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DECLARATION CREATING UNIT OWNERSHIP  
AND ESTABLISHING RESTRICTIONS, COVENANTS AND CONDITIONS FOR  
HOLLY SPRINGS PROFESSIONAL BUILDING CONDOMINIUM  
[Wake County Register of Deeds Condominium File No. 3cm 2004, Page 354A1-A4]

TABLE OF CONTENTS

| <u>Article No.</u> | <u>Title</u>  | <u>Page No.</u> |
|--------------------|---|-----------------|
| 1.                 | Definitions   | 3               |
| 2.                 | Declarations of Covenants, Conditions and Restrictions    | 5               |
| 3.                 | Property Rights of Declarant, Association and Unit Owners | 7               |
| 4.                 | Unit Allocated Percentage Interests in Common Areas       | 8               |
| 5.                 | Assessment and Collection of Common Expenses              | 8               |

|     |   |    |
|-----|---|----|
| 6.  | Party Walls And Boundary Lines Separating Condominium Units   | 10 |
| 7.  | Maintenance of Common Elements and Exterior Building Surfaces | 12 |
| 8.  | Architectural Control   | 12 |
| 9.  | Use Restrictions on Condominium Units                         | 12 |
| 10. | Easements Benefiting Declarant, Association and Unit Owners   | 14 |
| 11. | Termination of Condominium Form of Ownership                  | 15 |
| 12. | General Provisions  | 16 |

**Schedule of Exhibits**

|           |   |  |
|-----------|---|--|
| Exhibit A | - | Property Description                               |
| Exhibit B | - | Description of Buildings and Units                 |
| Exhibit C | - | Articles of Incorporation                          |
| Exhibit D | - | By-Laws  |
| Exhibit E | - | Unit Allocated Percentage Interest in Common Areas |

**DECLARATION CREATING UNIT OWNERSHIP  
AND ESTABLISHING RESTRICTIONS, COVENANTS AND CONDITIONS FOR  
HOLLY SPRINGS PROFESSIONAL BUILDING CONDOMINIUM**

[Wake County Register of Deeds Condominium File No. 8/21/2004, Page 354-A1-A-4]

THIS DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING RESTRICTIONS, COVENANTS AND CONDITIONS FOR HOLLY SPRINGS PROFESSIONAL BUILDING CONDOMINIUM, made and entered into this 28 day of September, 2004, by Investment Choices III, LLC, a North Carolina limited liability company, hereinafter Declarant, pursuant to the provisions of the North Carolina Condominium Act (Chapter 47C of the North Carolina General Statutes).

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain property located on the north side of Holly Springs Road, Holly Springs, Wake County, North Carolina, and more particularly described in the Legal Description attached hereto as Exhibit A (herein "Property"):

WHEREAS, Declarant desires and intends to create two multi-story buildings on the Property, with each building containing sixteen (16) units and certain improvements constructed or to be constructed into condominium units, or "units" as those terms are defined under the provisions of the North Carolina Condominium Act, and to sell and convey the same to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed;

WHEREAS, Declarant desires and intends by the filing of this Declaration, to submit the above described property and the buildings to be located thereon and all other improvements to be constructed, together with all appurtenances thereto, to the provisions of the North Carolina Condominium Act (Chapter 47C of the North Carolina General Statutes); and

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**PART I**

**DEFINITIONS**

Section 1: "Allocated Interests" means the undivided interest in the Common Elements, Common Expense liability and votes in the Association, allocated to each Unit. The Allocated Interests are shown on Exhibit E.

Section 2: "Articles of Incorporation" means the Articles of Incorporation of the Association as they may be amended from time to time. A copy of the initial Articles of Incorporation are attached hereto as Exhibit C.

Section 3: "Association" means Holly Springs Professional Center Association, Inc., its successors and assigns.

Section 4: "Bylaws" means the Bylaws of the Association as they may be amended from time to time. A copy of the initial Bylaws are attached hereto as Exhibit D.

Section 5: "Common Elements" means all portions of a condominium other than the Units, including, but not limited to, any and all stormwater facilities further described herein.

