

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF CUMBERLAND )

DECLARATION OF UNIT OWNERSHIP FOR  
WINDING CREEK CONDOMINIUMS

THIS DECLARATION made by Gateway-Park, Inc., a South Carolina corporation, ("Grantor"), pursuant to the Unit Ownership Act of North Carolina, S47A-1 et seq. of the Code of Laws of North Carolina, (the "Act") for the purpose of creating unit ownership described as below, and establishing certain easements, covenants, and restrictions to run with the land,

WITNESSETH:

ARTICLE I

THE PROPERTY

A. Property. As used herein, the term "Property" means and includes the land hereinafter identified and all improvements and structures now existing or hereafter placed thereon by Grantor and all easements, rights, and appurtenances belonging thereto, and all articles of personal property contained within the units and included for use therewith.

B. Land. The land ("Land") which is subject to this Declaration is that certain tract or parcel described in Exhibit "A" attached hereto and consisting of 19.16 acres. The Land is owned by Grantor in fee simple and is more particularly described and delineated on the plot plan (the "Plot Plan") recorded in Plat Book 53 at page 44 in the office of the register of deeds for Cumberland County, North Carolina.

C. Condominium Units ("Units"). There are sixteen residential buildings located on the property and one building at poolside which serves as a combination maintenance shop-clubhouse. Of the residential buildings, three buildings have four units, five buildings have six units, seven buildings have eight units, and there is one ten-unit building. Each building is denoted by a specific street address, and individual units are designated by letter within each building. These units are more specifically located and described as to number on the Plot Plan and the floor plans filed for record herewith and in Exhibit B attached hereto.

Each Unit encompasses and includes all that portion of the building designated on the Floor Plans as a Unit and consisting of all living and storage space bounded by the upper surface of the floor slab, by the unexposed surfaces of the drywall or plastering, forming interior walls and ceilings, and by the exterior surfaces of windows and window frames and of exterior doors and the door frames; and all flooring, floor covering, tile, plaster, wallboard, paint, wall covering, doors, door frames, windows, window frames, cabinets, fixtures, appliances and other building materials within the space so bounded. Each Unit also includes the heating, interior air conditioning and ventilating equipment and the ducting, electrical wiring and water and sewer pipes serving such Unit exclusively, regardless of where situated. The patio and storage area adjacent to and immediately accessible from a Unit, and screens covering the doors or windows of a Unit, are also part of the Unit.

One unit may be used as an office by the Association, and all other units may be used only for residential purposes.

D. Common Elements. All portions of the Property not encompassed and included within the various Units are part of the common elements, or "Common Area and Facilities", (the "Common Elements") of the Property. The Common Elements include the following:

1. The Land, excluding that portion reserved for future use (See Article VI).

2. The foundations, main walls, and roofs of residential buildings.

3. The compartments or installations of central services such as power, light, refrigeration, reservoirs, water tanks and pumps and the like.

4. Office-clubhouse, maintenance building, pool, and all devices or installations existing for common use; and all other elements of the Property rationally of common use or necessary to its existence, maintenance, and safety.

E. Values. The value of the Property is \$5,658,000, and the value of each individual Unit is as shown on Exhibit "C" attached hereto and hereby made a part hereof. The values shown on Exhibit "C" are fixed for the sole purpose of complying with the Unit Ownership Act and irrespective of the actual values, and shall not prevent Grantor or each Owner from fixing a different circumstantial value to his Unit in all types of acts and contracts.

F. Ownership of Common Elements. Ownership of the Common Elements is apportioned among and appurtenant to the individual Unit according to the percentages set forth on Exhibit "C". The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the deed or other instrument of conveyance. Said percentage also shall not be altered except with the unanimous consent of all unit owners expressed in an amended declaration duly recorded.

G. Name. The name by which the property subjected to unit ownership shall be known is "Winding Creek Condominiums".

## ARTICLE II

### THE ASSOCIATION

A. Members. Every Owner (or "Unit Owner") as hereinafter defined, shall be a member of and constitute the Association of Unit Owners (the "Association"), an unincorporated association which shall be managed by a board of administration (the "Board of Directors") elected by and from the Owners, and by a professional management company (the "Manager") if the Board of Directors or the Association so elect.

B. Owner. As used herein, the term "Owners" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a Unit.

C. Bylaws. The Association and the administration of the Property shall be governed by the bylaws (the "Bylaws") annexed hereto. The Bylaws may be modified or amended only in the manner set forth in Article X hereof.

D. Voting. On all matters relating to the Association or to the Property upon which a vote of the Owners is conducted, the Owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each Unit one vote (or percentage thereof) equal to the percentage ownership attributable to such Unit. The total number of votes appurtenant to all Units is 100. The affirmative vote of a Majority of the Owners, as hereinafter defined, shall be required to adopt decisions. All votes attributable to a single Unit must be cast together and may not be split.

E. Majority of the Owners. Whenever used in this Declaration or the Bylaws, the term "Majority of the Owners" means Owners entitled to cast a total of more than 50 votes.

F. Binding Effect. All agreements, decisions, and determinations lawfully made by the Association in accordance with the voting percentages established in the Act, this Declaration or the Bylaws shall be deemed to be binding on all Owners.

### ARTICLE III

#### INTERIM RIGHTS OF GRANTOR

A. Period. The "Interim Rights of Grantor" defined in this Article shall extend for a period of five years from the date of recording this Declaration, during which Period the Provisions of this Article shall supersede any conflicting provisions in the Declaration or the Bylaws.

