A 33	.0127
3A 34	.0127

PHASE 4 BUILDING 4

4B 11	.0147
4B 21	.0147
4B 31	.0147
4C 11	.0147
4C 12	.0147
4C 13	.0147
4C 21	.0147
4C 22	.0147
4C 23	.0147
4C 31	.0147
4C 32	.0147
4C 33	.0147

EXHIBIT C

To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basis Point
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Phase 5 (Building Five)

Five A-11	B	.0127	.0127	58
Five A-12	B	.0127	.0127	58
Five A-13	B	.0127	.0127	58
9-.0127 Five A-14	C	.0147	.0147	67
Five A-21	B	.0127	.0127	58
3-.0147 Five A-22	B	.0127	.0127	58
Five A-23	B	.0127	.0127	58
Five A-24	C	.0147	.0147	67
Five A-31	B	.0127	.0127	58
Five A-32	B	.0127	.0127	58
Five A-33	B	.0127	.0127	58
Five A-34	C	.0147	.0147	67

Phase 6 (Building Six)

Six B-11	C	.0147	.0147	67
Six B-12	B	.0127	.0127	58
9-.0127 Six B-13	B	.0127	.0127	58
Six B-14	B	.0127	.0127	58
3-.0147 Six B-21	C	.0147	.0147	67
Six B-22	B	.0127	.0127	58
Six B-23	B	.0127	.0127	58
Six B-24	B	.0127	.0127	58
Six B-31	C	.0147	.0147	67
Six B-32	B	.0127	.0127	58
Six B-33	B	.0127	.0127	58
Six B-34	B	.0127	.0127	58

To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basis Point
<u>Phase 7 (Building Seven)</u>				
Seven A-11	C	.0147	.0147	67
Seven A-12	C	.0147	.0147	67
Seven A-13	A	.0127	.0127	58
Seven A-14	B	.0127	.0127	58
Seven A-21	C	.0147	.0147	67
Seven A-22	C	.0147	.0147	67
Seven A-23	A	.0127	.0127	58
Seven A-24	B	.0127	.0127	58
Seven A-31	C	.0147	.0147	67
Seven A-32	C	.0147	.0147	67
Seven A-33	A	.0127	.0127	58
Seven A-34	B	.0127	.0127	58

Phase 8 (Building Eight)

Eight B-11	E	.0147	.0147	67
Eight C-11	F	.0147	.0147	67
Eight C-12	D	.0147	.0147	67
Eight C-13	D	.0147	.0147	67
Eight B-21	E	.0147	.0147	67
Eight C-21	F	.0147	.0147	67
Eight C-22	D	.0147	.0147	67
Eight C-23	D	.0147	.0147	67
Eight B-31	E	.0147	.0147	67
Eight C-31	F	.0147	.0147	67
Eight C-32	D	.0147	.0147	67
Eight C-33	D	.0147	.0147	67

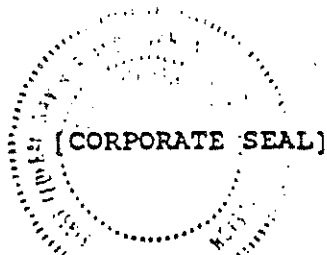
BUILDING 10

15 12 UNITS @ .0147

CONSENT OF MORTGAGEE

First Federal Savings & Loan Association of Raleigh, a corporation, is the holder of that certain mortgage or deed of trust on the property as described in the Declaration for Brandon Ridge Condominium, said mortgage or deed of trust having been recorded in Book 1233 at page 48, in the office of the Register of Deeds of Durham County, North Carolina, and as holder of said mortgage or deed of trust, does hereby consent to the terms, conditions, and covenants in the original Declaration Of Condominium For Brandon Ridge Condominium, recorded on September 22, 1987, at 4:33 p.m., in Book 1402 at page 897 and the foregoing Amendment To Declaration, and agrees that the lien of said mortgage or deed of trust, and the interest of the mortgagee or beneficiary therein, are subject to the terms, conditions, and covenants contained in the Original Declaration of Condominium and the foregoing Amendment To Declaration.