Section 6: "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.

Section 7: "Declarant" means Investment Choices III, LLC, a North Carolina Limited Liability Company, and their heirs and assigns.

Section 8: "Declaration" means this Declaration of Covenants, Conditions and Restrictions.

Section 9: "Executive Board" means the body designated in the Declaration to act on behalf of the Association.

Section 10: "Limited Common Elements" means a portion of the Common Elements allocated by the Declaration for the exclusive use of one or more but fewer than all of the Units.

Section 11: "Member" means every person or entity who holds membership in the Association.

Section 12: "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, together with an undivided interest in the Common Elements as hereinafter set forth, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13: "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a Unit to an Owner other than a Declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the Units (including any Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant; (iii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iv) two years after any development right to add new Units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the condominiums.

Section 14: "Plats and Plans" means the plats and plans recorded in Condominium File No. BKM 2004 → Page 354A1-A4, Office of the Register of Deeds, Wake County, North Carolina, and constituting a part hereof, as the same may be amended from time to time.

Section 15: "Unit" means a physical portion of the condominium designated for separate ownership or occupancy.

**PART II**

**ARTICLE I**

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

Section 1: Declarant hereby submits the Property to the provisions of North Carolina General Statutes Chapter 47C. The Property will be administered in accordance with the provisions of North Carolina General Statutes Chapter 47C, the Declaration, and the Bylaws.

Section 2: The name of the condominium shall be "Holly Springs Professional Building Condominium."

Section 3: The Property is located on the north side of Holly Springs Road, Holly Springs, Wake County, North Carolina, as more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with the improvements to be constructed thereon as referenced in Exhibit B. A more specific property description can be found in Condominium File No. BKM 2004, Page 354A1-A4, Office of the Register of Deeds, Wake County, North Carolina, which is incorporated herein by reference. Such documents bear a verified statement that they are an accurate copy of the site and building plans.

Section 4: The maximum number of Units that Declarant reserves the right to create is thirty-two (32).

Section 5: Declarant does hereby establish within the Property thirty-two (32) Units, and does hereby designate all such Units for separate ownership. Reference is hereby made to the Plats and Plans for a separate description of the boundaries of each Unit, identified by number, said Plats and Plans being by this reference incorporated herein.

Section 6: Declarant reserves the right to subdivide or combine units at its discretion, provided that Declarant complies with any applicable rules set forth in this Declaration of Condominium.

Section 7: Each Owner shall be a member of the Association.

Section 8: There are no Limited Common Elements with the exception of Limited Common Elements created under Article V.

Section 9: Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Executive Board of the Association, as trustees

for the condominium Unit Owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the condominium Units or any of them; and, if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against condominium Unit Owners, the Association and their respective servants, agents and guests. The Association shall maintain replacement cost coverage of the original Building(s) and Common Elements. Each condominium Unit Owner shall obtain insurance, at his own expense, affording coverage upon his condominium Unit as upfitted as further described in Article V, Section 8 hereinbelow, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

Section 10: Declarant reserves the following Special Declarant Rights for the entire Property, which shall be exercisable during the Period of Declarant Control:

- (a) To complete any and all improvements indicated on the Plats and Plans;
- (b) To maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than the Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to a Unit Owner other than the Declarant and shall repair or pay for the repair of all damage done by removal of such signs;
- (c) To alter the size of any Unit, combine or merge two or more Units, and subdivide any Unit;
- (d) To appoint and remove any Executive Board members during the Period of Declarant Control; provided, however, (i) that not later than 60 days after conveyance of seventy-five percent (75%) of the Units to Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than the Declarant; and (ii) that not later than 60 days after conveyance of one hundred percent (100%) of the Units to Owners other than a Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Owners other than the Declarant;
- (e) To approve all nameplates and signage attached to the exterior of the Condominium and in and about the Common Areas, and to provide uniform appearance and location; and
- (f) To amend this Declaration as necessary to exercise the development rights reserved pursuant to this Section 10 and Section 11, or if required by any governmental agency.