B. Maintenance and Replacement Fund. For the Period described above, a Maintenance and Replacement Fund shall be established and maintained under the direction of the Board of Directors for the maintenance and replacement of Common Elements. Items chargeable against this fund shall be Common Expenses (See Bylaws) ordinarily borne by the Owners in proportion to their percentage of ownership. However, Grantor shall contribute \$25,000 to establish this fund. The contribution shall be non-refundable and is made solely for the benefit of the Owners and in order to avoid any large unforeseen initial assessments against the Owners. It is the intention of the Grantor that this fund not be unnecessarily depleted and that Regular Assessments will be adjusted to replenish amounts expended.

C. Contracts. During this Period, Grantor will enter no contract which will directly or indirectly bind the Association, including leases, unless there is a right of termination of such contract or lease, without cause, which is exercisable without penalty at any time after control of the Property is transferred to the Association, upon not more than ninety (90) days' notice to the other party thereto.

### ARTICLE IV

#### COMMON EXPENSES

A. Liability of Owners. The Owners of the Units are bound to contribute in proportion to their respective interests in the Common Elements toward the following expenses ("Common Expenses"):

1. Expenses of administration and of maintenance and repair of the Common Elements.
2. Expenses declared to be Common Expenses by the Act, this Declaration, or the Bylaws; and
3. Any other expense lawfully agreed upon by the Association.

The liability of each Owner for the Common Expenses shall be limited to the amounts for which he is assessed from time to time in accordance with the Unit Ownership Act, this Declaration, and the Bylaws. No Owner may exempt himself from contributing toward the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of his Unit.

B. Liability of Purchaser. The purchaser of a Unit (other than a purchaser at a foreclosure sale as described below in paragraph E) shall be jointly and severally liable with the seller for unpaid assessments pursuant to paragraph A above, up to the time of the conveyance, without prejudice to the purchaser's right to recover from the seller the amounts paid by

the purchaser as such joint debtor. The Board of Directors or the Manager shall provide for the issuance and shall issue to any purchaser, upon his request, a statement of such amounts due by the seller of any Unit, and the purchaser's liability under this paragraph shall be limited to the amount as set forth in the statement.

C. Sale of Unit. Upon the sale or conveyance of a Unit, all unpaid assessments against an Owner for his pro rata share of the Common Expenses shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except the following:

1. Assessments, liens, and charges for taxes past due and unpaid on the Unit; and
2. Payments due under mortgage instruments or encumbrances duly recorded.

D. Lien on Unit. all sums assessed by the Association, through the Board of Directors or Manager, for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of thirty (30) days or longer, shall constitute a lien on such unit when filed of record in the office of the clerk of superior court of Cumberland County as provided by the General Statutes. Upon being duly filed, such lien shall be prior to all other liens except (i) assessments, liens, and charges for real estate taxes due and unpaid on the Unit, (ii) unpaid sums on deeds of trust, mortgages, and other encumbrances duly of record against the unit prior to the docketing of the aforesaid lien, and (iii) materialmen's and mechanic's liens. Once duly recorded, a lien created by nonpayment of a unit owner's pro rata share of the common expenses may be foreclosed by suit by the Manager or Board of Directors, acting on behalf of the unit owners, in like manner as a deed of trust or mortgage of real property. In any such foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The Manager or the Board of Directors, acting on behalf of the unit owners, shall have the power to bid in any unit at foreclosure sale and to acquire, and hold, lease, mortgage and convey the same. A suit to recover a money judgement for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

E. Foreclosure Purchaser. Where 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 first mortgage, such purchaser, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association or Unit Owners chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners, including such purchaser, his successors and assigns.

F. Records. The Manager or the Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and expenditures affecting the common areas and facilities and specifying the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Both the book and the vouchers accrediting the entries made thereupon shall be available for examination by all the Owners, their duly authorized agents or attorneys, and any lender, or any holder, insurer or guarantor of any first mortgage, at convenient hours on working days that shall be set and announced for general knowledge.

## ARTICLE V

## EASEMENTS, COVENANTS, AND RESTRICTIONS

A. Use of Property. Each Owner shall be entitled to the exclusive ownership and possession of his Unit and may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

B. Utility Easements. There shall be appurtenant to each Unit a non-exclusive easement for use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Unit and situated in any other Unit. Each Unit shall be subject to an easement in favor of other Units for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated in such Unit and serving such other Units.

C. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a Unit or Units; (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the Association; (iii) repair or reconstruction of a Unit or Units following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Unit Ownership Act.

D. Right of Access. The Association shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or another Unit.

E. Maintenance of Common Elements. The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Unit Ownership Act and the Bylaws.

F. Prohibited Work. No Owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easement of hereditament without in every such case unanimous consent of all other Owners affected being first obtained.

G. Prohibited Sales Activities. No sale, rental, or leasing activities will be permitted on the property except for Unit sales and the normal sales/rental activities conducted in the property office. Unit sales shall be handled only by licensed real estate brokers or by an Owner selling his own Unit(s). No "sale", "rental", or similar signs shall be displayed in or on the property, and no "open house" sales or promotions shall be permitted.

H. Partition. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the ownership. Any covenant to the contrary shall be void.

## ARTICLE VI

## LIENS

A. Attachment. No lien arising subsequent to the recording of this Declaration, and while the Property remains subject to

the Unit Ownership Act, shall be effective against the Property. During such period, liens or encumbrances shall arise or be created only against each Unit and the percentage of undivided interest in the Common Elements appurtenant to such Unit in the same manner and under the same conditions and in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership; provided, that no labor performed or materials furnished with the consent or at the request of an Owner or his agent or his contractor or subcontractor shall be the basis for the filing of a mechanic's or materialman's lien against the Unit or any other property of any other Owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the Owner of any Unit in the case of emergency repairs thereto. Labor performed or materials furnished for the Common Elements, if duly authorized by the Association, the Manager or the Board of Directors in accordance with the Unit Ownership Act, this Declaration or the Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner, and shall be the basis for the filing of a mechanic's or materialman's lien against each of the Units and shall be subject to the provisions of paragraph B below.

