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STATE OF NORTH CAROLINA

COUNTY OF WAKE

DECLARATIONS OF UNIT OWNERSHIP
AND COVENANTS, CONDITIONS AND
RESTRICTIONS OF
UNIVERSITY WOODS AT CENTENNIAL
CONDOMINIUMS, PHASE ONE

THIS DECLARATION OF UNIT OWNERSHIP, made this _____ day of _____, 2000 by TRAILWOOD PARTNERS, A NORTH CAROLINA GENERAL PARTNERSHIP, 142 MINE LAKE COURT, RALEIGH, NC 27619, hereinafter called "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the City of Raleigh, Wake County, North Carolina, which is more particularly described in Exhibit "A", attached hereto and incorporated herein by reference.

WHEREAS, Declarant has constructed or will construct on this real property certain improvements, more fully described hereafter, which real estate and improvements Declarant desires to submit to condominium ownership;

NOW, THEREFORE, Declarant declares its intention, by the filing of this Declaration, to submit, and does hereby submit, the above-described real property and improvements thereon to the provisions of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as a unit ownership project to be named UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS; and further publishes and declares that all of the property described herein is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved, subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the conversion of said property into a condominium facility, and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. DEFINITIONS. Certain terms in this Declaration and in the Articles of Incorporation and Bylaws appended hereto shall be defined as follows, unless the context clearly indicates a different meaning therefor:

- a. "Act" means the provisions of the North Carolina Condominium Act, Chapter 47C of the General Statutes of the State of North Carolina, as such may be supplemented or amended from time to time.
- b. "Additional Properties" shall mean and refer to any lands adjoining the Properties or within a one mile radius thereof which are now owned or may be hereafter acquired or developed by the Declarant and annexed to and made a part of the properties by the Declarant and subjected to this Declaration without the assent or vote of the owners of lots as hereinafter provided. The annexation of such Additional Properties shall become effective by the recording by the Declarant of an amended declaration for each phase annexed.
- c. "Allocated interests" means the undivided interests in the common elements, the common expense liability and votes in the association allocated to each unit.
- d. "Association" means UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, INC., which is an entity comprised of all owners of units in UNIVERSITY WOODS CONDOMINIUMS. All property owners of lots in UNIVERSITY WOODS CONDOMINIUMS and any adjoining areas hereafter developed and subjected to this Declaration, if any, shall be members of the Association.
- e. "Assessment" means a share of the funds required for the payment of common expenses, late fees and fines which from time to time is assessed against a unit owner by the Association.
- f. "Building" means the building(s) currently existing or to be built upon the real property described in Exhibit "A" and which houses the condominium units.
- g. "Board of Directors" or "Board" means the Board of Directors of the Association or its agents, which shall be the executive board of the Association, as defined in N.C.G.S. 47C-1-103(13). "Director" means a member of the Board.
- h. "Bylaws" means the bylaws of the Association providing for the government and administration of the Association. "Articles" means the Articles of Incorporation of the Association.
- i. "Common Element" means the portion of the condominium property owned in common by all of the unit owners, as more specifically set forth herein.
- j. "Common expenses" means the expenses incurred by the Association for the administration, maintenance, operation, enjoyment, safety, repair, and replacement (including a capital reserve for repair, maintenance, and replacement) of the common areas and facilities as well as any other expense incurred by the Association which is and declared to be a common expense by the Association, this Declaration, the Bylaws of the Act.

k. "Common surplus" means the balance of all income, rents and revenues of the Association remaining after the deduction of the common expenses.

l. "Condominium project" or "Project" means the entire proposed development consisting of all the land, the building and other "property" as that term is herein defined.

m. "Declarant" means TRAILWOOD PARTNERS, a North Carolina General Partnership its successors and assigns.

n. "Declaration" means this instrument as it may from time to time be lawfully amended or supplemented.

o. "Limited Common Element" means those common areas and facilities which are reserved for the use of a certain unit or units to the exclusion of other units, as more specifically identified herein.

p. "Person" means an individual, corporation, partnership, association, trustee, or other legal entity.

q. "Property" means and includes the land, the building, all improvements and structures thereon and all articles of personal property intended for use in connection therewith which are submitted to condominium ownership by this Declaration.

r. "Real Property" shall mean and refer to all of the real property described in Exhibit "A" attached hereto.

s. "Unit" or "Condominium Unit" shall mean that enclosed space within the building as shown on the building plans described in the Declaration, together with any additional area or space accompanying the same and described herein, which is intended for private ownership and to be sold as a dwelling unit pursuant to the Declaration and the Act. The enclosed space representing each unit shall be bounded by the interior surface material of its perimeter walls, ceilings and floors. Each unit is defined to include:

(a) all non-load bearing partition walls located entirely within the above-defined enclosed space;

(b) all interior finished surfaces of the perimeter walls and ceilings;

(c) all carpet, tile, vinyl, wood floor or other decorative floor covering;

(d) all windows, including screens, window frames, exterior doors, and exterior door frames;

(e) all heating and air conditioning equipment and accompanying ducts and components (if separate for each unit);

(f) all wires, ducts, pipes, lines and other facilities for the furnishing of utility services located within the above-defined enclosed space, but specifically excluding all wires, ducts, pipes and other facilities which lie within the above-defined enclosed space but are for the common use of one or more other units in the project.

t. "Unit Designation" means the number thereof which designates a unit within the condominium.

u. "Unit Owner" means a person, corporation, partnership, association, trust, other legal entity, or any combination thereof, in whose name or names the title to or an interest in the title to any unit is vested, excluding those who own or hold such title or interest under the terms of any mortgage or deed of trust or other similar instrument for the purposes of securing the payment of an indebtedness or the performance of an obligation.

2. ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Except as provided in Section 2 below, annexation of additional property shall require the assent of two-thirds (2/3) of the members at a meeting called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 2. If the Declarant, its successors or assigns shall develop all or any portion of the Additional Properties, said Additional Properties or any portion thereof may be annexed to said Properties without the assent of the members, provided however, the development of the Additional Properties permits no more than 125 additional dwelling units. Annexation provided for in this Section shall become effective upon the filing by the Declarant of a supplemental or amended declaration in the Office of the Register of Deeds of Wake County.

3. DESCRIPTION OF REAL PROPERTY. The real property on which the building and improvements are or are to be located is described in Exhibit "A", attached hereto and incorporated herein by reference.

4. DESCRIPTION OF BUILDINGS. The buildings in which the units are located are described in building plans which are attached hereto as Exhibit "B" and incorporated herein by reference. The buildings will consist of three stories.

Expansion. Additional buildings will become subject to this Declaration to the extent such buildings are shown on the plat described on Exhibit B attached hereto and designated on said plat as "TO BE ADDED". The additions authorized hereunder may be made in one or more phases. Said additions shall be made by filing of record a Supplemental Declaration of Unit Ownership and Covenants, Conditions and Restrictions with respect to the

additional property desired to be annexed, which Supplemental Declaration shall extend the scheme of these covenants and restrictions to such property by adopting these Covenants and Restrictions by reference. Such Supplemental Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as such are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplemental Declaration revoke, modify or add to the covenants established by this Declaration. Any annexation made hereunder must be completed on or before October 15, 2007. Any such amendment shall specify the date upon which dues and assessments are payable for Units annexed thereby. The maximum number of units to be built shall be forty-eight (48).

5. UNIT DESIGNATION AND DESCRIPTION. The unit designation of each unit and a description of its location, area, floor plan and number of rooms, are shown on the building plans attached hereto as Exhibit "B".