Section 11: The Declarant hereby reserves the following Development Rights:

- (a) The right by amendment to add, create and subdivide Units, Common Elements and Limited Common Elements within the Condominium.

(b) The right to construct underground utility lines, pipes, wires, ducts, conduits, driveways, parking lots and other facilities across the land anywhere in the Condominium for the purpose of furnishing utility, stormwater protection, and other services to the building and improvements to be constructed in connection with such additional Units. The Declarant also reserves the right to grant easements for drainage, access and public and private utilities and to convey improvements within those easements anywhere in the Condominium for the above-mentioned purposes.

**ARTICLE II**

**PROPERTY RIGHTS OF DECLARANT, ASSOCIATION AND UNIT OWNERS**

Section 1: Ownership of a Unit shall vest fee simple title to such Unit in the Owner.

Section 2: Every Owner shall own an undivided interest in the Common Elements and shall have a right and easement of enjoyment in the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit. The undivided interest in the Common Elements and the right and easement of enjoyment in such Common Elements are subject to the following:

(a) The Association shall have the right to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the Common Elements;

(b) Special Declarant rights as set forth in Article 1, Section 10 and reserved Development Rights as set forth in Article 1, Section 11.

(c) The Association shall have the right to dedicate or transfer, or encumber all or any part of the Common Elements subject to approval by the Owners as provided in N.C.G.S. § 47C-3-112, provided that the transferee of all of any part of the Common Elements has executed a Permit Agreement with the Town of Holly Springs with regard to the stormwater or public utility facilities further described herein.

Section 3: Notwithstanding anything provided in this Declaration seemingly to the contrary, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Unit, his employees, servants, invitees and lessees, may be entitled to use the Common Elements and any Limited Common Elements.

Section 4: Any Owner may delegate his right of enjoyment to Common Elements to tenants.

Section 5: The Common Elements and any Limited Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements by a Unit Owner made without the Condominium Unit to which that interest is allocated is void.

**ARTICLE III**

**UNIT ALLOCATED PERCENTAGE INTEREST IN COMMON AREAS**

Section 1: The table showing Unit numbers and their Allocated Interests is attached as Exhibit E. These interests have been allocated in accordance with the formulas set out in this Article III. These formulas are to be used in reallocating interests if Units are added to the Condominium.

Section 2: The interests allocated to each Unit have been calculated on the following formulas:

(a) The percentage of undivided interest in the Common Elements allocated to each Unit is based on the relative gross building square footage of each Unit as compared to the gross building square footage of all of the Units in the Condominium.

(b) The percentage of liability for Common Expenses allocated to each Unit is based on the relative gross building square footage of each Unit as compared to the gross building square footage of all of the Units in the Condominium. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article IV of this Declaration.

(c) The vote in the Association allocated to each Unit is based on the relative gross building square footage of each Unit as compared to the gross building square footage of all of the Units in the Condominium.

Section 3: The effective date for assigning Allocated Interests to Units created pursuant to Declarant rights hereunder shall be the date on which the amendment creating the Units is recorded in the Registry of Wake County, North Carolina.

**ARTICLE IV**

**ASSESSMENT AND COLLECTION OF COMMON EXPENSES**

Section 1: The Declarant, for each Unit owned within the Property, and each Owner by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements and for the maintenance, reconstruction and repair of any and all stormwater facilities, such assessments to be established and collected as hereinafter provided. Except as provided in Section 2 of this Article IV, the liability of each Owner for the Common Expenses of the Association shall be in accordance with their stated allocation as shown in Exhibit E. Any assessment levied against a Unit remaining 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 Wake County and shall accrue interest at a rate set by the Association not to exceed 18% per annum, or the maximum interest rate allowed under the law, it being the intent to allow the Association to accrue interest at the highest amount permissible under the law. The Association may bring an action at law against the Owner, or foreclose the lien against the Property. Fees (including attorneys' fees), charges, late charges, fines, and interest are also



enforceable as assessments. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed against the Unit or Units to which the Limited Common Element is assigned. Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against such Unit. Any charge for a utility service provided solely to a particular Unit or Units shall be assessed against such Unit or Units.