B. Discharge. In the event a lien against two or more Units becomes effective, the Owners of the separate Units may remove their Units and the percentage of undivided interest in the Common Elements appurtenant to such Units from the lien by any payment of the fractional or proportional amounts attributable to each of the Units affected. Such individual payment shall be computed by reference to the percentages appearing in this Declaration. Subsequent to any such payment, discharge or other satisfaction, the Unit and the percentage of undivided interest in the Common Elements appurtenant thereof shall thereafter be free and clear of the lien so paid, satisfied or discharged. Such partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any Unit and the percentage of undivided interest in the Common Elements appurtenant thereto not so paid, satisfied, or discharged.

C. Taxes. Taxes, assessments and other charges of this State, or of any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each individual Unit including its proportionate share of the common area, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the buildings or Property as a whole. No forfeiture or sale of the buildings or Property as a whole for delinquent taxes, assessments or charges shall ever divest or in anywise affect the title to an individual Unit so long as taxes, assessments and charges on the individual Unit are currently paid.

## ARTICLE VII

### INSURANCE

The Board of Directors or the Manager shall insure the Property against loss or damage by fire and other hazards under such terms and for such amounts as shall be required or requested. Such insurance coverage shall be written on the Property in the name of the Manager or Board of Directors, as trustee for each of the unit owners in the percentages established in this Declaration. The premiums for such insurance shall be deemed common expenses. Provision for such insurance is without prejudice to the right of each Owner to insure his own Unit for his benefit.

## ARTICLE VIII

## RECONSTRUCTION

A. When required. Except as hereinafter provided, damage to or destruction of the building shall be promptly repaired and restored by the Manager or Board of Directors, or other managing body, using the proceeds of insurance on the building for that purpose, and unit owners shall be liable for assessment for any deficiency; provided, however, if the building shall be more than two-thirds destroyed by fire or other disaster and the owners of three-fourths of the building duly resolve not to proceed with repair or restoration, then and in that event:

(1) The property shall be deemed to be owned as tenants in common by the unit owners;

(2) The undivided interest in the property owned by the unit owners as tenants in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

(3) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property as provided herein; and

(4) The property shall be subject to an action for sale for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all the unit owners in proportion to their respective undivided ownership of the Common Elements, after first paying off out of the respective shares of unit owners, to the extent sufficient for that purpose, all liens on the unit of each unit owner.

B. Costs. Where the Property is not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction, the rebuilding costs shall be paid by all the Owners directly affected by the damage, in proportion to the value of their respective Units, or as may be provided in the Bylaws; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed with the reconstruction at the expense of all the Owners benefited thereby, upon proper resolution setting forth the circumstances in the case and the cost of the work, with the intervention of the Association. The provisions of this paragraph may be changed by the unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

## ARTICLE IX

## AMENDMENTS

A. Declaration. This Declaration may be amended only by written agreement of all the Owners.

B. Bylaws. The Bylaws may be amended from time to time by the affirmative vote of Owners entitled to cast a total of no fewer than 75 votes.

C. Recording. No amendment to this Declaration or the Bylaws shall be effective unless and until recorded as required by the Unit Ownership Act.

## ARTICLE X

## MISCELLANEOUS

A. Application. All Owners, tenants of Owners, employees of Owners and tenants, or any other persons that may in any manner use the property or any part thereof shall be subject to the Unit Ownership Act and to this Declaration and the Bylaws.

B. Compliance. Each Owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration or in the deed to the Unit of such Owner. Failure to comply with any of the same shall be grounds for a civil action to recover sums due, for damages or injunctive relief, or both, maintainable by the Manager or the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved Owner.

C. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

D. Conflicts. This Declaration is executed to comply with the requirements of the North Carolina Unit Ownership Act, N.C.G.S. Chapter 47A, and in the event that any of the provisions are not expressly stated herein, the same are deemed to be incorporated by reference as if fully set out herein. Furthermore, in the event that any of the provisions hereof conflict with the provisions of the North Carolina Unit Ownership Act, the North Carolina Unit Ownership Act shall control.

E. Severability. The provisions of this Declaration are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.

F. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

G. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

H. Service of Process. The Board of Directors shall name a person to receive service of process, which person shall reside or have a place of business within the City of Fayetteville, County of Cumberland. The Board of Directors may name a new person to receive service of process under any circumstances it deems appropriate by filing an amendment to this Declaration, which action shall not require the consent of the Owners. The initial person designated to receive service of process is George W. Flynt, Jr. whose place of business or residence is 4700 Forest Drive, Columbia, SC 29204.

I. Termination. (a) All of the unit owners may remove a property from the provisions of the Act by an instrument to that effect, duly recorded, provided that the holders of all liens, affecting any of the units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of undivided interest of the unit owner in the property as hereinafter provided.

(b) Upon removal of the property from the provisions of the Act, the property shall be deemed to be owned as tenants in common by the unit owners. The undivided 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 elements.

IN WITNESS WHEREOF, Grantor has executed this Declaration this 30 day of March, 1983.

Signed, Sealed and Delivered in the Presence of:

GATEWAY-PARK, INC.