6. DESCRIPTION OF COMMON ELEMENTS AND FACILITIES. The common elements and facilities shall consist of all the real property described in Exhibit "A", which is subjected to the terms of this Declaration, and all of the improvements and facilities thereon which are not units as defined herein and which are not items of personal property owned, held, or maintained by unit owners. Without in any way limiting the scope thereof, the common elements and facilities shall include the following:

- a. All foundations, columns, girders, beams, supports, roofs, exterior walls, interior load bearing walls, ventilation fans and vents of the building;
- b. All stairways, stairwells, halls, passageways, corridors, lobbies, exits and entrances which give access to the units;
- c. All yards, gardens, parking areas, driveways, and other amenities;
- d. All installations for the provision of utility services, including, but not limited to, electricity, water, gas, refrigeration, telephone, heating, air conditioning, sewer, trash disposal, incineration, and television which are for the common use and benefit of the unit owners and which are not defined as being a part of the units;
- e. All tanks, pumps, motors, fans, compressors and control equipment existing for common use.

7. ALLOCATED INTERESTS. Unless and until this project shall be expanded as herein provided, the percentage of each unit owner's undivided interest in the common elements of UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS is set forth in Exhibit "C", attached hereto and incorporated herein by reference. This percentage is based on the relation that the total volume in square feet of each unit bears to the aggregate square feet contained in all units as of the date of this Declaration.

8. LIMITED COMMON ELEMENTS. The decks or porches adjacent to each unit and any storage space allotted to each unit, designated in Exhibit "B" attached hereto as "limited common areas" are limited common areas for the sole use of the unit owner of a unit to which the same are adjacent or allocated as indicated on said plans.

9. NATURE AND INCIDENTS OF UNIT OWNERSHIP.

a. Nature of Interest. Every unit, together with its undivided interest in the common elements shall for all purposes be treated as a separate parcel of real property with all the incidents thereof. Each unit may be individually conveyed, leased and encumbered and may be inherited or devised by will as if it were solely and entirely independent of the other units in the building of which it forms a part. Each unit may be held and owned by more than one person, either as tenants in common, joint tenants with right of survivorship or tenants by the entirety, or in any other manner recognized under State law.

b. Partitioning. No unit may be divided or subdivided into a smaller unit or units, nor shall any unit or portion thereof be added to or incorporated into any other unit unless written approval is first obtained from the Board of Directors of the Association. The common elements shall remain undivided and no unit owner or any other person shall bring an action for partition or division of any part thereof, unless the property has been removed from the provisions of the Unit Ownership Act.

c. Common Elements Appurtenant to Unit. The undivided interest in the common elements shall not be conveyed, encumbered, or otherwise separated from the unit to which it appertains and shall be deemed conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

d. Taxes. Each unit and its percentage of undivided interest in the common elements shall be deemed to be a separate parcel and shall be separately assessed and taxed for all types of taxes authorized by law, including, but not limited to, special ad valorem levies and special assessments. Each unit owner shall be liable solely for the amount of taxes on his individual unit and shall not be affected by the consequences resulting from the tax delinquency of other unit holders. Neither the buildings, the property, nor any of the common elements shall be deemed to be a separate parcel for purposes of taxation.

10. USE RESTRICTIONS.

a. Each unit shall be used for single-family residential purposes only, which shall include the rental and long term leases of at least six months in length of individual units by the owner.

b. No immoral, improper, offensive, noxious or unlawful use shall be made of any unit or of the common elements, and all applicable laws, zoning ordinances and regulations of all governmental authorities shall be observed. No owner of any unit shall permit or suffer

anything to be done or kept in his unit, or on the common elements, which will increase the rate of insurance on the unit, or which will obstruct or interfere with the rights of other occupants of the other units or annoy or embarrass them, nor shall any owner undertake any use or practice which shall constitute a nuisance to any other owner of a unit, or which interferes with the peaceful possession and proper use of any other unit or the common elements.

c. No owner of a unit shall permit any structural modification or alteration to be made to the unit without first obtaining the written consent of the Board of Directors of the Association, nor alter nor cause any changes to be made to the exterior of the building (including painting, installing television or radio antenna or installing signs), or in any manner alter the appearance of the exterior portion of the building without obtaining such consent. No unit owner shall fix any object to the common elements (including fences, flowers, trees, shrubs, or any other vegetation) or in any manner change the appearance of the common elements or limited common elements without first obtaining the written consent of the Board of Directors of the Association.

d. The Declarant or its agent shall have the right to maintain a sales office or model unit in any of the units of its choice for the sole purpose of selling the remaining units in the project. This right will terminate upon the sale of the last unit by the Declarant.

e. No cooking or use of grills or similar devices shall be allowed on the stairways, porches or decks within 10 feet of the building.

f. No boats, trailers, motor homes or similar vehicles may be stored on the property or common areas.

g. No satellite dishes or exterior antennae may be placed on any unit without the written approval of the Unitowners Association.

h. The Unitowners Association shall have the exclusive right to assign parking spaces and designate their use.

i. The Unitowners Association shall have the right to require the Unit Owner to remove any pet from their Unit if it is determined that the pet is nuisance.

j. In order to maintain a uniform and pleasing appearance of the exterior of the building, no awnings, canopies, shutters, screens, glass enclosures or projections shall be attached to the outside walls, doors, windows, roofs or other portion of the buildings or on the common elements.

k. No unit shall have any aluminum foil placed in any window or glass door, nor any reflective substance placed on any glass except such as approved by the Board for energy conservation purposes.

l. Where curtains are other than white or off-white, they must be lined, or "underdraped" or "black-out" draped in white, which liner must be approved by the Board.

m. No unit owner, nor his family, guests, invitees or tenants, shall make or permit any disturbing noises in the buildings, or upon the common elements. No unit owner shall play or permit to be played any musical instrument not operate or permit to be operated a phonograph, television, radio, sound amplifier or other sound equipment in his unit in such a manner as to disturb or annoy other unit owners. No unit owner shall conduct, nor permit to be conducted, vocal or instrumental instruction or practice at any time which disturbs other unit owners. Minimum volumes of all sounds and sound producing equipment shall be enforced between the hours of 10:30 pm and 8:00 am. All other unnecessary noises, such as bidding good night to departing guests and slamming car doors, should be avoided between these hours. Carpentry, carpet laying, picture hanging or any trade (or do-it-yourself) work involving any noise must be done between the hours of 8:00 am and 6:00 pm.

n. No radio, television or other electronic installation may be permitted in any unit which interferes with the television or radio reception of another unit.

o. No noxious or unusual odors shall be generated in such quantities that they permeate to other units or the common elements and become annoyances or become obnoxious to other unit owners. Normal cooking odors, normally and reasonable generated, shall not be deemed violations of this regulation.

p. The use of the property shall be subject to any restrictions and penalties contained in the Bylaws of the Association and to any Rules and Regulations established by the Board of Directors of the Association. These additional use restrictions and penalties shall have the same force and effect as the restrictions contained herein.

11. EASEMENTS.

a. In case of any emergency originating in or threatening any unit, regardless of whether the owner is present at the time of such emergency, the Declarant, the Board of Directors of the Association, or any other person authorized by it, or the manager, shall have the right to immediately enter the unit for the purpose of remedying or abating the cause of the emergency.