IN WITNESS WHEREOF, the undersigned has caused this Consent to be duly executed this 12 day of September, 1988.



[CORPORATE SEAL]

By: James B. Beal
Its: James B. Beal President

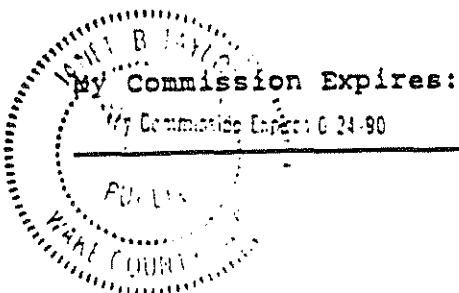
And: David C. Wright, Jr.
Its: David C. Wright, Jr. Secretary

Wake NORTH CAROLINA
DURHAM COUNTY

I, Janet B. Taylor, a Notary Public of said state and county certify that David C. Wright, Jr. personally appeared before me this day and acknowledged that he is David C. Wright, Jr. Secretary of FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF RALEIGH and that by authority duly given and as the act of the corporation, the foregoing Declaration was signed in its name by its President, sealed with its corporate seal, and attested by himself as its David C. Wright, Jr. Secretary.

Witness my hand and notarial seal this the 12 day of September, 1988.

Janet B. Taylor
Notary Public



Prepared by: Harlow, Reilly, Derr & Stark
Mail to: P.O. Drawer 13448, Research Triangle Park, NC 27709

FILED
JAN 14 1975
RECEIVED
COUNTY OF DURHAM

AMENDMENT
TO
DECLARATION OF CONDOMINIUM
FOR
BRANDON RIDGE CONDOMINIUM
WITHIN THE SPRING HILL PLANNED RESIDENTIAL DEVELOPMENT
DEVELOPED BY
FRASER RESIDENTIAL PROPERTIES, INC.
COUNTY OF DURHAM
NORTH CAROLINA

DATE: _____ MAY 1988
Brandon Ridge Condominium

AMENDMENT TO DECLARATION

THIS AMENDMENT TO DECLARATION, made this _____ day of May, 1988, by Fraser Residential Properties, Inc., a North Carolina Corporation ("Declarant"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (hereinafter "Act").

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in the City of Durham, County of Durham, and State of North Carolina, legally described on Exhibit A, 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; except units 5A-14, 5A-22 and 5A-23, which have previously been conveyed and whose owners have executed their consents to this Amendment To Declaration; and,

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

NOW, THEREFORE, Declarant, as the owner of said property, hereby declare as follows:

ARTICLE I.

Submission of Property to the Act

1.1 Submission. Declarant hereby submits the Property to the Act.

1.2 Original Declaration Applicable To. The Property shall hereafter be controlled by and subject to the full and original Declaration of Condominium For Brandon Ridge Condominium, dated September 16, 1987, recorded in Book 1402, page 897 in the Durham County Registry on September 22, 1987 at 4:33 p.m., as amended hereby.

1.3 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 twenty-four (24) Units and does hereby designate all such Units for separate ownership.

ARTICLE II.

Allocations

2.1 Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated

solely and exclusively to each such Unit. Limited Common Elements include those portions of the Common Elements allocated by operation of Section 47C-2-102(2) or (4) of the Act, those set forth on Exhibit B which are hereby allocated to Units as shown on Exhibit B, and those set forth in the Plats or Plans which are hereby allocated to Units as shown on the Plats or Plans.

