

**PUBLIC OFFERING STATEMENT
FOR SOUTHGATE ON FAIRVIEW CONDOMINIUM
Effective November 20, 2007
(revised February 15, 2008)**

This Public Offering Statement is being delivered to contract purchasers of condominium units in SouthGate on Fairview Condominium (the "Condominium"), as required by the North Carolina Condominium Act (Chapter 47C of the North Carolina General Statutes, referred to herein as the "Act") by Colonial Properties Services, Inc., an Alabama corporation (the "Declarant"). It contains a summary of the important features of the Condominium, and must by law be delivered to each purchaser of a unit in the Condominium.

Under the condominium form of ownership, the owner of each condominium unit owns all of the space bounded by the back surfaces of the wallboard forming the exterior side boundaries of the units, the uppermost surface of finished ceilings and lower surface of furnished floors. This space is owned in fee simple, and the owner has the exclusive right to possess it, subject to the easements set forth in the Declaration For SouthGate on Fairview Condominium recorded in the public records of Mecklenburg County, City of Charlotte, North Carolina (the "Declaration" or "Declaration of Condominium") and other matters of record. Additionally, each unit owner owns an undivided percentage interest, as a "tenant in common" with all other owners of condominium units, in all of the common elements in the Condominium. These common elements include, but are not limited to, the land on which the Condominium building is located, the structural elements of the building, hallways, elevators and stairwells, the roofs of the building, exterior walkways and landscaped areas and the parking areas. There are also limited common elements that are assigned specifically to each unit. These limited common elements include the heating, ventilating and air conditioning equipment for each unit, a patio or balcony for each unit, and a storage space and one parking space (or if the unit contains three bedrooms, two parking spaces) for each unit. Additionally, to the extent parking spaces are available, in the sole discretion of the Declarant, each unit owner may have the right to purchase one additional parking space at the time of purchase of the unit as set forth in the purchase agreement for the unit entered into between the unit buyer and Declarant. These limited common elements are reserved for the exclusive use of the owner of the unit to which they are assigned, and the owner is responsible for the routine maintenance of these limited common elements. If the owner fails to maintain one of these limited common elements, the Association (defined below) has the right to maintain the limited common element and to charge the owner the costs of such maintenance.

The owner of each unit has the right to use and enjoy all of the common elements located within the Condominium, and all of the limited common elements allocated to his or her unit, subject to the rules and restrictions contained in the Declaration of Condominium or imposed from time to time by SouthGate on Fairview Condominium Owners Association, Inc. (the "Association"). Each unit owner is automatically a member of the Association by virtue of his or her ownership of a unit, and must pay his or her share of the costs of maintaining these common elements, and of managing the Association, all as set forth in the Declaration of Condominium. A copy of the Declaration of Condominium, as it may be amended from time to time, is attached as an exhibit to this Public Offering Statement.

1. **Name and address of the Declarant and the Condominium.**

- (a) Name of Declarant: Colonial Properties Services, Inc.,
an Alabama corporation
- (b) Address of Declarant: 5925 Carnegie Boulevard, Suite 550,
Charlotte, North Carolina 28209.
- (c) Name of Condominium: SouthGate on Fairview Condominium
- (d) Address of Condominium: 5425 Closeburn Road
(intersection of Closeburn Rd. & Park Rd.)
Charlotte, North Carolina 28210

2. **General Description of the Condominium.**

The Condominium consists of the parcel of land bounded by Fairview Road, Park Road and Closeburn Road (the "Land"), certain easement rights appurtenant to the Land, and one three-story building (the "Building"), constructed with a concrete foundation, wood framing, and brick and stucco exterior. The Building includes a level of parking and three stories of residential units above the parking level containing forty-seven (47) residential units, which include fifteen (15) units on the first story of the Building, sixteen (16) units on the second story of the Building and sixteen (16) units on the third story of the Building. There are ten (10) one bedroom units, thirty-one (31) two bedroom units, and six (6) three bedroom units. The Building has a lobby as a common element on the first story of the Building, which may be used in part for social gatherings or similar functions.

The Building contains one elevator and two stairwells which access all three residential floors and the parking level of the Building. In addition, the Declarant shall grant the owner(s) of each unit the right to use one parking space (or if the unit contains three bedrooms, two parking spaces) for each unit and one storage space for each unit on the parking level of the Building. Additionally, to the extent parking spaces are available, the Declarant shall grant unit owner(s) the right to purchase one additional parking space at the time of purchase of the unit as set forth in the purchase agreement for the unit entered into between the unit buyer and Declarant. The guests and invitees of owners shall have the right to use parking spaces which are not designated for use by owners of the units. Use of all parking facilities shall be subject to any reasonable rules and regulations that may be imposed by the Association or the Declarant. In addition, each owner has the exclusive right to use a patio or balcony if attached to his or her unit.