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

c. The Board of Directors may grant or assume easements, leases, or licenses for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the units or common elements. Each unit owner hereby grants to the Board of Directors, or the manager, an irrevocable power of attorney to execute, acknowledge and record for or in the name of the Association or each unit owner such instruments as may be necessary to effectuate the foregoing.

d. In the event that any unit shall encroach upon any of the common elements, or any other unit or units, for any reason not caused by the purposeful or negligent act of the unit owner, or agents of such owner, then an easement appurtenant to such unit shall exist for the continuance of such encroachment upon the common elements or upon a unit for so long as such encroachment shall naturally exist. In the event that any portion of the common elements shall encroach upon any unit, an easement shall exist for the continuance of such encroachment of the common elements upon any unit for so long as such encroachment shall naturally exist. If any unit or any portion of the common elements shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of the unit or the common elements in accordance with this Declaration, portions of the common elements encroach upon any unit, or any unit encroaches upon any common element then such encroachment shall be permitted and a valid easement for the maintenance thereof shall exist so long as the encroachment naturally remains.

12. MANAGEMENT.

a. Generally. The management of the affairs of the project shall be the right and responsibility of the Association and said management duties shall be carried out in accordance with the terms and conditions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, copies of which are attached hereto and incorporated herein by reference; provided, however, that the Association shall not be authorized to take over management rights and responsibilities until conveyance of management responsibilities to the Association, as provided in the Declaration and in the Bylaws.

b. Conveyance of Control and Management Responsibilities. Conveyance of control and management responsibilities to the Association shall take place when ninety percent (90%) of the units have been conveyed to unit purchasers.

c. Manager. The Board of Directors of the Association shall have the right to contract with or employ a manager for the purpose of operating, supervising, maintaining and managing the property. All the management powers and duties of the Association may be delegated to the manager by the Board of Directors, except those which are specifically reserved to the Board of Directors by this Declaration, the Articles and Bylaws, or the Act.

13. MAINTENANCE. The respective responsibilities of the unit owners and the Association to maintain, repair and replace the property shall be as set forth in the Bylaws.

14. COMMON EXPENSES AND ASSESSMENTS. The unit owners are bound to contribute, according to their allocated interest in the common areas and facilities as set forth herein, toward the common expenses of the Association. No unit owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common areas and facilities or by abandonment of the unit belonging to him. The common profits of the property, if any, shall be distributed among the unit owners according to the same percentage undivided interest. Each unit owner shall be subject to an assessment from the Board of Directors for his share of the common expenses. The manner of computing and collecting this assessment is set forth in the Bylaws. The Declarant will pay one-half (1/2) the assessed monthly dues on any unsold unoccupied units. If Declarant rents the unsold unit, Declarant will pay full monthly dues on that unit.

15. INSURANCE.

a. Hazard Insurance. The Board of Directors of the Association, or the manager, shall obtain insurance upon all improvements upon the land, whether owned by the Association or the unit owner, for the benefit of the unit owners and their mortgagees against (1) loss or damage by fire and other hazards covered by the standard extended coverage endorsement and (2) such other hazards or risks covered for similar projects, including those covered by the standard "all risk" endorsement. Such policies shall make provision for the issuance of certificates of insurance or mortgagee endorsements to the mortgagees of unit owners, 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 unit owners, the Association and their respective servants, agents and guests. In addition to the above, the Board of Directors may obtain such other insurance coverage as they deem necessary and desirable. All liability insurance shall contain cross-liability endorsements to cover liability of the unit owners as a group to a single unit owner. Each unit owner may obtain insurance, at his own expense, affording coverage upon his personal property and such other coverage as he may desire. All hazard insurance shall meet the minimum requirements and standards of the Federal National Mortgage Association.

b. Amount of Coverage. The Board of Directors or the manager shall insure all buildings and improvements upon the land and all personal property included in the common areas and facilities in an amount equal to their maximum insurance replacement value as determined annually by the Board of Directors, or manager, with the assistance of the insurance company or companies providing coverage. This insurance coverage amount shall never be less than the total principal balance due on all mortgages outstanding on the property.

c. Premiums. All premiums on insurance policies purchased by the Board of Directors or manager and any deductibles payable in the event of loss shall be paid by the Association and chargeable to the Association as a common expense.

d. Proceeds. All insurance policies purchased pursuant to these provisions shall provide that all proceeds thereof shall be payable to the Board of Directors or manager as

insurance trustee for the unit owners and their mortgagees. The insurance trustee shall have authority to deal with the insurer in the compromise and settlement of claims and to execute and deliver releases to the insurer upon the payment of claims. The insurance trustee's duty upon receipt of any insurance proceeds shall be to hold the same in trust for the benefit of the unit owners and their mortgagees.

e. Distribution of Insurance Proceeds. Proceeds of insurance policies shall be distributed by the insurance trustee to or for the benefit of the beneficial unit owners in the following manner:

(i) Expenses of the insurance trustee. All expenses of the insurance trustee shall be paid first.

(ii) Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds remaining after deduction of the insurance trustee's expenses shall be paid to defray the cost of such repair or reconstruction. Any proceeds remaining after defraying such costs shall be distributed to the unit owners, in accordance with each unit owner's percentage undivided interest in the common areas and facilities, as set forth in Exhibit "C". In the event a mortgagee endorsement has been issued for a condominium unit, any proceeds remitted under this section shall be payable jointly to the unit owner and the mortgagee.

(iii) Failure to reconstruct or repair. If it is determined as provided below that the damage for which the proceeds are paid will not be reconstructed or repaired, the remaining proceeds shall be distributed to the unit owners in accordance with each unit owner's percentage undivided interest in the common areas and facilities, as set forth in Exhibit "C".

f. Damage and destruction.

(i) Determination to reconstruct or repair. Damage to or destruction of the buildings and improvements, except that which is solely the responsibility of the unit owner, shall be promptly required or restored by the Board of Directors or manager, using the proceeds of insurance on the building for that purpose, and unit owners shall be liable for assessment for any deficiency in accordance with their percentage undivided interest in the common areas and facilities; provided, however, if the buildings shall be more than two-thirds destroyed and the owners of three-fourth of the units resolve not to proceed with repair or reconstruction, then in that event, the property shall be deemed to be owned as tenants in common by the unit owners and shall be governed by the provisions of Chapter 47C of the North Carolina General Statutes and any amendments thereto. No mortgagee shall have any right to participate in the decision to reconstruct or repair the damaged property.

(ii) Plans and specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original building and improvements unless other plans and specifications are unanimously approved by the unit owners.

g. Flood Insurance. If any part of the project is in a special flood hazard area, as defined by the Federal Emergency Management Agency, the unit owner must maintain flood insurance on his or her unit at the unit owner's expense. The policy should cover the unit owned by the unit owner. A copy of the policy shall be given to the Unitowners Association.

The amount of insurance should be at least equal to the lesser of:

- (i) 100% of the current replacement cost of the Unit; or
- (ii) the maximum coverage available for the property under the National Flood Insurance Program.

h. Liability Insurance. The Association must maintain a comprehensive general liability insurance policy covering all common areas, public ways and any other areas that are under its supervision. The policy should provide coverage of at least \$1,000,000 for bodily injury and property damage for any single occurrence. The liability insurance should provide coverage for:

- (i) bodily injury and property damage that results from the operation, maintenance or use of the projects common areas; and
- (ii) any legal liability that results from law suits related to employment contracts in which the owners' Association is a party.
- (iii) to protect the Association against the misconduct or illegal acts of its employees or agents.