Robert S. Cooper  
Witness

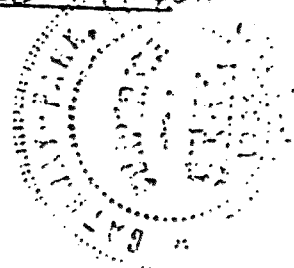
BY: A. D. Cooper  
President

Carmen L. Small  
Witness

Robert S. Cooper  
Witness

BY: R. H. Robinson  
Secretary

Carmen L. Small  
Witness



SOUTH CAROLINA

COUNTY OF RICHLAND

I, Robert G. Cooper, a Notary Public of said County and State, do hereby certify that ED R. ROBINSON personally appeared before me this day and acknowledged that he is Secretary of GATEWAY-PARK, INC., a corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and notarial seal, this the 30 day of March, 1983.

Robert G. Cooper  
NOTARY PUBLIC

My Commission Expires: 11-29-87

NORTH CAROLINA, CUMBERLAND COUNTY

The foregoing or annexed certificate of Robert S. Cooper

This instrument was presented for registration and recorded in this Office at Book 2915, Page 663

This 6 day of April, 1983 at 3:48 O'clock PM

Marion Clark  
Register of Deeds

By Allen J. Fisher  
Deputy Register of Deeds

EXHIBIT A ATTACHED TO AND FORMING A PART OF  
DECLARATION OF UNIT OWNERSHIP FOR  
WINDING CREEK CONDOMINIUMS

BEGINNING at the intersection of the eastern line of the original 126.14 acre tract of which this is a part, with the centerline of Brigadoon Lane, said point of beginning being South 09 degrees 52 minutes West 25.45 feet from the intersection of the eastern line of the original tract of which this is a part with the northern margin of Brigadoon Lane as recorded in Book of Plats 16, Page 3, Cumberland County Registry, and runs thence as the centerline of Brigadoon Lane South 89 degrees 04 minutes West 386.32 feet to a stake in the centerline of Winding Creek Road, thence with the centerline of Winding Creek Road, and as said road curves to the left on a radius of 306.86 feet, an arc distance of 327.09 feet to the P. T. of the said curve; thence continuing with the centerline of Winding Creek Road, North 43 degrees 38 minutes West 200.00 feet to the P. C. of a curve, thence as the centerline of Winding Creek Road curves to the left on a radius of 797.32 feet, an arc distance of 635.26 feet to an iron stake; thence North 00 degrees 43 minutes East 229.01 feet to an iron stake in the Northern line of the original tract; thence as said northern line, North 78 degrees 23 minutes East 1106.42 feet to an iron stake; thence South 11 degrees 37 minutes East 300.76 feet to an iron stake; thence South 80 degrees 08 minutes East 159.70 feet to an iron stake in the eastern line of the original tract; thence as said eastern line, South 09 degrees 52 minutes West 831.43 feet to the point of BEGINNING, containing 19.16 acres.

Reference is made to a plat of this property recorded in Plat Book 53, Page 44, Cumberland County Registry.

Plans of the Buildings  
\*\*\*\*\*  
See Building Plans  
Book 1 Pages 6-13  
Building Plans Book  
Condominium.

**Federal National Mortgage Association**

100 Peachtree Street, NW  
Atlanta, Georgia 30303  
404 572 6000

August 16, 1982

Mr. John E. Haas  
Vice President  
South Carolina National Bank  
101 Greystone Boulevard  
Columbia, SC 29226

Dear Mr. Haas:

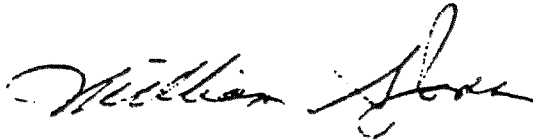
Subject: Winding Creek  
Phase I (108 Units)  
Fayetteville, NC

We are pleased to enclose FNMA Form 1027, Conditional Condominium/PUD Project Acceptance, indicating our conditional approval for this development.

Please note the conditions on the Form 1027 as well as on the Addendum "A."

If you have any questions about the conditional acceptance, please contact Mr. John Van House, who reviewed the application. If we can be of any further assistance, please let us know.

Sincerely,



William S. Jones  
Regional Underwriter

Enclosures

WSJ/pjy

**CONDITIONAL CONDOMINIUM/PUD PROJECT ACCEPTANCE**

TO: (Name and Address of Seller)

South Carolina National Bank  
101 Greystone Boulevard  
Columbia, SC 29226

Winding Creek

Project Name

Phase I (108 Units)

Phase/Section

553 Winding Creek Road

Project Street Address

Fayetteville, NC 28305

City/State/ZIP Code

PROJECT IS A:

- CONDOMINIUM  PLANNED UNIT DEVELOPMENT

The Federal National Mortgage Association ("FNMA") will agree to purchase mortgages on units from within the project specified above ("Project") submitted by South Carolina National Bank hereinafter "Seller", subject, however, to Seller's (1) compliance with the requirements set out in the FNMA Conventional Home Mortgage Selling Contract Supplement ("the Conventional Selling Supplement"), (2) full satisfaction of the Terms and Conditions marked and otherwise set forth below, and (3) full satisfaction of the provisions of any FNMA Form 1028, Final Condominium/PUD Project Acceptance related to the above Project.