Section 3: The lien of the assessments provided for herein shall only be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Unit shall not affect the assessment lien. The sale or transfer of any Unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 4: The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the occupants and in particular for the acquisition, improvement and maintenance of the condominium, services and facilities devoted to this purpose, and for the use and enjoyment of the Common Elements. The Association, in establishing the Annual Budget for the operation, management and maintenance of the condominium, may designate therein a sum to be collected and maintained as a reserve fund for replacement of, and the making of capital improvements to the Common Elements which Capital Improvement and Replacement Fund (herein "Capital Improvement Fund") shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements or be owned by the Association and held for the joint use and benefit of the Owners of the condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Executive Board so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Elements and other property owned by the Association. In addition to the Capital Improvement Fund, the Association, in establishing the Annual Budget for the operation, management and maintenance of the condominium, may designate therein a sum to be collected and maintained as a separate reserve fund for reconstruction and repair of any and all stormwater facilities (herein "Facility Fund") mandated by the Town of Holly Springs. The amount to be allocated to the Facility Fund may be established by the Executive Board so as to collect and maintain a sum reasonably necessary to accommodate the probable reconstruction and repair cost for a three-year period. Further, said Facility Fund shall be maintained in a separate account by the Association and such monies shall be used only to reconstruct or repair the said stormwater facilities.

Section 5: Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be \$1.50 per square foot, prorated for the remainder of said year.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership by up to five percent (5%) of the previous year's maximum annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment for the next succeeding two (2) years may be increased above the increase permitted in Section 5(a), provided that any such assessment shall receive the affirmative vote of two-thirds (2/3rds) of the votes of the Owners who are voting in person or by proxy, at a meeting duly called for this purpose. Written notice setting forth the purpose of such meeting shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. No quorum shall be required.

(c) The Executive Board may fix the annual assessment at an amount not in excess of the maximum.

Section 6: Both annual and special assessments must be fixed at a uniform rate and may be collected on a monthly basis.

Section 7: The annual assessments provided for herein shall commence at a date established by the Association. Once such annual assessments are established, written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Executive Board. A late charge of FIFTY AND 00/100 DOLLARS (\$50.00) will be levied against Owner for assessments not paid within thirty (30) days after due date.

## ARTICLE V

### PARTY WALLS AND BOUNDARY LINES SEPARATING CONDOMINIUM UNITS

Section 1: The walls and flooring connecting adjacent Units are "party walls" and are situated on or about the boundary line separating such Units.

Section 2: All finish flooring and any other materials constituting any part of the finished surfaces of the walls, floors, or ceilings are a part of the Units, pursuant to N.C.G.S. §47C-2-102(1). To the extent any duct, wire, conduit, or any other fixtures lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated exclusively to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements, pursuant to N.C.G.S. §47C-2-102(2). Any decks, porches, balconies, patios and all other exterior doors and windows or other fixtures designated to serve a single Unit but located outside the

Unit's boundaries are Limited Common Elements allocated exclusively to that Unit, pursuant to N.C.G.S. §47C-2-102(4).

Section 3: Each wall which is built as a part of the original construction of a Unit and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 4: The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. The cost of reasonable repair and maintenance of entrance areas or entrance vestibules serving a Unit, including carpeted floors, shall be borne by the Unit's owner.

Section 5: Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act, or the negligent or willful act of the Owner's family, guests, invitees, tenants or agents, causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6: The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7: If any Owner desires to sell his Unit, such Owner may, in order to assure a prospective purchaser that no adjoining Unit Owner has a right of contribution as provided in this Article IV, request of the adjoining Unit Owner a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining Unit Owner to make such certification immediately upon request and without charges; provided, however, that where the adjoining Unit Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8: The Association will insure the shell and the Common Elements. The Unit Owner will be responsible to insure the Units as upfitted including wall coverings, finished floors, wall to wall carpeting, interior partitioning that is affixed to the Units, cabinets that are affixed to the Units, built in appliances, mechanical systems such as plumbing, heating ventilation, and air conditioning, electrical system and those portions of any wiring for communications systems such as telephone or computer that are built into the premises. The Unit Owner will additionally be responsible to insure furniture, equipment, all personal property, computers, telephones, or other communications equipment, movable furnishings and decorative items, specialized equipment and trade fixtures such as dental chairs and dental equipment, even though such specialized equipment may be affixed.