16. COMPLIANCE WITH DECLARATION, BYLAWS AND REGULATIONS.

a. Binding Nature of Declaration, Bylaws and Regulations. The restrictions and obligations imposed by this Declaration and the Articles and Bylaws of the Association are intended to and shall constitute covenants running with the land and shall constitute an equitable servitude upon each unit and its appurtenant undivided interest in the common areas and facilities. Each unit owner, his tenants, invitees, guests, employees, agents, grantees, successors and assigns, shall comply strictly with the covenants set forth in this Declaration, the Articles and Bylaws of the Association, and any Rules and Regulations adopted by the Association as the same may be lawfully amended from time to time. The acceptance of a deed of conveyance, the entering into a lease, or occupancy of a unit shall constitute an agreement that the provisions of this Declaration, the Articles and Bylaws, and any Rules and Regulations are accepted and ratified by the grantee, tenant, or occupant whether or not these provisions are referred to in the deed of lease.

b. Remedies for Violation. Failure to comply with the covenants and restrictions set forth in this Declaration, the Articles, Bylaws and the Rules and Regulations shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors or manager on behalf of the Association or by an aggrieved unit owner. The Board of Directors shall also have authority to enforce such covenants and restrictions by denial of the use of the common areas and facilities to violators, by levying fines for infractions in an amount not to exceed one hundred fifty dollars (\$150.00) per day, and by such other means as are provided in this Declaration, Bylaws, and Rules and Regulations or by law.

c. Liability for Expenses. Each unit owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or

by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include liability for any increase in fire insurance rates occasioned by the use, misuse, occupancy, or abandonment of a unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

d. Waiver. The failure of the Association, any unit owner, or other person to enforce any right, provision, covenant, or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the unit owner to enforce such right, provision, covenants, or condition in the future.

e. Remedies Cumulative. All rights, remedies and privileges granted to the Association or the owner or owners of a unit pursuant to any terms, provisions, covenants, or conditions of this Declaration or the other above-mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

17. PROCESS AGENT. DONNA PREISS, 142 MINE LAKE COURT, RALEIGH, NORTH CAROLINA 27615, is hereby designated to receive service of process in any action which may be brought under the Act. The Board of Directors may change the process agent by filing a Declaration of Change of Registered Agent in the office of Register of Deeds of Wake County, North Carolina.

18. MORTGAGE OF UNITS. Any unit owner may give a deed of trust or mortgage on his unit without prior notice to or authorization by the Declarant or the Board of Directors of the Association. Any rights the Association may have to place a lien upon the property of the unit owner shall be subordinate to and inferior to any deed of trust or mortgage that said unit owner has placed on his property.

19. TERMINATION. The condominium may be terminated and removed from the provisions of the Unit Ownership Act only by written agreement of all the owners of units expressed in an instrument to that effect and duly recorded, provided that the holders of all liens affecting any of the units must consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest in the property which the unit owner owns after termination. The termination shall become effective when the above instruments have been duly recorded in the public records. After termination of the condominium, the unit owners shall own the property as tenants in common in undivided shares and the holders of mortgages and liens against the units formerly owned by such unit owners shall have mortgages and liens against the respective undivided shares of the unit owners. The undivided share or interest in the property owned as tenants in common which shall appertain to each unit owner shall be the percentage of the undivided interest previously owned by such unit owner in the common areas and facilities.

20. ASSOCIATION. The Association shall be formed in accordance with Articles and Bylaws attached hereto as Exhibits "D" and "E". The Association shall have all the powers

and duties set forth in the Act as well as all of the powers and duties granted to or imposed upon it by this Declaration, the Bylaws attached hereto as Exhibit "A", and the Articles attached hereto as Exhibit "D" as the same may be amended from time to time. Each unit owner, by the acceptance and recording of the deed to such unit owner's unit, appoints irrevocably the Association as herein provided, including the right to execute in such unit owner's name any and all instruments or documents necessary or reasonably required in regard thereto. The operation of the Association shall be governed by the Bylaws and Articles. No modification or amendment of the Bylaws or Articles shall be valid unless set forth in or annexed to an amendment to this Declaration, certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds of Wake County. The Association hereby is granted authority and directed to become and remain a member of the Master Association, to pay such dues and assessments as may be levied against the Association by the Master Association, and to include such dues and assessments as part of the common expenses.

21. AMENDMENT OF DECLARATION. This Declaration may be amended by the Declarant at any time prior to the conveyance of all units without the necessity of the permission, consent or joinder of any other person or party, and thereafter at any regular or special meeting of the Association, called and convened in accordance with the Bylaws, by the affirmative vote of or written agreement signed by unit owners of units to which at least 75% of the votes in the Association are allocated. Any holder of a first mortgage on a unit who receives a written request from the Association to approve any proposed modification and does not deliver or post to the Association a negative response within thirty (30) days following receipt of such request shall be deemed to have approved same. Notwithstanding the aforesaid, no amendment shall change, affect or alter the allocated interest in the common areas appurtenant to a unit, a unit owner's proportionate share of the common expenses or common profits, or the voting rights appurtenant to any unit to create or increase special Declarant rights, increase the number of units, change the boundaries of any unit, or the uses to which a unit is restricted, in the absence of unanimous consent of the unit owners, and all holders of first mortgages on units. Further, no amendment shall be effective until certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds of Wake County. In no event will an amendment be passed that effects mortgage holders without the mortgage holders approving said amendment.

22. SEVERABILITY. The invalidity of any provision of this Declaration shall not impair or affect the validity and enforceability of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included.

23. LAW CONTROLLING. This Declaration, the Bylaws and any Rules and Regulations adopted thereunder shall be construed under and controlled by the laws of the State of North Carolina.

24. WARRANTIES. The Declarant disclaims any warranty or representation in connection with the condominium project, except as specifically set forth herein, and no person shall rely upon any warranty or representation not specifically made herein. Any estimates of common expenses, taxes, or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

25. MORTGAGEES NOT AN OWNER. The rights of any owner, as provided

herein, shall not include mortgagees of any property within the project unless said mortgagee obtains title to the property by means of foreclosure or other legal methods.

26. MANAGEMENT CONTRACTS. After the unit owners take control of the Association, the unit owners may cancel any Association management contracts entered into by the Declarant while Declarant was in control of the Association.

IN TESTIMONY WHEREOF, the Declarant has caused this Declaration to be signed in its name and duly attested and sealed, this the _____ day of _____, 1998.

TRAILWOOD PARTNERS, A NORTH CAROLINA
GENERAL PARTNERSHIP

Donna Preis (SEAL)
, General Partner

Linda C. Mobley (SEAL)
, General Partner

Scott Hoy (SEAL)
, General Partner

Stacy A. [Signature] (SEAL)
, General Partner

[Signature]

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for said State and County, certify that _____
General Partner of Trailwood Partners, personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of _____, 2000.

Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for said State and County, certify that _____
General Partner of Trailwood Partners personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of _____, 2000.

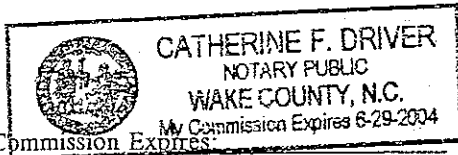
Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Catherine F. Driver, a Notary Public for said State and County, certify that David Hoyle
General Partner of Trailwood Partners personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this 25 day of May, 2000.



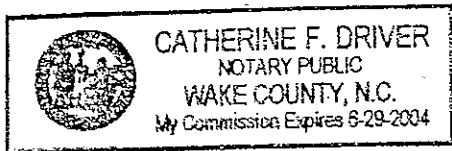
Catherine F. Driver
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Catherine F. Driver, a Notary Public for said State and County, certify that Stuart H. LeGrand

, General Partner of Trailwood Partners personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 25 day of May, 2000.



Catherine F. Driver
Notary Public

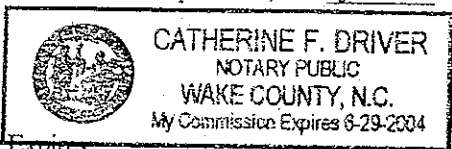
My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Catherine F. Driver, a Notary Public for said State and County, certify that Fred G. Mills

General Partner of Trailwood Partners personally appeared before me this and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 25 day of May, 2000.