**TERMS AND CONDITIONS**

- 1. The appraised values, if any, for basic dwelling unit types and optional variations and equipment, as set forth on FNMA Form 1027A, Master Schedule of Approved Values, dated and attached hereto, have been approved and are accepted as correct, provided that approval and acceptance of such values will expire on FNMA's sole option. In the event of any damage or destruction of the property or any significant change in the conditions or circumstances upon which such approved appraised values are predicated, occurring on or after the date upon which such values are established, approval of such appraised values may be terminated at FNMA's option.
- 2. Bona fide agreements of sale must have been executed by principal residents/purchasers of units which, in the aggregate, represent no less than 50 % of the total number of units in the Project. Upon satisfaction of this requirement, FNMA Form 1029, Evidence of Presales, reflecting this information shall be submitted for approval.
- 3. An opinion of Seller's designated counsel substantially in the form reflected in FNMA Form 1037, Guide Form for Attorney's Opinion, must be approved by FNMA. The Seller will not submit such opinion until notified by FNMA that the opinion is due.
- 4.
  - a. Final certifications, in acceptable form, must be furnished from the Appraiser, Seller and Architect/Engineer, reflecting that all improvements to the Project (including common areas) have been fully completed in substantial compliance with final plans and specifications as previously approved. FNMA will consider Seller's request to provide evidence of assurance of completion of construction (e.g., cash deposit, letter of credit, assignment of certificate of deposit, or assignment of other assets readily convertible to cash) for completion of minor items not affecting livability. This Conditional Project Acceptance shall be null and void if substantial changes are made in the final plans and specifications without prior written approval.
  - b. Supply acceptable assurance against construction and structural defects.
- 5. Submit a registered architect's or engineer's report, acceptable to FNMA, on the quality of construction, compliance with building codes of the jurisdiction involved and adequacy of the electrical, plumbing, fire safety, energy, heating and air conditioning system (individual as well as central systems).

- Roof structure: Wood trusses at 24" o.c., 1/2" plywood sheathing, 235 asphalt shingles on 15 lb. felt, 1/2" gyp drywall ceiling.
- Party wall partitions: Staggered studs with 3-1/2" blanket insulation woven between.

The approximate sound insulating values of partitions are as follows:

- Party walls: STC = 46
- Partitions within apartments: STC = 31

These ratings are adequate for their use in apartment construction. Floor-to-floor sound transmission is not a factor since all units are townhouse type.

The quality of the majority of appliances and air conditioning should provide as long life expectancy as any other type that could have been used. No ranges have been replaced, only minor repair and parts replacement has been necessary. I was surprised to find that no water heaters have been replaced, only a few thermostats and heating elements have been replaced. All mechanical equipment and water heating facilities are manufactured by Rheem, a well respected manufacturer of this type equipment.

Every door and window that I checked was operable and weathertight.

#### Roofing and Sheet Metal:

- 1) Roof shingles are beginning to craze and signs of deterioration are appearing. While no leaks are presently apparent, I would expect an additional 5-10 years service by the shingles.
- 2) Some gutters have poor slopes and badly ponding water.
- 3) Gutters/gravel stops/rain diverters are rusty and should be painted immediately if any appreciable life is to remain in them.

#### Roadways/Parking:

- 1) The entire complex of roads and parking areas has concrete curb and gutters that are in excellent condition.
- 2) Some pavement has been patched but appears in stable condition.

Roadways/Parking (Continued):

- 3) One parking area has a long fissure in the center. This occurs between Buildings 553 and 567. Proper repairing will extend the life of this area a great deal.
- 4) Only one sidewalk panel appears to need replacing.
- 5) No soft spots were detectable in any of the paved areas.

Building Exteriors:

Several conditions were observed on the exterior that require maintenance activity. They consist mainly of the following:

- 1) Fence doors need adjusting.
- 2) Railings need stabilizing.
- 3) One downspout is loose.
- 4) Several gutter spikes loose.
- 5) Many storage room doors need replacing.
- 6) Brick retaining walls at the rear of units are in very good condition; however, a few brick have broken loose and need repair or replacement.
- 7) Wood fence top rails are in process of being replaced with pressure-treated material.

My overall impression of this project is that it has been well maintained and should serve as viable rental property for as many years as good maintenance practices are used. The landscaping is in good condition and well cared for. During the writer's visit, topsoil was being stockpiled for grassing some bald areas in this project.

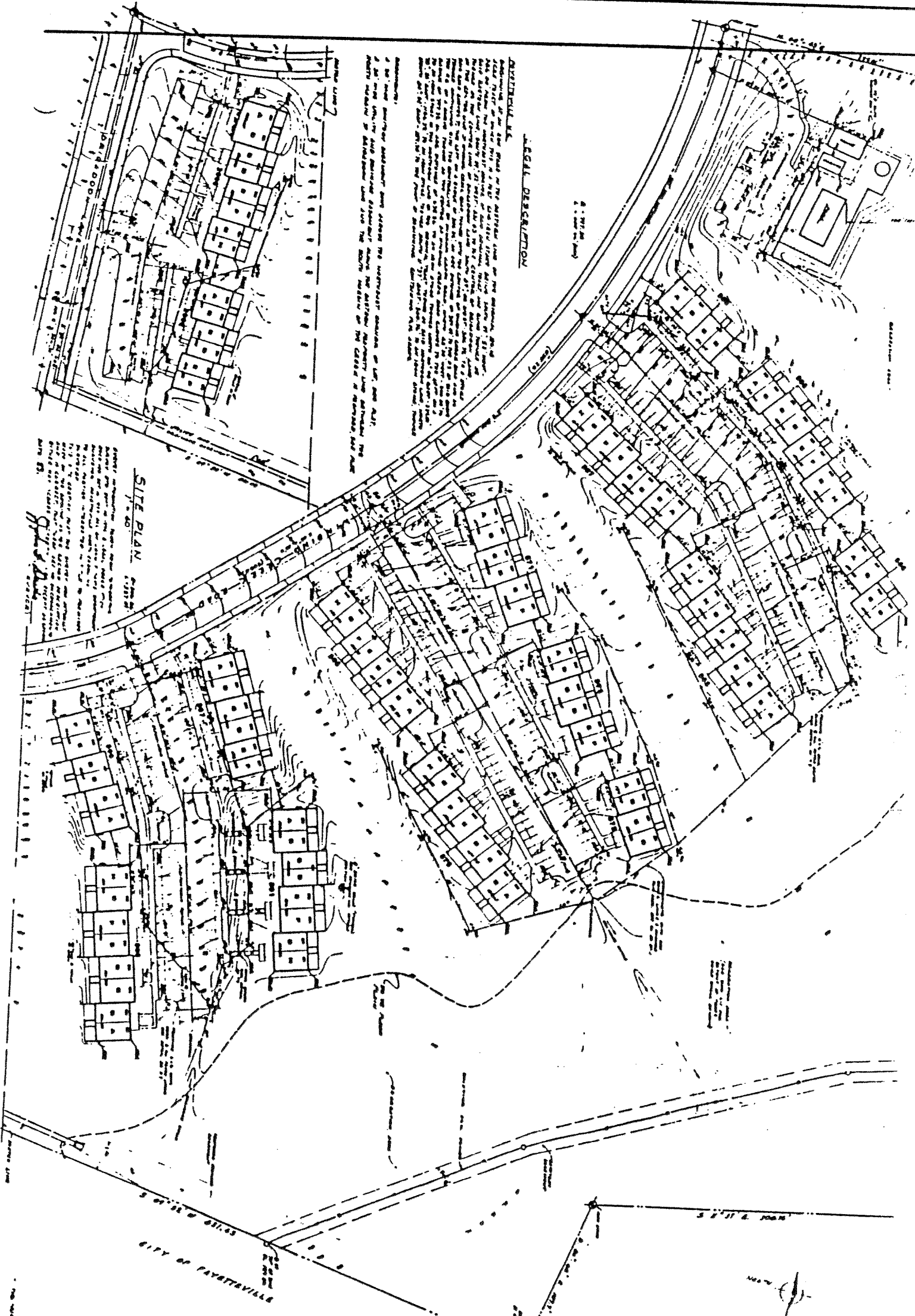
This concludes our report on the project unless you wish further investigation or require other information. If you have any questions in this regard, please let me know.