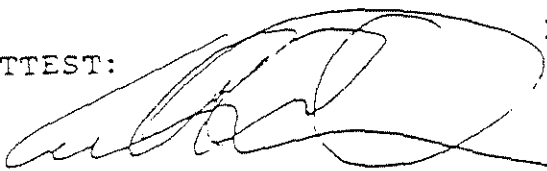
2.2 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, of votes in the Association, and of a percentage of the Common Expenses, are as stated on Exhibit C. Each Unit in the Condominium shall have one (1) vote. Each Unit in the Condominium shall be assigned basis points which shall be used to determine that Unit's allocated interest in Common Elements and share of Common Expenses. Units will be designated as separate "types" of Units based upon the physical and spatial configuration of each Unit; all Units of one designated type will be substantially identical in configuration. Each specific "type" of Unit shall be assigned the same number of basis points, but different "types" of Units are not required to have the same number of basis points. Basis points assigned to each Unit are set forth in Exhibit C to this Declaration. Basis points are determined by the relative fair market values of each "type" of Unit as determined by Declarant as of the date of the original Declaration. Future changes in fair market values or sales prices of Units shall not in any way affect the allocation of basis points to Units. Each Unit's share of Common Expenses and interest in the Common Elements shall be a percentage determined by dividing the basis points assigned to that Unit by the total of all basis points assigned to all Units in the Condominium. If, as and when additional Units are added to the Condominium, the percentage interest in the Common Areas and share of the Common Expenses shall be recalculated for all Units then in the Condominium. If, as and when additional Units are added to the Condominium, each "type" of Unit added shall, solely for purposes of assigning basis points, be deemed to have the same fair market value as the same "type" of Unit has been determined to have as of the date of the original Declaration of Condominium For Brandon Ridge Condominium, regardless of the actual appraised value or sales price of such additional Unit at the time such additional Unit is added to the Condominium.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration, this the 23rd day of May, 1988.

FRASER RESIDENTIAL PROPERTIES, INC.

[CORPORATE SEAL]

ATTEST:



Secretary

By:

 (SEAL)

President

NORTH CAROLINA

DURHAM COUNTY

I, Sandy S. Ellis, a Notary Public of said state and county certify that William C. Logan personally appeared before me this day and acknowledged that he is _____ Secretary of FRASER RESIDENTIAL PROPERTIES, INC. and that by authority duly given and as the act of the corporation, the foregoing Declaration was signed in its name by its President, sealed with its corporate seal, and attested by himself as its _____ Secretary.

Witness my hand and notarial seal this the 23rd day of May, 1988.

Sandy S. Ellis
Notary Public

My Commission Expires:

02/08/89

EXHIBIT A
(Property Description for Phases 5 and 6)

Phase 5:

BEGINNING at a point which has a course and distance of South 47° 27' 45" West 104.03 feet from the tract corner with N.C. Grid Coordinates of N(y) 786,305.45, E(x) 2,015,890.65, as shown on the plat hereinafter referred to; running thence along and with the northern boundary of the right-of-way of Audubon Lake Drive South 47° 27' 45" West 104.87 feet to an iron stake; thence North 42° 32' 15" West 85.50 feet to a point, thence South 47° 27' 45" West 25.08 feet to a point, thence North 42° 32' 15" West 96.56 feet to a point; thence North 47° 27' 45" East 103.35 feet to a point; thence along and with a curve to the left, which curve has a radius of 567.343 feet, accord course and distance of South 55° 49' 55" East 43.379 feet to a point; thence along and with a curve to the right, which curve has a radius of 35.00 feet, accord course and distance of South 14° 43' 58" East 47.999 feet to a point; thence South 64° 22' 20" East 104.91 feet to the point and place of BEGINNING, and being more particularly described on Sheet 1 of 4 as shown on the plat and plans of Brandon Ridge Condominium, filed in Condominium Drawer 4, page 124, Durham County Registry on March 18, 1988 at 10:49 a.m.

Phase 6:

BEGINNING at a point at the southernmost corner of the property hereinafter described, said point also being in the northern boundary of the right-of-way of Audubon Lake Drive and being designated "Tract Corner" with N.C. Grid Coordinates N(y) 786,305.45, E(x) 2,015,890.65 on the plat hereinafter referred to; running thence along and with the northern boundary of Audubon Lake Drive, South 47° 27' 45" West 104.03 feet to a point; thence North 64° 22' 20" West 104.91 feet; thence along and with a curve to the right, which curve has a radius of 35.00 feet, accord course and distance of North 14° 43' 58" West 47.999 feet to a point; thence along and with a curve to the left, which curve has a radius of 567.343 feet, accord course and distance of North 55° 49' 55" West 43.379 feet to a point; thence South 47° 27' 45" West 103.35 feet to a point; thence North 42° 32' 15" West 63.64 feet to a point; thence North 47° 27' 45" East 11.08 feet to a point; thence North 02° 32' 15" West, 33.19 feet to a point; thence North 60° 39' 14" East 73.48 feet to a point; thence along and with a curve to the left, which curve has a radius of 557.343 feet, accord course and distance of South 50° 51' 13" East 87.717 feet to a point; thence North 34° 37' 58" East 28.50 feet to a point; thence along and with a curve to the left, which curve has a radius of 528.843 feet, accord course and distance of South 56° 41' 42" East 24.511 feet to a point; thence North 31° 58' 37" East 1.50 feet to a point; thence along and with a curve to the right, which curve has a radius of 75.00 feet, accord course and distance of South 40° 30' 50" East, 45.129 feet to a point; thence North 66° 59' 43" East 63.23 feet to a point; thence South 58° 30' 14" East 87.67 feet to the point and place of BEGINNING, and being more particularly described on Sheet 3 of 4 as shown on the plat and plans of Brandon Ridge Condominium filed in Condominium Drawer 4 at page 126 on March 18, 1988 at 10:51, Durham County Registry.

EXHIBIT B

To Declaration

Limited Common Elements

Each Unit Owner shall be allocated those Limited Common Elements, as shown on the Plats and Plans, in the manner set forth on the Plats and Plans.

EXHIBIT C

To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basis Point
<u>Phase 1 (Building One)</u>				
One A-11	D	.0223	.0223	67
One A-12	D	.0223	.0223	67
One A-13	F	.0223	.0223	67
One B-11	E	.0223	.0223	67
One A-21	D	.0223	.0223	67
One A-22	D	.0223	.0223	67
One A-23	F	.0223	.0223	67
One B-21	E	.0223	.0223	67
One A-31	D	.0223	.0223	67
One A-32	D	.0223	.0223	67
One A-33	F	.0223	.0223	67
One B-31	E	.0223	.0223	67
<u>Phase 2 (Building Two)</u>				
Two C-11	B	.0193	.0193	58
Two C-12	A	.0193	.0193	58
Two C-13	C	.0223	.0223	67
Two C-14	C	.0223	.0223	67
Two C-21	B	.0193	.0193	58
Two C-22	A	.0193	.0193	58
Two C-23	C	.0223	.0223	67
Two C-24	C	.0223	.0223	67
Two C-31	B	.0193	.0193	58
Two C-32	A	.0193	.0193	58
Two C-33	C	.0223	.0223	67
Two C-34	C	.0223	.0223	67

EXHIBIT C

To Declaration

Unit No.	Unit Type	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Basis Point
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Phase 5 (Building Five)

Five A-11	B	.0193	.0193	58
Five A-12	B	.0193	.0193	58
Five A-13	B	.0193	.0193	58
Five A-14	C	.0223	.0223	67
Five A-21	B	.0193	.0193	58
Five A-22	B	.0193	.0193	58
Five A-23	B	.0193	.0193	58
Five A-24	C	.0223	.0223	67
Five A-31	B	.0193	.0193	58
Five A-32	B	.0193	.0193	58
Five A-33	B	.0193	.0193	58
Five A-34	C	.0223	.0223	67

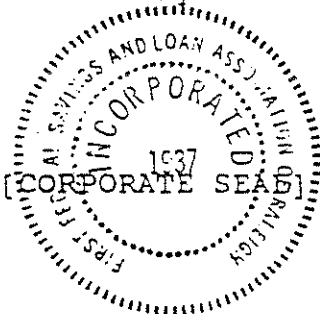
Phase 6 (Building Six)

Six B-11	C	.0223	.0223	67
Six B-12	B	.0193	.0193	58
Six B-13	B	.0193	.0193	58
Six B-14	B	.0193	.0193	58
Six B-21	C	.0223	.0223	67
Six B-22	B	.0193	.0193	58
Six B-23	B	.0193	.0193	58
Six B-24	B	.0193	.0193	58
Six B-31	C	.0223	.0223	67
Six B-32	B	.0193	.0193	58
Six B-33	B	.0193	.0193	58
Six B-34	B	.0193	.0193	58