Catherine F. Driver
Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, DONNA B. PARHAM, a Notary Public for said State and County, Granville Co. certify that DONNA PREISS
General Partner of Trailwood Partners, personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this 22 day of May, 2000.

Donna B. Parham
Notary Public

My Commission Expires: My Commission Expires November 5, 2004.

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, DONNA B. PARHAM, a Notary Public for said State and County, Granville Co. certify that Linda C. Mabley
General Partner of Trailwood Partners, personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this 24 day of MAY, 2000.

Donna B. Parham
Notary Public

My Commission Expires: My Commission Expires November 5, 2004.

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, DONNA B. PARHAM, a Notary Public for said State and County, Granville Co. certify that Kirk A. Preiss
General Partner of Trailwood Partners, personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official stamp or seal, this 26 day of May, 2000.

Donna B. Parham
Notary Public

My Commission Expires: My Commission Expires November 5, 2004.

STATE OF NORTH CAROLINA

COUNTY OF WAKE

The Foregoing Certificate of _____ Notary
Public is certified to be correct.

This the _____ day of _____, 2000.

REGISTER OF DEEDS,
WAKE COUNTY

Deputy/Assistant

BYLAWS
OF
UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS
UNITOWNERS ASSOCIATION, INC.

ARTICLE I

GENERAL

1. Name and Location. The name of the Association is UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, INC.. The principal office of the Association shall be located at 142 MINE LAKE COURT, RALEIGH, WAKE COUNTY, NORTH CAROLINA 27615, or at such other place as may be subsequently designated by the Board of Directors of the Association.

2. Applicability. The provisions of these Bylaws are binding on all owners of units in UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS (herein called "condominium project"), their tenants, guests, invitees, agents, employees, grantees, successors and assigns.

3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

4. Definitions. The definitions of the terms used herein shall be the same as the definitions set forth in the Declaration, to which these Bylaws are attached.

ARTICLE II

MEMBERSHIP

Every owner of a unit shall be a member of the Association and membership in the Association shall be limited to unit owners.

ARTICLE III

MEETINGS OF MEMBERSHIP

1. Place. All meetings of members shall be held at such place as may be designated in the notice of the meeting.

2. Annual Meeting. The first annual meeting of the members of the Association shall be held within thirty (30) days from the date on which the management of the condominium project is turned over by the Declarant to the Association, as provided in the Declaration. Subsequent annual meetings shall be held at a date and time to be determined by the Board of Directors of the Association. At the annual meeting, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

3. Special Meetings. Special meetings of the members may be called at any time by the President of the Association or by the Board of Directors or at the written request of the members entitled to vote one-fourth (1/4) of all of the votes of the Association. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

4. Notice of Meetings. Written notice of each annual and special meeting of the members shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association, at least ten (10) days, but no more than fifty (50) days, before the meeting. The notice shall specify the place, day, time and purpose of the meeting. Waiver in writing of the notice required herein, signed by the member before, at, or after such meeting, shall be equivalent to the giving of such notice. Each member shall notify the Secretary of the Association of any address change, and the giving of notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

5. Membership List. At least ten (10) days before every election of directors, a complete list of members entitled to vote at the election, showing the unit owned by the member and the residence address of each, shall be prepared by the Secretary. Such list shall be open to examination by any member throughout the ten (10) day period preceding the election, until the election is completed.

6. Voting Rights. Each owner shall be entitled to vote in accordance with the owner's percentage interest in the common areas and facilities, as that percentage interest is reflected in the Declaration of Unit Ownership and Covenants, Conditions and Restrictions of UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS (herein called "Declaration"). If more than one person or entity owns a unit, they shall file a certificate with the Secretary naming the person authorized to cast the vote for the unit. If no certificate is filed, the co-owners must designate, at the time of the meeting, the person authorized to cast such vote.

7. Proxies. At all meetings of the members, every member shall have the right to vote in person or by proxy. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and shall be filed with the Secretary. No proxy shall be valid after eleven (11) month from the date of its execution, unless otherwise provided in the proxy.

8. Quorum. The presence at a meeting of members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the Association on the basis of common area ownership shall constitute a quorum for any action, except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum is not present or represented at any meeting, the members present and entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If adjournment extends thirty (30) days past the originally scheduled meeting date, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided.

9. Voting Required to Transact Business. When a quorum is present at any meeting, a majority of the votes entitled to be cast by the members present or represented by proxy shall decide any question brought before the meeting unless the question is one upon which, by express provision of the Declaration or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

10. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings, will be:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of prior meeting;
- D. Officers' reports;
- E. Committee reports;
- F. Appointment by Chairman of Inspectors of Election;
- G. Approval of budget, if required;
- H. Elections of directors and officers;
- I. Unfinished business;
- J. New business;
- K. Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of not fewer than three (3) nor more than fifteen (15) directors, who need not be owners of a condominium. The initial Board shall consist of five (5) Directors. Until sixty per cent (60%) of the units are sold, the Declarant shall have the right to select the Directors.

2. Term. The term of office of a director selected by the Declarant shall be one year. The term of office of a director selected by unit owners shall be two years.

3. Nomination and Election. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only. Election to the Board of Directors shall be by voice vote unless secret written ballot is demanded by the owners of at least 50% of the votes of all Association members. The persons receiving the largest number of votes shall be elected. Cumulative

voting is not permitted.

4. Vacancy. Any vacancy occurring in the Board of Directors by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or other reason, may be filled by the remaining Board of Directors. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

5. Removal. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the total membership of the Association.

6. First Board of Directors. The first Board of Directors shall consist of those named in the Articles of Incorporation of the Association. The first Board of Directors shall serve until the first annual meeting.

7. Compensation. No director shall receive compensation for any service he may render to the Association in his capacity as a director. However, each director shall be reimbursed for actual expenses incurred in the performance of his duties.

8. Powers. The Board of Directors may exercise all corporate powers not specifically prohibited by statute, the Articles of Incorporation or the Declaration to which these Bylaws are attached. The powers of the Board shall specifically include, but not be limited to, the following:

a. To make and collect regular and special assessments and establish the time within which payment of such assessments are due.

b. To use and expend the assessments collected to maintain, care for, manage and preserve the units and condominium property, except those portions thereof which are required to be maintained, cared for and preserved by the owners.

c. To insure the common areas and facilities of the condominium project in the manner set forth in the Declaration against loss from fire and other casualty, and to insure the unit owners against public liability, and to purchase such other insurance as the Board may deem advisable.

d. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

e. To make and amend rules and regulations governing the use of the common areas and facilities and the conduct of the unit owners, their tenants and guests.

f. To acquire, rent or lease a condominium unit in the name of the Association or its designee.

g. To contract for management of the condominium project and to delegate to such manager, employee or contractor all powers and duties of the Association except those specifically required by the Declaration to have specific approval of the Board of Directors or the membership of the Association.

h. To enforce the provisions of these Bylaws, the Declaration and the rules and regulations promulgated thereunder by any legal means, including the denial of a unit owner's right to use the common areas and facilities and assessment of penalties as defined in the Declaration.

i. To designate, as the Board deems appropriate, assigned parking spaces for each unit, visitors, service vehicles, and other vehicles.

j. To propose and adopt an annual budget for the property.

ARTICLE V

MEETINGS OF DIRECTORS

1. Regular Meetings. The first regular meeting of each newly elected Board of Directors shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum is present, or as soon thereafter as maybe practicable. Subsequent regular meetings of the Board of Directors shall be held, at such place and hour as may be fixed from time to time by resolution of the Board, after not less than three (3) days notice to each director.