Section 9: In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina as then existing.

**ARTICLE VI**

**MAINTENANCE OF COMMON AREAS AND EXTERIOR BUILDING SURFACES**

Section 1: In addition to maintaining the exterior Common Elements, the Association shall provide exterior maintenance for each Unit, subject to assessment hereunder, including the performance of the following, as needed: Paint, repair, replace and care of roofs, exterior building surfaces, trees, shrubs, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces of the Units nor interior carpeted areas adjacent to the Units. Maintenance, repair and replacement of glass surfaces of the Unit shall be the responsibility of the Unit Owner and not the Association. However, any replacement must be in keeping with the original material. The repair and maintenance of HVAC system equipment for each Unit shall be the responsibility of the Unit Owner.

Section 2: In the event that the need for maintenance, repair, or replacement to the Common Elements is caused through the willful or negligent act of an Owner, his family, guests, invitees, or tenants, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Unit is subject.

Section 3: All interior maintenance or repair of each Unit shall be the sole responsibility of the Unit Owner unless the cause of the maintenance or repair is due to items covered under the repair and maintenance responsibilities of the Association as defined in Section 1 above.

**ARTICLE VII**

**ARCHITECTURAL CONTROL**

No building, fence, wall, or other structure or improvement shall be commenced, erected or maintained upon the condominium or upon the roof of the condominium, (including, but not limited to the installation of electrical wiring, television or radio antennae or satellite dish or other objects which may protrude through the walls or roof of the condominium), nor shall any exterior addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Executive Board. The exterior color of a Unit cannot be changed unless the color scheme of the entire condominium is similarly changed. Any such change requires the approval of two-thirds of the Owners at a duly called meeting at which a quorum is present.

**ARTICLE VIII**

**USE RESTRICTIONS ON CONDOMINIUM UNITS**

Section 1: No Unit shall be used except for business and professional purposes and such use must conform to state and local zoning ordinances inasmuch as each Unit is hereby restricted to use by the Owner thereof, his employees, servants, guests, invitees and lessees, for those uses and purposes permitted in the zoning district in which the Condominium is located, excluding

those uses permitted therein only upon obtaining a special use permit or variance. Provided, however, with the prior written consent of the Association, a Unit Owner may seek a variance or special use permit and upon obtaining the same may engage in those uses of the Unit permitted by such variance or special use permit subject to the further restrictions of this Declaration. Upon obtaining a special use permit or variance, the Unit Owner shall file a certified copy thereof with the Secretary of the Association. In any event, no Unit shall be used in any manner except in accordance with applicable law. No Unit shall be used for any retail or wholesale business use. No Unit shall be used for any manufacturing, processing or warehousing use. No Unit shall be used for a hair, nail or tanning salon.

**Section 2:** No noxious or offensive activity shall be conducted upon any Unit nor shall anything be done thereon which may be or may become an annoyance or nuisance.

**Section 3:** No animals of any kind shall be kept or maintained in any Unit without permission of the Executive Board.

**Section 4:** No outside radio or television antennas, including satellite dishes or receivers shall be erected on any Unit unless and until permission for the same has been granted by the Executive Board.

**Section 5:** No signs may be placed in or on the Common Elements advertising or promoting a business except within 30 days of a grand opening, or a for sale or lease by a real estate firm. No sign shall exceed 18" x 24" and all signs must comply with local zoning and sign ordinances. No other sign shall be permitted on or about the Units, other than those signs specifically referred to in Article I, Section 10. Further, no signs shall be placed on the inside or outside of any window serving a Unit.