A summary of the condominium units available, the square footage of each residential unit (measured from the back sides of the wallboard forming the perimeter vertical boundaries of the Unit), together with the square footage of the balcony or patio assigned to each unit, and the percentage interest in the common elements of the Condominium allocated to each unit is set forth on the schedule attached hereto as Exhibit "A". The percentage interest in the common elements set forth in Exhibit "A" is based on the total square footage of the interior of the units, plus the total square footage of the balcony or patio attached to the unit, and will be used to

calculate each unit's share of common expenses and the disposition of insurance and condemnation proceeds.

The improvements in the Condominium were constructed on or about December 1, 2006, and were substantially completed on or about December 7, 2007.

3. Number of Condominium Units.

The Condominium contains forty-seven (47) units.

4. Copies of Declaration Bylaws, and Other Documents.

(a) Declaration of Condominium: A copy of the Declaration of Condominium is attached hereto as Exhibit "B".

(b) Association Documents: A copy of the Bylaws of SouthGate on Fairview Condominium Owners Association, Inc., a North Carolina non-profit corporation (the "Association"), is attached hereto as Exhibit "C", and a copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "D".

(c) Contracts to be Signed at Closing: There will be no contracts or leases to be signed by the purchaser at closing.

(d) Contracts and Leases Subject to Cancellation by the Association: The Association is not a party to any contracts affecting the Condominium except a management contract with a third party management company.

5. Current Balance Sheet and Budget for the Association.

(a) The Association has been formed, and has collected assessments and the current balance sheet for the Association is attached hereto as Exhibit "E-1".

(b) The budget for the Association is attached hereto as Exhibit "E-2", and shows a budget for the first year following the first conveyance of a condominium unit. The budget includes: (i) an amount included for repair and replacement reserves, (ii) any other reserve amounts, (iii) the common expense assessment by category for expenditures for the Association, and (iv) the monthly common expense assessment for each residential unit.

(c) The budget has been prepared by Declarant, based on good-faith estimates from subcontractors, and is based on an occupancy level of 100% and collection of assessments from all units. The calculations have assumed no inflation increases except a three percent (3%) per year inflation rate is factored into the calculation of reserves in the projected budget.

6. Future Common Expenses.

Declarant at the present time does not provide any services and does not pay for any expenses which Declarant anticipates may become a subsequent common expense of the Association.

7. Fee Due From Purchaser at Closing.

Declarant will collect from each purchaser at closing an initial contribution equal to three (3) times the monthly common expense assessment reflected in the initial budget for the Association. This amount, which is nonrefundable, is not an advance payment of any other assessment and will be paid over by Declarant to the Association. This amount may be used for any purpose that the Association deems appropriate, including without limitation, reimbursement to Declarant for amounts advanced by Declarant for Association expenses, including any insurance premiums paid in advance by Declarant. Additionally, at the closing, each purchaser of a Unit is required to pay a pro rata share of the assessment due in the month of closing.

8. Existing Liens or Encumbrances on the Condominium.

Each unit will be conveyed subject to the lien of Mecklenburg County and City of Charlotte taxes for the year of closing and subsequent years, standard title exceptions for general utility service easements and all other matters set forth on Exhibit "F" attached hereto and incorporated herein by reference.

9. Declarant's Warranties.

(a) Declarant makes no warranty, express or implied, with respect to the Condominium, any unit therein, or the sale of any unit, and disclaims any and all such warranties, with the exception of the implied warranty described in §47C-4-114 of the Act that "the premises are free from defective materials, constructed in a workmanlike manner, constructed according to sound engineering and construction standards," and are suitable for residential use, if such implied warranty may not be disclaimed.

(b) The warranties disclaimed in subparagraph a. above, to the full extent that such warranties may be disclaimed under the Act, include without limitation any warranties (express or implied) with respect to the appliances, heating and air conditioning systems, elevators, water heaters, water or sewer systems, electric systems, plumbing fixtures, lighting fixtures, structural elements of the building, design flaws, equipment, personal property located in the Condominium, views from a unit, sound and/or odor transmission, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium, and statements or representations made by sales center representatives, and representations contained in sales or marketing materials (which materials do not include this Public Offering Statement and the Condominium documents) distributed by Declarant or its sales representatives (including but not limited to representations regarding potential appreciation or resale value; current or future "views" from a unit; traffic conditions in, near or around the Condominium; disturbances from nearby properties or from air or vehicular traffic; or future use(s) of adjacent properties). In addition, Declarant makes no representations or warranties as to the

condition or health of any shrubs, trees, or plantings located within the Condominium, but has delivered to the Association any nursery's warranties (if any) with respect to such shrubs, trees or plantings. As to any warranty which cannot be disclaimed entirely, all secondary, incidental, consequential, exemplary, punitive, and special damages, and all claims for treble damages, are specifically excluded and disclaimed.

Declarant will furnish to the purchaser or to the Association, as applicable, all transferable manufacturers' warranties which are in effect, if any, and which pertain to personal property within the unit purchased or to be owned by the Association.