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any one (1) director, after not less than three (3) days notice to each director.

3. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board.

4. Waiver of Notice. Attendance of a director at any meeting shall constitute waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a meeting of directors otherwise valid is held without proper call or notice, action taken at such a meeting is deemed ratified by a director who did not attend unless promptly, after having knowledge of the action taken and of the impropriety in question, he files with the Secretary of the Association his written objection to the holding of the meeting or to any specific action so taken.

5. Action Without a Meeting. Any action taken by a majority of directors without a meeting is nevertheless effective if written consent to the action is obtained from all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

6. Attendance by Telephone. Any director may participate in a meeting of the Board, by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other. Such participation by a director in a meeting shall be deemed presence in person by the director at such meeting.

ARTICLE VI

OFFICERS AND THEIR DUTIES

1. Executive Officers. The executive officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected annually by the Board of Directors from the membership. Any two offices may be held by the same person, except the offices of the President and Secretary.

2. Special Officers. The Board of Directors may from time to time elect such other officers as the affairs of the Association require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may prescribe.

3. Term. The executive officers shall hold office for one year, unless they resign or are replaced.

4. Removal or Resignation. Any officer may be removed from office with or without cause, at any time, by action of the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice, unless a later time is specified therein. The acceptance of the resignation shall not be required to make it effective.

5. Vacancy. A vacancy in any office may be filled by the Board of Directors. An officer appointed to fill a vacancy shall serve for the unexpired term of the officer he replaces.

6. Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the members and board of Directors; shall have general and active management of the business of the Association; shall see that all orders and resolutions of the Board are carried into effect; shall have general superintendence and direction of all the other officers of the Association and shall see that their duties are performed properly; shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the president of a corporation.

b. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be prescribed by the Board.

c. Secretary. The Secretary shall record the notes and keep the minutes of all meetings of the members and of the Board of Directors in one or more books provided for that purpose; shall see that all notices are fully given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the Association's records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents requiring said seal; shall keep the records of the Association, except those of the Treasurer, and in general, shall perform all duties as from time to time may be assigned to him by the President or by the Board of Directors.

d. Treasurer. The Treasurer shall receive and deposit all monies and other property of the Association in such depositories as may be designated by the Board; shall keep proper books of account; shall disburse the funds of the Association as ordered by the Board,

taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, which records shall be open to inspection by members at reasonable times; shall, if required, give the Association at the Association's cost, a bond satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association; shall prepare an annual budget and statement of income and expenditures to be presented to the members at their regular annual meeting; shall with the approval of the Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, but in such event, the Treasurer shall retain supervisory responsibilities, and, in general, shall perform all duties incident to the office of Treasurer and assigned to him by the President or the Board.

7. Indemnification. Any person other than one with whom the corporation has contracted for the management of the condominium project or any portion thereof, who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened or pending or completed action, suit or proceeding, whether criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner, in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

8. Fidelity Bond. The Association may provide blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association should also be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other such bonds shall name the Association as and obligee and their premiums shall be a common expense and paid by the owners' Association. The fidelity bond shall cover the maximum funds that will be in the custody of the owners' Association or its management agent at any time while the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of 3 months' assessment on all

units in the project, plus the Association's reserve funds. The bonds must include a provision that calls for 10 days' written notice to the Association, any insurance trustee, or any servicer that services a FNMA-owned mortgage in the condominium project, before the bond can be canceled or substantially modified for any reason.

ARTICLE VII

COMMITTEES

The Board of Directors shall appoint a Nominating Committee and such other committees as they may from time to time deem appropriate.

ARTICLE VIII

MAINTENANCE

1. Association's Maintenance Responsibility. The Association, as a common expense, shall be responsible for the maintenance, repair and replacement of the common areas, limited common areas and facilities, and for any incidental damage caused to any unit by virtue of such maintenance, repair and replacement. The Association shall have the right to make alterations or improvements to the common areas and facilities and to assess unit owners for the same, provided these alterations are without prejudice to any unit owner and are approved by the Board of Directors; provided, further, that if any alterations or improvements are exclusively or substantially for the benefit of a small fraction of the unit owners who request the same, then the cost of such alterations or improvements shall be assessed against the unit owners benefitted in such proportion as the Board of Directors determine. Any unit owner, or their guest or assigns, who damages the common areas or limited common areas, the unit owner will be responsible for the cost of the repair of said damage.

2. Unit Owners' Maintenance Responsibility. Each unit owner shall be responsible for all maintenance and repair work within his unit, including, but not limited to, wiring, plumbing, air conditioning and heating equipment, appliances, interior wall and ceilings, surfaces, floors, exterior doors, and windows. Each unit owner is also responsible for keeping all parts of the unit in good, clean and safe condition, free of nuisance and for promptly complying with any requirements of the insurers of the common areas and facilities when so requested by the Board or the manager. Each unit owner is further responsible for any loss or damage to the common areas and facilities occasioned by his acts or by the acts of his family, guests, employees or agents, provided, that if such loss or damage is covered by any insurance maintained by the Association, the proceeds of the insurance shall be used for such maintenance, repair, or replacement and the unit owner shall only be required to pay the amount by which the costs of maintenance, repair, or replacement exceed the insurance proceeds, including any deductible. The unit owner's maintenance responsibility must be exercised promptly if failure to undertake such maintenance and repair would endanger or impair the value of the common areas and facilities or the other units.

3. Association's Right to Repair. Should a unit owner fail to comply with the maintenance and repair responsibilities, the Association, upon written notice to the unit owner, may make the required repair and assess the unit owner for the expense.

4. Approval of Payment for Repairs. The Board of Directors or the manager shall establish a mechanism for approving payment for the expenses of maintaining, repairing and replacing the common areas and facilities.

ARTICLE IX

ASSESSMENTS

1. Annual Assessments. The Board of Directors of the Association shall establish a proposed annual budget for each fiscal year in advance of the annual meeting. This budget shall project all common expenses for the forthcoming year required for the proper operation, management, and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. At least ten days prior to the annual meeting, copies of the proposed budget shall be delivered to each member of the Association, together with the proposed assessments against each unit. At the annual meeting, the budget shall be submitted to the membership for approval. As approved, the budget shall constitute the basis for all regular assessments for common expenses against unit owners. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the condominium project, the Board of Directors shall have the authority to levy such additional assessments as may be necessary, not to exceed a fifteen percent (15%) increase over the previous year's assessment, without approval of the membership. Any increase in the annual assessments of greater than fifteen percent (15%) shall require approval of the membership.

2. Capital Improvements. The Board of Directors of the Association, in establishing the annual budget for 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 capital improvements to the common areas and facilities, which capital improvement and replacement fund (capital improvement fund) shall be subject to the approval of the membership at the annual meeting. The amount collected for the capital improvement fund shall be maintained in a separate account by the Association and shall be used only to make capital improvements to common areas and facilities. Any interest earned on monies in the capital improvement fund may, in the discretion of the Board of Directors, be expended for current operation and maintenance. Each initial purchaser of a unit will pay a working capital contribution equal to two (2) months unitowners association dues, at closing.

3. Apportionment of Assessments. Assessments shall be apportioned among the unit owners on the basis of their proportionate undivided interests in the common areas and facilities, as set forth in the Declaration.

4. Unit Owner's Interest in Assessments. All assessments collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium project. As monies for any assessment are paid unto the Association by any owner of a unit, the same may be co-mingled with monies paid to the Association by the other owners of units. No member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest in the monies collected by the Association, except as an appurtenance to his unit. When the owner of a unit ceases to be a member of the Association by reason of transfer of ownership of the unit, the Association shall

not be required to account to the owner for any share of the funds or assets of the Association which may have been paid to the Association by such owner.