**Section 6:** All window coverings (i.e., curtains, draperies, shades, etc.) shall appear white or off-white from the exterior and are deemed the responsibility of the Unit Owner. Interior blinds of white or off-white color with two inch (2') slats shall be installed in each Unit and are deemed the responsibility of the Unit Owner. No screens, whether fine-wire mesh or other material, shall be placed on the inside or outside of any window or door serving a Unit.

**Section 7:** Owners shall not park or store any boat, camper, trailer, trailer vehicle, or similar vehicle anywhere on the premises. No trucks shall be permitted except for standard passenger vans, pickup trucks or sport utility vehicle. Any motor vehicle not currently registered, inspected or licensed shall be parked or stored anywhere on the premises. No vehicle designed, displayed or used primarily for advertising or marketing purposes shall be permitted anywhere on or adjacent to premises. The Association reserves the right to tow any vehicle in violation of this Section and charge the Owner for the cost of towing. In no event shall the Association be held liable for the towing of any vehicle that is in violation of this Section.

**ARTICLE IX****EASEMENTS BENEFITTING DECLARANT, ASSOCIATION AND UNIT OWNERS**

Section 1: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Plats and Plans and other like easements may be granted by the Executive Board in the name of the Association for the benefit of the condominium and for the benefit of any Unit, including the right to install, lay, maintain, repair and replace, waterlines, pipes, sewer lines, storm drainage facilities, telephone wires, cable television wires and electrical conduits, wires over, under and along any portion of the Property, and the Owners of any Unit hereby grant to the Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

Section 2: All Units and Common Elements shall be subject to easements for the encroachment of improvements constructed on adjacent Units by the Declarant to the extent that such improvements actually encroach, including, but not limited to, such items as overhanging eaves, stoops, misaligned common wall foundation footings and walls, provided such encroachment does not interfere with the reasonable use of the Common Elements or Units so encroached upon.

Section 3: Declarant shall have a reasonable construction easement across the Common Elements for the purpose of constructing improvements on the Units. Declarant shall also have such easements through the Common Elements as may be reasonably necessary for the purpose of discharging a Declarant's obligations or exercising Special Declarant Rights as provided herein.

Section 4: The Association shall have a right of entry upon the Units and any limited Common Elements to effect emergency repairs, and a reasonable right of entry upon the Units to effect other repairs, improvements, replacement or maintenance as necessary.

Section 5: All easements granted herein are appurtenant to and shall run with the land, and shall inure to the benefit of and be binding upon the Declarant, the Association, Owners, occupants, and mortgage holders, and any other person or entity having an interest in the condominium.

Section 6: Each Unit Owner shall have an easement in common with the Owners of all other Units to use all chutes, flues, pipes, wires, ducts, cables, conduits, and public utilities serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the chutes, flues, pipes, wires, ducts, cables, conduits, and public utility lines, and other Common Elements serving such other Units and located in such Unit. The Executive Board, or its agents, shall have a right of access necessary to inspect the same, to remove violations therefrom, and to maintain, repair or replace the Common Elements contained therein or accessible therefrom, and to make emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Each Unit Owner specifically shall have an easement of access through all other Units as may be reasonably necessary to maintain, repair and replace all components of

mechanical systems serving his Unit and to maintain, repair and replace those portions of his Unit or Limited Common Elements within his sphere of responsibility.

Section 7: An easement is hereby established over the Common Elements for the benefit of applicable governmental agencies, utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage, collection, postal delivery, emergency and rescue activities and law enforcement activities.

## ARTICLE X

### TERMINATION OF CONDOMINIUM FORM OF OWNERSHIP

Section 1: The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument to that effect duly recorded; and, provided, that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, in either case by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the Property as provided in Section 3 below. The termination shall become effective when such agreement has been recorded in the public records of Wake County, North Carolina. The termination agreement must be executed and the termination agreement must specify a date after which the agreement will be void unless recorded before that date.

Section 2: If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Wake County, North Carolina.