Yours very truly,

FEREBEE, WALTERS AND ASSOCIATES

  
Herschel G. Walters, AIA  
Director of Construction Quality Control

HGW:jec



**LEGAL DESCRIPTION**

THE SHOWN APARTMENT BUILDING AND GROUNDS ARE THE PROPERTY OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA, AND ARE SUBJECT TO THE ZONING ORDINANCES AND REGULATIONS OF SAID CITY. THE APARTMENT BUILDING IS BEING CONSTRUCTED IN ACCORDANCE WITH THE ZONING ORDINANCES AND REGULATIONS OF SAID CITY AND THE APARTMENT BUILDING IS BEING CONSTRUCTED IN ACCORDANCE WITH THE ZONING ORDINANCES AND REGULATIONS OF SAID CITY.

**SITE PLAN**

The site plan shows the layout of the apartment buildings, streets, and landscaped areas. The buildings are arranged in a semi-circular pattern along a curved roadway. The plan shows individual units, corridors, and common areas. Surrounding the buildings are landscaped areas with trees and paths.

**FEREBEE, WALTERS AND ASSOCIATES ARCHITECTS / PLANNERS**

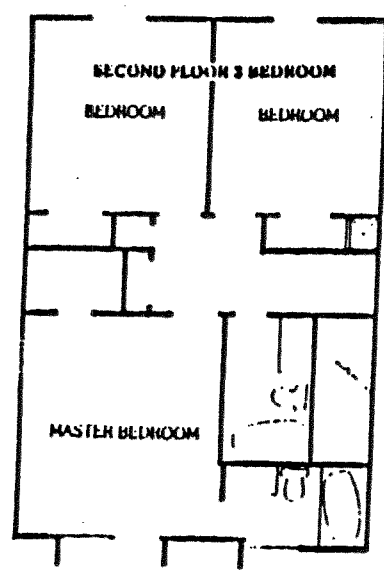
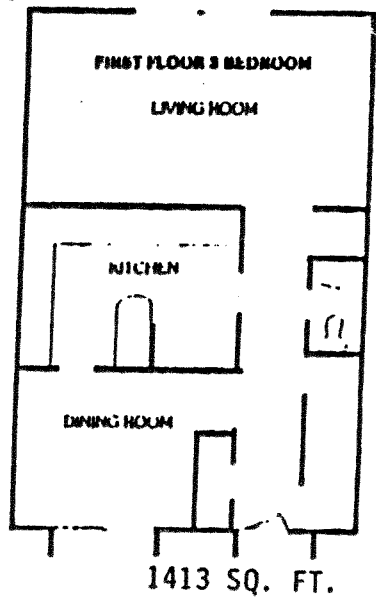
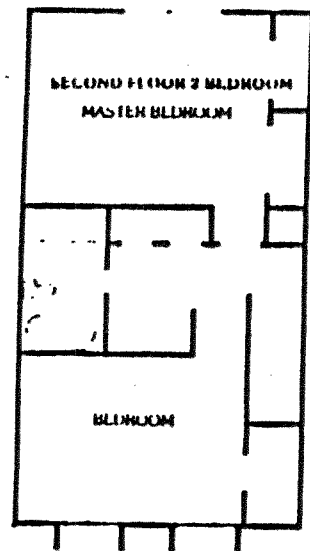
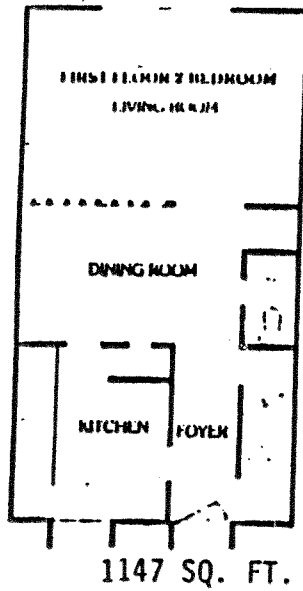
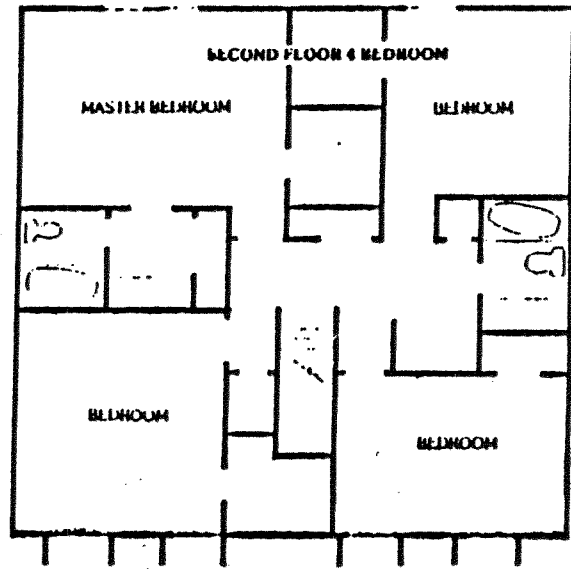
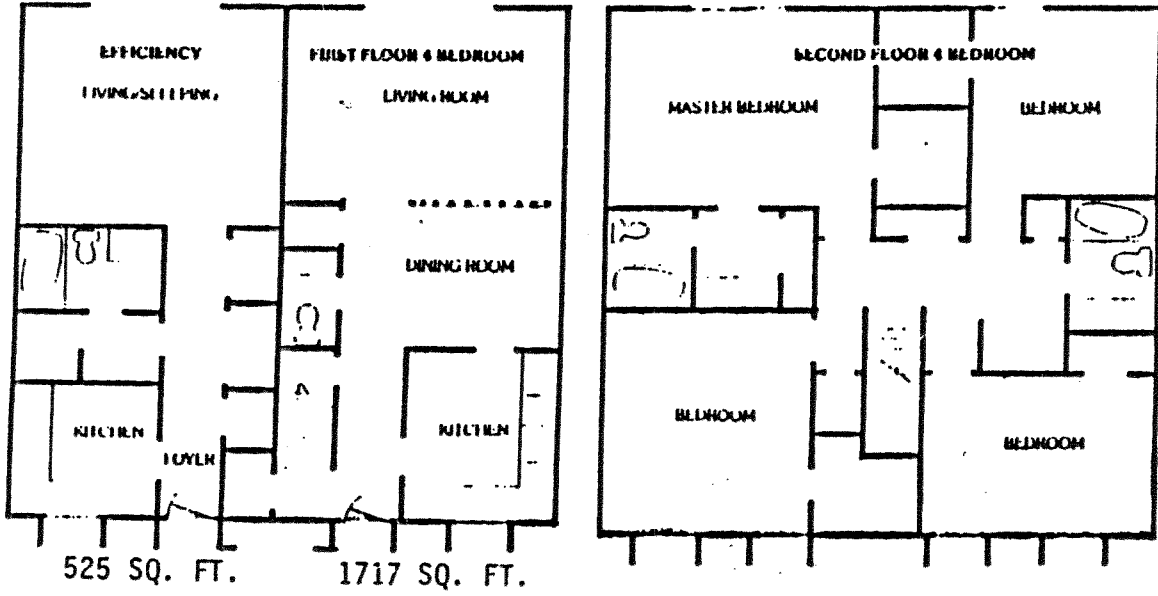
**WINDING CREEK APARTMENTS**  
 FAYETTEVILLE, NORTH CAROLINA

**SITE PLAN**  
 LEGAL DESCRIPTION