5. Time of Payment. Assessments shall be payable in annual, monthly or other installments, as determined by the Board of Directors.

6. Default. Assessments shall be in default if not paid within thirty (30) days of the due date. Delinquent assessments shall bear interest at the maximum permissible legal rate until paid and late fees assessed by the Association. Any unit owner in default shall be obligated to pay such interest and late fees, together with all costs of collecting such assessments, including reasonable attorney's fees.

7. Remedies for Default. If an assessment against a unit owner is not paid when due, the unpaid assessment shall constitute a lien against the unit and its appurtenant undivided interest in the common areas and facilities, which lien shall secure the unpaid assessment, and interest thereon, any expenses incurred in collecting the assessment, and any advances for taxes, and payments on account of superior mortgages, liens or encumbrances required to be advanced by the Association in order to preserve and protect its lien. This lien shall be enforceable from the time it is filed in the public records of Wake County, North Carolina in the manner provided by Article 8 of Chapter 44 of the North Carolina General Statutes. The lien may be foreclosed in the manner provided by North Carolina General Statutes 47A-22 and, in any such foreclosure proceeding, the Association shall be entitled to collect a reasonable rental for the unit from the unit owner and to appoint a receiver to collect the same. In addition, and without waiving its right to foreclosure, the Association shall have the right to maintain a suit to recover unpaid assessment or to exercise any other remedies provided in these Bylaws and the Declaration.

8. Foreclosure. The Association shall have the power to bid on the unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale. At such time as a sale is consummated, the Association shall deduct from the proceeds of said sale all sums of money due it for assessments and charges; the costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees; funds necessary to discharge any liens or mortgages of record, and any and all expenses incurred in the resale of the unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All surplus monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of the subject unit, or paid to the Clerk of Superior Court in accordance with the general mortgage foreclosure laws of North Carolina.

9. Liability of Purchaser at Foreclosure Sale. When the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the mortgage or deed in lieu of foreclosure, such purchaser, his successors and assigns, shall not be liable for the share of common expenses or assessments chargeable to such unit which became due prior to the acquisition of title to the unit by such purchaser. The unpaid share of the common expenses or assessments shall be absorbed and paid by the owners of all the units, including the purchaser, his successors and assigns, as common expenses, on the basis of their proportionate interest in the common areas and facilities.

10. Liability of Grantee in Voluntary Conveyance. In any voluntary conveyance of a unit, the purchaser shall be jointly and severally liable with the seller for all unpaid assessments against the seller up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor.

11. Notice of Unpaid Assessments to Prospective Purchaser, Tenant or Mortgagee. Whenever any unit is leased, sold, or mortgaged by the owner thereof, the Board of Directors or the manager, upon written request of the unit owner, shall furnish to the proposed purchaser, tenant or mortgagee, a statement verifying the amount of unpaid assessments chargeable to the unit. The purchaser, tenant or mortgagee may rely upon such statement in concluding the proposed purchase, lease or mortgage transaction, and the Association shall be bound by such statement.

12. Common Profits. If, in any year, there is an excess of assessments and other income over common expenses, the excess (common profits) shall, unless otherwise determined by the Board of Directors, be applied to payment of the next year's assessments.

ARTICLE X

FINANCES

1. Checks. All checks and notes of the Association shall be signed by the President, Vice-President, Secretary or Treasurer or by such other persons as the Board of Directors designate.

2. Depository. The Association shall deposit its monies in such bank or banks as the Board of Directors designate.

ARTICLE XI

RECORDS

1. Receipts and Expenditures. The Board of Directors or the manager shall keep detailed accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities and any other expenses incurred. Both said book and the vouchers accrediting the entries thereupon shall be available for examination by all unit owners, their duly authorized agents and attorneys, at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good and accepted accounting practices.

2. Other Records. The Board of Directors or the manager shall keep correct and complete books of records of account, minutes of the proceedings, and a record of the names and addresses of the members entitled to vote, which latter records must be kept at the Association's principal office. Any member, his agent or attorney may examine these books and records for any proper purpose at any reasonable time.

3. Inspection of Records. The Association shall make available to unit owners, lenders, holders, insurers or guarantors of any first mortgage, current copies of the Declarations, Bylaws or other rules concerning the project and the books, records and financial statements of

the Association. Available means available for inspection upon request during normal business hours and under reasonable circumstances. Furthermore, upon written notice, any holder of a first mortgage on any unit of the condominium project shall be entitled to a copy of the Association's financial statement for the immediately preceding fiscal year.

4. Request for Notice. Upon written request to the Association, any mortgage holder, insurer or guarantor will be entitled to timely written notice of (a) any condemnation or casualty loss that affects either a material portion of the project to the unit securing its mortgage, (b) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (c) a lapse, cancellation or material modification of any insurance policies or fidelity bond maintained by the Association, (d) any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE XII

RULES AND REGULATIONS

The Board of Directors shall have the right to enact administrative rules and regulations regarding the use of the common areas and facilities and conduct of the members and assess fines for infractions.

ARTICLE XIII

AMENDMENT

These Bylaws may be amended at a duly called meeting of the members, following an affirmative vote on the amendment by a majority of the Board of Directors. The notice of the members' meeting shall contain a full statement of the proposed amendment. Amendments must be approved by an affirmative vote of a majority of the votes of all Association Members, voting in person or by proxy. No amendment shall become operative until its has been set forth in an amended declaration and duly recorded in the office of the Register of Deeds of Wake County, North Carolina. All unit owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amended declaration, duly recorded.

The foregoing were adopted as the Bylaws of the UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, INC., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors.

Certified to be correct, this the _____ day of _____, 2000.

Exhibit "A" to Declarations

BEGINNING at an iron pipe set in the right of way of the intersection of Trailwood Drive and Lineberry Drive; running thence South 83 deg 52 min 54 sec East 74.31 feet to an iron pipe set; running thence along a curve with Lineberry Drive with an arc length of 224.50 feet and curve length of 222.79 feet and a chord bearing of North 83 deg 52 min 08 sec East to an iron pipe set; running thence North 71 deg 37 min 07 sec East 104 feet to an existing iron pin at the northwestern most point of land now or formerly known as Trailwoods Forest Tract 14 as shown in Book of Maps 1996, page 821, W.C.R.; running thence South 02 deg 44 min 46 sec West 636.18 feet to an existing iron pin; running thence along the northern boundary line of land now or formerly owned by Patsy Smith Morgan North 87 deg 31 min 35 sec West 205.26 feet to an existing iron pin; running thence along the northern boundary line of land now or formerly owned by Resolution Trust Corporation North 87 deg 28 min 08 sec West 328.33 feet to an existing iron pin in the eastern right of way of Trailwood Drive; running thence along the curve with Trailwood Drive an arc length of 91.33 feet and curve length of 91.31 feet with a chord bearing of North 16 deg 16 min 57 sec East to an iron pipe set; running thence North 18 deg 10 min 49 sec East 167.62 feet to an iron pipe set; running thence along a curve with Trailwood Drive an arc length of 301.85 feet and curve length of 301.32 feet and chord bearing North 12 min 16 deg 01 min East to an iron pipe set; running thence along the right of way intersection curve at Trailwood Drive and Lineberry Drive with an arc length of 39.17 feet and curve length of 35.28 feet with a chord bearing North 51 deg 14 min 10 sec East to an iron pipe set at the point and place of BEGINNING, containing 6.21 acres more or less, all according to a survey prepared by Michael D. Barr, R.L.S., dated 7-15-99 and entitled "Trailwood Site for CMS Engineering".