Section 3: After termination of the Condominium, the Condominium Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Condominium Unit or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Area and Common Elements previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held for the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.

Section 4: Following termination, an action or suit may be brought upon the application of any Condominium Unit Owner to have the property partitioned or sold in lieu of partition. In addition, the Board of Directors, pursuant to a vote of not less than a majority of its members, may bring an action or suit to have the property sold in lieu of partition. In such latter event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

Section 5: The members of the Board of Directors, acting collectively as agent of all Condominium Unit Owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

**ARTICLE XI**

**GENERAL PROVISIONS**

Section 1: All powers granted in the Declaration or the Bylaws to the Association shall be exercisable by the Executive Board, except as expressly provided in the Declaration, the Bylaws, or N.C.G.S. § 47-C.

Section 2: The Association may adopt and enforce reasonable rules and regulations not in conflict with the Declaration and supplementary thereto, as more fully provided in the Bylaws.

Section 3: The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws and the Articles of Incorporation of the Association. Failure by the Association to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within 90 days, any Unit Owner, or other holder of an interest in the condominium may undertake the enforcement of the provisions of the Declaration at his own expense.

Section 4: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5: The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first 20-year period by an instrument signed by not less than ninety (90) percent of the Unit Owners, and thereafter by an instrument signed by not less than sixty-six (66) percent of the Owners. Any amendment must be recorded.

Section 6: The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal this the day and year first above written.



INVESTMENT CHOICES III, LLC

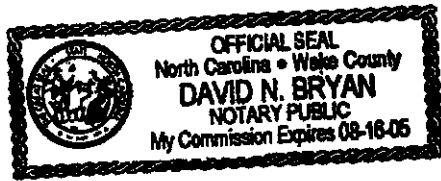
By:   
Donald J. Marsh, Manager

NORTH CAROLINA

WAKE COUNTY

I, David N. Bryan, a Notary Public for the aforesaid County and State, do hereby certify that Donald J. Marsh personally appeared before me this day and acknowledged that he is Manager of Investment Choices III, LLC, a North Carolina Limited Liability Company, and further acknowledged the due execution of this Declaration of Condominium on behalf of the Limited Liability Company.

Witness my hand and official seal this 28 day of September, 2004.



  
David N. Bryan, Notary Public

[SEAL]

My Commission Expires: August 16, 2005

**Exhibit B**  
**To Declaration Creating Unit Ownership and Establishing Restrictions, Covenants and**  
**Conditions for Holly Springs Professional Center**

**Description of Building and Units**

The Condominium will consist of two multi-story buildings (the "Buildings"). The first building will be a two-story structure (designated as Office Building No. 1) containing a maximum of sixteen (16) commercial condominium units of varying sizes. The second building will be a two-story structure (designated as Office Building No. 2) containing a maximum of sixteen (16) commercial condominium units of varying sizes. Declarant reserves the right to subdivide or combine units at its discretion, provided that Declarant complies with any applicable rules set forth in the Declaration of Condominium. Each condominium will include the unit plus access to common areas and facilities. In addition, the owner, guests and business invitees of each unit will have the non-exclusive right to use the parking areas adjacent to the Buildings. Use of parking facilities shall be subject to any reasonable rules and regulations that may be imposed by the Association or the Declarant. Each building containing condominium units will contain one stairwell which access all floors of each building and one elevator which access all floors of both buildings. The exterior walls will be constructed using wood frame structure covered by brick veneer. The roof will consist of plywood sheets, supported by wooden trusses and covered with asphalt shingles. The interior walls will consist of sheetrock, covered by paint. HVAC systems will be electric heat pumps. The Buildings will be situated as shown on the site plan provided as an attachment to all contracts.