**F/A**  
 MEMBERS OF THE AMERICAN INSTITUTE OF ARCHITECTS  
 4037 EAST INDEPENDENCE BOULEVARD  
 CHARLOTTE, NORTH CAROLINA 28209  
 TELEPHONE: (704) 376-1262



EXHIBIT B-1  
WINDING CREEK CONDOMINIUMS



These are not scale drawings. For more specific information, see the drawings filed of record with this Declaration.



WINDING CREEK APARTMENTS  
Exhibit C

STREET/BUILDING	UNIT(FP*)	BEDROOMS	BATHS	SQ. FT.	PERCENTAGE OWNERSHIP
WINDING CREEK ROAD					
#553	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	EFF	1	525	.5656
	D	4	2 1/2	1717	1.0780
#555	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	2	1 1/2	1147	.8660
	F	2	1 1/2	1147	.8660
	G	3	2 1/2	1413	.9986
	H (FP)	3	2 1/2	1413	1.0250
#559	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	2	1 1/2	1147	.8660
	D	2	1 1/2	1147	.8660
#563	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	EFF	1	525	.5656
	F	4	2 1/2	1717	1.0780
	G	2	1 1/2	1147	.8660
	H	2	1 1/2	1147	.8660
	J	2	1 1/2	1147	.8660
	K	2	1 1/2	1147	.8660
	#567	A	2	1 1/2	1147
B		2	1 1/2	1147	.8660
C		2	1 1/2	1147	.8660
D		2	1 1/2	1147	.8660
E		3	2 1/2	1413	.9986
F		3	2 1/2	1413	.9986
G		2	1 1/2	1147	.8660
H		2	1 1/2	1147	.8660
#571	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	2	1 1/2	1147	.8660
	D	2	1 1/2	1147	.8660
	E	3	2 1/2	1413	.9986
	F (FP)	3	2 1/2	1413	1.0250