Exhibit "B" to Declarations

For the plans and specifications of the Building and Units, see Condominium Plat Book _____, Pages _____ through _____, Wake County Registry, which recorded plans and specifications are incorporated herein by reference.

EXHIBIT C to Declarations

Each unit in the Condominium Subdivision shall have a one-sixtieth (1/60th) interest in the common areas.

Exhibit "D" to Declarations

A copy of the Articles of Incorporation are attached hereto as Exhibit "D".

**ARTICLES OF INCORPORATION
OF
UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS
UNITOWNERS ASSOCIATION**

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, who is a resident of Wake County, North Carolina, and is of full age, has signed and acknowledged these Articles of Incorporation for the purpose of forming a non-profit corporation and does hereby certify:

ARTICLE I

NAME

The name of the corporation is UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, hereinafter called the "Association".

ARTICLE II

DURATION

The Association shall exist perpetually.

ARTICLE III

REGISTERED OFFICE AND AGENT

The principal and initial registered office of the Association is located at 142 Mine Lake Court, Raleigh, Wake County, North Carolina 27615; and Donna Preiss is the initial registered agent of the Association at that address.

ARTICLE IV

PURPOSE OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for beautification, maintenance, preservation, and architectural control of the exterior of the single family homes, multi-family units and non-residential areas, the residence lots, limited common area and the common area, including the maintenance of private streets, within that development known as UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS.

ARTICLE V

POWERS OF THE ASSOCIATION

The Association shall have the following general powers and any others impliedly

arising therefrom, to be exercised in the manner provided and in conformity with applicable law, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, herein called the "Declaration", applicable to the property, and recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina, and as the same may be amended from time to time as herein provided, said Declaration being specifically incorporated herein by reference as if fully herein set out;

(b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, but specifically not limited to, licenses, taxes, and governmental charges levied or imposed against the property of the Association;

(c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association, subject always to the provisions and requirements of the Declaration;

(d) To borrow money, mortgage, pledge, deed in trust, or hypothecate its real or personal property as security for money borrowed or debts incurred, subject always to the provisions and limitations of the Declaration;

(e) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area subject always to the provisions and limitations set forth in the Declaration;

(f) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

ARTICLE VI MEMBERSHIP

The Declarant, for so long as it shall be an Owner, and every person who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessments by the Association, including contract sellers, but excluding persons who hold an interest merely as security for "the performance of an obligation, shall be a member of the Association. Ownership of such interest shall be the sole, qualification for membership (other than Declarant); no owner shall have more than one membership and there shall be only one vote per lot. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules relating to the proof of ownership of a lot in this subdivision.

ARTICLE VII
VOTING RIGHTS

Section 1. Classes of Membership. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all owners as defined in Article VI with the exception of the Declarant. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article VI. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any lot, and no fractional vote may be cast with respect to any lot.

(b) Class B. The Class B member shall be the Declarant, and it shall be entitled to three (3) votes for each lot in which it holds a fee or undivided fee interest; provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities, if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the property by the Declarant in the manner provided in Article IV, Subparagraph (b) hereof; or

(2) on January 1, 2014.

Section 2. Suspension of Voting Rights. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment against the lot of a member remains unpaid.

ARTICLE VIII
BOARD OF DIRECTORS

Section 1. Number; Initial Board. The affairs of the Association shall be managed by a Board of not fewer than three (3) nor more than fifteen (15) Directors, who need not be members of the Association. The number of Directors required by the Bylaws of the Association may be changed by amendment thereof. The initial Board shall consist of five (5) Directors and the names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors until the selection and qualification of their successors are:

<u>Name</u>	<u>Address</u>
Donna Preiss	142 Mine Lake Court, Raleigh, N.C. 27615
Wayne A. Roper	110 Horizon Drive, Suite 100, Raleigh, N.C. 27615
Jim Morton	142 Mine Lake Court, Raleigh, NC 27615
Fred Mills, Sr.	P.O. box 6171, Raleigh, NC 27628
Linda Mobley	142 Mine Lake Court, Raleigh, NC 27612

Section 2. Election; Term. At or within ten (10) days after the first annual meeting, the members shall elect the number of Directors required by the Bylaws. The term of Directors

thereafter elected shall be as provided in the Bylaws. All directors shall serve until their successors have been duly elected and qualified.

Section 3. The method of election of Directors after the first election held pursuant to Section 2 shall be as provided in the Bylaws.

ARTICLE IX MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of all the votes entitled to be cast by the Class A membership and two-thirds (2/3) of all the votes entitled to be cast by the Class B membership are cast in favor of merger or consolidation at an election held for such purpose.

ARTICLE X DISSOLUTION OR INSOLVENCY

Section 1. Voluntary Dissolution. The Association may be dissolved with the assent given in writing and signed by members having not less than two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any.

Section 2. Election of Successor. Upon dissolution or insolvency of the Association, the members may elect to:

- (a) form a non-profit corporation and transfer and assign to such corporation the property of the Association for beautification, maintenance, and preservation of lots, yards, limited common areas and common areas within University Woods At Centennial, with Power to assess the owners for such purposes; or
- (b) transfer, assign, and convey the property of the Association to any nonprofit corporation, association, trust, or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the common area was required to be devoted by the Association.

Section 3. Transfer of Assets. The Association shall have no capital stock, and in the event of dissolution, no member, Director, or officer of the Association, and no private individual, shall be entitled to share in the distribution of the assets of the Association. If any assets shall remain after satisfaction of its just debts, the association shall grant, convey, and assign such assets to any entity or entities that have accepted and undertaken the care and management of the common area or portions thereof. In the event that more than one entity has undertaken such care and management, the Association may distribute the assets among such entities in a manner which the Association, in its discretion, deems fair and equitable.

ARTICLE XI
AMENDMENTS

Section 1. Amendment by Membership. Except as herein provided, any amendment of these Articles shall require the assent of members or proxies entitled to cast seventy-five percent (75%) of the entire vote of the membership.

Section 2. Amendment of Articles Without Approval of Owners. The Declarant, without the consent or approval of any other owner, shall have the right to amend these Articles to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any lots and improvements thereon for mortgage or improvement loans made or insured by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the Substantial control of, the United States Government or the State of North Carolina, regarding Purchase or sale of such lots and improvement, or mortgage interests therein, as well as any other law or regulation relating to the control of Property including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U. S. Department of Housing and Urban Development, the Federal Home Loan mortgage Corporation, Government National Mortgage Association, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

Section 3. No amendment made pursuant to this Section shall be effective until duly recorded in the Secretary of State's Office and the Office of the Register of Deeds of Wake County.

ARTICLE XII
FHA/VA APPROVAL

Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of University Woods At Centennial for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Areas; exchange of Common Area for other portions of the properties, and amendment of the Declaration of Covenants, Conditions and Restrictions.

ARTICLE XIII
INCORPORATOR

The name and address of the incorporator is as follows:

Donna Preiss

142 Mine Lake Court, Raleigh, North Carolina 27615

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation, this the ____ day of _____, 2000.

Donna Preiss (SEAL)
Donna Preiss, Incorporator

NORTH CAROLINA
WAKE COUNTY

I, DONNA B. PARHAM a Notary Public, do hereby certify that DONNA PREISS personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This the 26 day of May 2000.

Donna B. Parham

My commission expires: My Commission Expires May 2004 Notary Public

EXHIBIT "B" to Public Offering Statement

University Woods at Centennial Condominiums Unitowners Association

Current Balance Sheet

\$0.00

Dues will begin accumulating upon closing. The current building owners will continue to assume liability for maintenance until each unit closes whereupon the assessed dues will be administered by The Preiss Company, Inc. as needed.