CONSENT OF MORTGAGEE

First Federal Savings & Loan Association of Raleigh, a corporation, is the holder of that certain mortgage or deed of trust on the property as described in the Declaration for Brandon Ridge Condominium, said mortgage or deed of trust having been recorded in Book 1233 at page 48, in the office of the Register of Deeds of Durham County, North Carolina, and as holder of said mortgage or deed of trust, does hereby consent to the terms, conditions, and covenants in the original Declaration Of Condominium For Brandon Ridge Condominium, recorded on September 22, 1987, at 4:33 p.m., in Book 1402 at page 897 and the foregoing Amendment To Declaration, and agrees that the lien of said mortgage or deed of trust, and the interest of the mortgagee or beneficiary therein, are subject to the terms, conditions, and covenants contained in the Original Declaration of Condominium and the foregoing Amendment To Declaration.

IN WITNESS WHEREOF, the undersigned has caused this Consent to be duly executed this 20 day of May, 1988.



By: [Signature]
Its: President

And: [Signature]
Its: Secretary

NORTH CAROLINA
DURHAM COUNTY
WAKE

I, Janet B. Taylor, a Notary Public of said state and county certify that David C. Worley Jr. personally appeared before me this day and acknowledged that he is Secretary of FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF RALEIGH and that by authority duly given and as the act of the corporation, the foregoing Declaration was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and notarial seal this the 20 day of May, 1988.



[Signature]
Notary Public

147th 4th Recording 10. Address: Flowers, PA.
P.O. Box 25393
Durham, NC 27717

STATE OF NORTH CAROLINA
COUNTY OF DURHAM



2003077424

FOR REGISTRATION REGISTER OF DEEDS
Willing L. Covington
DURHAM COUNTY, NC
2003 DEC 31 12:49:43 PM
BK: 4236 PG: 448-460 FEE: \$47.00
NS: \$25.00
INSTRUMENT # 2003077424

AMENDMENT TO THE DECLARATION
OF CONDOMINIUM FOR BRANDON
RIDGE CONDOMINIUM, RECORDED
AT BOOK 1402, PAGE 897, DURHAM
COUNTY REGISTRY

THIS AMENDMENT TO THE DECLARATION OF CONDOMINIUM FOR
BRANDON RIDGE CONDOMINIUM, made this 24th day of November, 2003 by the
BRANDON RIDGE CONDOMINIUM UNIT OWNERS' ASSOCIATION, INC. a not-for-profit
corporation (hereinafter called "the Association").

WITNESSETH:

WHEREAS, the Brandon Ridge Condominium Unit Owners' Association, Inc.
(hereinafter, "the Association") was created by a Declaration of Condominium for Brandon
Ridge Condominium (hereinafter called "the Declaration") on the 15th day of September, 1987,
said Declaration having been recorded at Book 1402, Page 897, Durham County Registry;

WHEREAS, Article II of the Declaration subjects to N.C. Gen. Stat., Chapter 47C, The
North Carolina Condominium Act;

WHEREAS, Article XVII of the Declaration defines the powers and authority of the
Association and grants the Association the authority to carry out and enforce the provisions of
the Declaration;

WHEREAS, Article XV of the Declaration provides that the Declaration may be
amended only in strict compliance with the North Carolina Condominium Act;

WHEREAS, Chapter 47C-2-117 of The North Carolina Condominium Act provides that
the Declaration may be amended only by affirmative vote, or by a written agreement signed by
unit owners, of units to which at least sixty-seven percent (67%) of the votes in the association
are allocated, provided that any such Amendment is recorded with the Durham County, North
Carolina office of the Register of Deeds;

WHEREAS, at a meeting of the Board of Directors of the Association duly called and
held on the 24th day of November, 2003, at which a quorum of the Board of Directors was
present, the resolution effecting the following amendments were duly adopted.