#573	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	2	1 1/2	1147	.8660
	F	2	1 1/2	1147	.8660
#575	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D (FP)	3	2 1/2	1413	1.0250
#579	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	3	2 1/2	1413	.9986
	F	3	2 1/2	1413	.9986
	G	3	2 1/2	1413	.9986
	H (FP)	3	2 1/2	1413	1.0250
#583	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	2	1 1/2	1147	.8660
	D	2	1 1/2	1147	.8660
	E	EFF	1	525	.5656
	F	4	2 1/2	1717	1.0780
	G	3	2 1/2	1413	.9986
	H (FP)	3	2 1/2	1413	1.0250
#587	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	2	1 1/2	1147	.8660
	F	2	1 1/2	1147	.8660
#591	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	EFF	1	525	.5656
	D	4	2 1/2	1717	1.0780
	E	3	2 1/2	1413	.9986
	F	3	2 1/2	1413	.9986
	G	2	1 1/2	1147	.8660
	H (FP)	2	1 1/2	1147	.8660
#595	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	3	2 1/2	1413	.9986
	D	3	2 1/2	1413	.9986
	E	3	2 1/2	1413	.9986
	F	3	2 1/2	1413	.9986
	G	3	2 1/2	1413	.9986
	H (FP)	3	2 1/2	1413	1.0250

#599	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	EFF	1	525	.5656
	D	4	2 1/2	1717	1.0780
	E	3	2 1/2	1413	.9986
	F (FP)	3	2 1/2	1413	1.0250

BRIGADOON LANE

#2696	A (FP)	3	2 1/2	1413	1.0250
	B	3	2 1/2	1413	.9986
	C	EFF	1	525	.5656
	D	4	2 1/2	1717	1.0780
	E	3	2 1/2	1413	.9986
	F	3	2 1/2	1413	.9986
	G	2	1 1/2	1147	.8660
	H	2	1 1/2	1147	.8660
#2692	A	2	1 1/2	1147	.8660
	B	2	1 1/2	1147	.8660
	C	2	1 1/2	1147	.8660
	D	2	1 1/2	1147	.8660
	E	2	1 1/2	1147	.8660
	F	2	1 1/2	1147	.8660

\* (FP) BESIDE UNIT NUMBER DENOTES UNIT WITH FIREPLACE

<u>TYPE UNIT</u>	<u>ASSIGNED VALUE</u>	<u>NO. UNITS</u>	<u>TOTAL ASSIGNED VALUE</u>
EFFICIENCY	\$32,000	6	\$ 192,000
2 BEDROOM	49,000	46	2,254,000
3 BEDROOM	56,500	36	2,034,000
3 BEDROOM W/FIREPLACE	58,000	14	812,000
4 BEDROOM	61,000	6	366,000
TOTAL			5,685,000

All units are "townhouse" style, comprised of ground floor and upper (second) level except for EFFICIENCY units, which are ground level only. None of the units have basements. Buildings are brick veneer with some wood trim.

BLANK TITLE INSURANCE COMPANY  
CONDOMINIUM ENDORSEMENT

Attached to and made a part of Policy No.

The Company hereby insures against loss or damage by reason of:

- (1) The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
- (2) The failure of the documents required by said condominium statutes to comply with the requirements of said statutes to the extent that such failure affects the title to the unit and its common elements.
- (3) Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents. Said restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
- (4) The priority of any lien for charges and assessments provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
- (5) The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
- (6) Any obligation to remove any improvements which exist at date of policy because of any present encroachment or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
- (7) The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at date of policy.

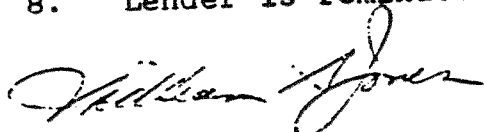
This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

SL 1-5-79  
Winding Creek  
Phase I (108 Units)  
Fayetteville, NC  
August 16, 1982

ADDENDUM "A"  
(FNMA Form 1027)

Subject: Winding Creek  
Phase I (108 Units)  
Fayetteville, NC

1. Furnish lender's or attorney's certification that the documents referred to in the attorney's opinion, revised in keeping with the Condensed Legal Guidelines for Condominium or PUD Projects of April 15, 1982, have been recorded.
2. Furnish certification from the Seller, developer, appraiser, and architect that the refurbishment work planned by the developer and the recommendations of the architect have been completed.
3. Furnish a list of the refurbishment work involved and approximate cost.
4. Each mortgage submitted for purchase that exceeds 70% of value must have mortgage insurance that insures the lender down to 65% of the property's value.
5. Lenders are reminded that their warranties under the FNMA Conventional Home Mortgage Selling Contract Supplement survive this approval, including, but not limited to, warranties that the sale of a property is either exempt from, or in compliance with, federal and state securities laws.
6. The insurance requirements contained in the FNMA Conventional Home Mortgage Selling Contract Supplement must be met for whole loans sold to FNMA.
7. The unit title insurance policy must include the attached Condominium Endorsement.
8. Lender is reminded to comply with flood insurance requirements.



William S. Jones  
Regional Underwriter  
August 16, 1982

BLANK TITLE INSURANCE COMPANY

CONDOMINIUM ENDORSEMENT

Attached to and made a part of Policy No.

The Company hereby insures against loss or damage by reason of:

- (1) The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
- (2) The failure of the documents required by said condominium statutes to comply with the requirements of said statutes to the extent that such failure affects the title to the unit and its common elements.
- (3) Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents. Said restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
- (4) The priority of any lien for charges and assessments provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
- (5) The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
- (6) Any obligation to remove any improvements which exist at date of policy because of any present encroachment or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
- (7) The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at date of policy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

SL 1-5-79  
Winding Creek  
Phase I (108 Units)  
Fayetteville, NC  
August 16, 1982