**Unit Designation**

Unit sizes vary as more particularly shown on the plans contained in Condominium Book \_\_\_\_\_, pages \_\_\_\_\_, Wake County Registry. Each unit has access to the common areas or limited common areas as follows:

- |                        |   |
|------------------------|---|
| Stairwells/breezeways: | One (1) will be provided in each building, with each commercial unit having access to only one. Each stairwell/breezeway is shared by sixteen (16) units. |
| Elevators:             | One (1) will be provided to serve both buildings, with each commercial unit having access to only one. The elevator is shared by thirty-two (32) units.   |
| Equipment rooms:       | Space is reserved beneath each stairwell for common area and fire protection equipment.   |

Unit Address

|          |   |
|----------|---|
| Unit 100 | 1100 Holly Springs Road, Suite 100, Holly Springs, NC 27540 |
| Unit 101 | 1100 Holly Springs Road, Suite 101, Holly Springs, NC 27540 |
| Unit 102 | 1100 Holly Springs Road, Suite 102, Holly Springs, NC 27540 |
| Unit 103 | 1100 Holly Springs Road, Suite 103, Holly Springs, NC 27540 |
| Unit 104 | 1140 Holly Springs Road, Suite 104, Holly Springs, NC 27540 |
| Unit 105 | 1140 Holly Springs Road, Suite 105, Holly Springs, NC 27540 |
| Unit 106 | 1140 Holly Springs Road, Suite 106, Holly Springs, NC 27540 |
| Unit 107 | 1140 Holly Springs Road, Suite 107, Holly Springs, NC 27540 |
| Unit 108 | 1140 Holly Springs Road, Suite 108, Holly Springs, NC 27540 |
| Unit 109 | 1140 Holly Springs Road, Suite 109, Holly Springs, NC 27540 |
| Unit 110 | 1140 Holly Springs Road, Suite 110, Holly Springs, NC 27540 |
| Unit 111 | 1140 Holly Springs Road, Suite 111, Holly Springs, NC 27540 |
| Unit 112 | 1100 Holly Springs Road, Suite 112, Holly Springs, NC 27540 |
| Unit 113 | 1100 Holly Springs Road, Suite 113, Holly Springs, NC 27540 |
| Unit 114 | 1100 Holly Springs Road, Suite 114, Holly Springs, NC 27540 |
| Unit 115 | 1100 Holly Springs Road, Suite 115, Holly Springs, NC 27540 |
| Unit 200 | 1100 Holly Springs Road, Suite 100, Holly Springs, NC 27540 |
| Unit 201 | 1100 Holly Springs Road, Suite 101, Holly Springs, NC 27540 |
| Unit 202 | 1100 Holly Springs Road, Suite 102, Holly Springs, NC 27540 |
| Unit 203 | 1100 Holly Springs Road, Suite 103, Holly Springs, NC 27540 |
| Unit 204 | 1140 Holly Springs Road, Suite 104, Holly Springs, NC 27540 |
| Unit 205 | 1140 Holly Springs Road, Suite 105, Holly Springs, NC 27540 |
| Unit 206 | 1140 Holly Springs Road, Suite 106, Holly Springs, NC 27540 |
| Unit 207 | 1140 Holly Springs Road, Suite 107, Holly Springs, NC 27540 |
| Unit 208 | 1140 Holly Springs Road, Suite 108, Holly Springs, NC 27540 |
| Unit 209 | 1140 Holly Springs Road, Suite 109, Holly Springs, NC 27540 |
| Unit 210 | 1140 Holly Springs Road, Suite 110, Holly Springs, NC 27540 |
| Unit 211 | 1140 Holly Springs Road, Suite 111, Holly Springs, NC 27540 |
| Unit 212 | 1100 Holly Springs Road, Suite 112, Holly Springs, NC 27540 |
| Unit 213 | 1100 Holly Springs Road, Suite 113, Holly Springs, NC 27540 |
| Unit 214 | 1100 Holly Springs Road, Suite 114, Holly Springs, NC 27540 |
| Unit 215 | 1100 Holly Springs Road, Suite 115, Holly Springs, NC 27540 |

**Exhibit C**

**To Declaration Creating Unit Ownership and Establishing Restrictions, Covenants and  
Conditions for Holly Springs Professional Center**

Articles of Incorporation of  
Holly Springs Professional Center Association, Inc.