NOW, THEREFORE, the Association does hereby declare and certify that the
Declaration of Condominium for Brandon Ridge Condominium recorded at Book 1402, Page

897, Durham County Registry, shall be and hereby is further amended as follows:

Article X of the Declaration, captioned "Management, Maintenance, Repairs, Replacements, Alterations and Improvements," shall be amended as follows:

A third sentence shall be added to Article X, Section 10.1, captioned "Common Elements," which shall read as follows:

"To the extent that insurance proceeds from a policy provided by the Association pay for the costs of repair for any damage caused to a Unit by any work on or to the Common Elements, the Unit Owner shall bear the responsibility for paying any deductible incurred by the Association under that policy."

A second sentence shall be added to Article X, Section 10.2, captioned "Units," such that the second sentence as presently written shall become the third sentence and the third sentence shall become the fourth sentence and the language of the second sentence to be added shall read as follows:

"To the extent that the Association provides insurance to repair or replace the portions of another Unit that has become damaged or destroyed by reason of the act of a Unit Owner, the Unit Owner responsible for inflicting the damage to another Unit shall bear responsibility for paying any deductible due that is owed under the insurance policy."

Article XI, of the Declaration, captioned "Insurance," shall be amended as follows:

A new subsection (v), captioned "Insurance Deductibles," shall be added to Section 11.1, captioned "Property Insurance" and shall read as follows:

"If a Unit Owner incurs a loss to his Unit and that loss is covered under the policy provided by the Association as required by this section, that Unit Owner shall bear the responsibility for paying any deductible incurred by the Association and shall pay the amount of that deductible to the Association on demand. Any unpaid deductible shall be construed as an assessment, the payment of which may be secured by a lien pursuant to Article 18.2 of this Declaration."

The third sentence of Section 11.6, captioned "Individual Policy for Unit Owners," shall be deleted in its entirety and the following sentence shall be substituted in its place and shall read as follows:

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 or as a result of any deductible that is owed under the policy provided by the Association, such Unit Owner shall be liable to the Association to the extent of such reduction or such deductible and shall pay the amount of such reduction or deductible to the Association upon demand, and assigns the proceeds of his insurance, the extent of such reduction or deductible, to the Association.

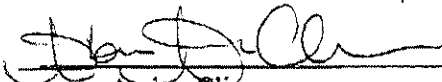
NORTH CAROLINA
DURHAM COUNTY

CERTIFICATION OF VALIDITY OF THE
AMENDMENT TO THE DECLARATION OF
CONDOMINIUM FOR BRANDON RIDGE
CONDOMINIUM, RECORDED AT BOOK 1402,
PAGE 897, DURHAM COUNTY REGISTRY

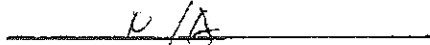
By authority of its Board of Directors, Brandon Ridge Condominium Unit Owners' Association, Inc. certifies that the foregoing amendment has been approved by the affirmative vote of the owners of at least sixty-seven percent (67%) of the lots of the Brandon Ridge Condominium at a meeting duly held in accordance with the bylaws of the Association, as evidenced by their signatures affixed to this Certification of Validity as "Exhibit A," and is thereby a valid amendment to the existing Declaration of Condominium for Brandon Ridge Condominium, and that the undersigned personally witnessed and attest to the validity of the signatures affixed to the written instrument attached hereto as "Exhibit A."

BRANDON RIDGE CONDOMINIUM UNIT OWNERS' ASSOCIATION, INC.

BY:

 President
Amber Cline

ATTEST:


 Secretary
Thelma Kithcard

SEAL

Before me, the undersigned, a Notary Public within and for the county and state aforesaid, personally appeared this day Amber Cline and ~~(Thelma Kithcard)~~ who, being first duly sworn by me, say that they are the President and Secretary, respectively, of the Brandon Ridge Condominium Unit Owners Association, Inc.; that they personally witnessed and attest to the validity of the signatures affixed to the written instrument attached hereto as "Exhibit A," that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said President and Secretary acknowledged the said writing to be the act and deeds of said corporation.

Witness my hand and notarial seal, the 24th day of NOVEMBER 2003

My commission expires: 10-14-2006


Notary Public