Any claims based on alleged warranties or alleged defects in the design or construction of the improvements within or comprising any part of the Condominium or the units therein must be asserted in accordance with the procedures set forth in Sections 19.3 and 19.4 of the Declaration. As provided in Section 19.4 of the Declaration, such claims must be asserted not later than one (1) year following the date that the essential facts giving rise to the claim were or reasonably should have been discovered, provided, however, that in no event shall any such claim be valid unless it is asserted within three (3) years after the last act by the party against whom relief is sought giving rise to the claim.

To the extent allowed by law, Declarant and purchaser shall agree to waive the following: (1) the right to join the claims of multiple claimants in a single proceeding or certify a class action or similar proceeding; (2) award of punitive or exemplary damages of any sort; and (3) award of treble damages or any other damages which are greater than compensatory damages or which are based on a multiple of compensatory damages.

(c) NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ANY WARRANTY TO BE PROVIDED BY THE DECLARANT TO THE PURCHASER OF A UNIT DOES NOT COVER ANY APPLIANCE, PIECE OF EQUIPMENT, OR ITEM WHICH IS A CONSUMER PRODUCT FOR PURPOSES OF THE MAGNUSON MOSS WARRANTY ACT (15 U.S.C., §§2301 THROUGH 2312).

10. Purchaser's Right to Cancel.

The purchaser must receive this Public Offering Statement before signing a contract for purchase. No conveyance of title by deed can occur until seven (7) calendar days following the signing of a contract for purchase. The purchaser has the absolute right to cancel the contract to purchase during that seven (7) calendar day period without penalty. Under the North Carolina Condominium Act, a purchaser electing to cancel a contract may do so by hand-delivering notice to the Declarant or by mailing notice by prepaid United States mail to Declarant at the address specified above.

11. Judgments and Pending Suits.

There are no known or recorded unsatisfied judgments or pending suits against the Association or the Declarant, or pertaining in any way to the Condominium. There are no pending suits material to the Condominium of which the Declarant has actual knowledge.

12. Escrow Deposit.

(a) Any escrow deposit or down payment made by a purchaser in connection with the purchase of a unit will be held in an escrow account with an insured bank or savings and loan institution in North Carolina, as required by the Section 4-110 of the North Carolina Condominium Act for the period during which such escrow deposit or down payment is required to be held in escrow under the Act (that is, seven days following contract execution during which the purchaser may cancel the contract).

(b) The name of the escrow agent is Chicago Title Insurance Company, its address is 200 South Tryon Street, Suite 800, Charlotte, North Carolina 28202, and the escrow account is with Wachovia Bank, N.A., whose address is 301 South College Street, Charlotte, North Carolina 28202. Payments held in such escrow account shall be deemed to belong to the purchaser and not the Declarant during the seven (7) day cancellation period. The deposit shall be held in such account until the seven (7) day period during which the purchaser may cancel the contract for purchase expires, or the date of cancellation by the purchaser thereunder, whichever occurs first. After that date, the escrow agent shall have the right to transfer the deposit out of the escrow account and remit it to Declarant, without the prior written consent of the purchaser.

13. Restraints on Alienation and Leasing.

(a) No unit or any interest in a unit may be subjected to a time share program, as that term is defined in Chapter 93A, Article 4 of the North Carolina General Statutes.

(b) A unit may not be leased for a period shorter than six (6) months.

(c) Article XX of the Declaration grants the Declarant the right of repurchase each unit at the original purchase price or the price the Owner contracted to sell the unit for, if less, until the earlier of one (1) year after the date of recording of the deed executed by Declarant conveying the Unit to its first Owner not affiliated with Declarant or the earliest date upon which Declarant has conveyed ninety percent (90%) of the Units in the Condominium.

14. Insurance Coverage.

The minimum requirements for the insurance coverage that are maintained by the Association for the benefit of unit owners are set forth in Article XI of the Declaration of Condominium, and include 100% replacement coverage on the Building and all improvements within or comprising any portion of the Condominium, without deduction or allowance for depreciation, as determined annually by the Executive Board with the assistance of the insurance company affording such coverage, less a commercially reasonable deductible; liability insurance with coverage of at least \$1,000,000.00 per occurrence; directors' and officers' insurance with coverage of at least \$1,000,000.00 per occurrence or claim; and fidelity bond coverage. The property insurance maintained by the Association includes the units, but not the cost of any improvements and betterments installed by the unit owners or any personal property as may be owned by the unit owners. Each owner is required to keep additional fire and casualty and extended coverage insurance upon his or her personal property located within the unit and upon

all improvements and betterments installed by the owner. Each owner is also required to obtain and maintain public liability insurance coverage in the amount of at least \$100,000 for bodily injury, including death of persons and property damage, arising out of a single occurrence. You are urged to consult with your insurance adviser to assure that you are aware of the extent of insurance coverage to be provided by you and the Association, and the advisability of purchasing any additional insurance.

15. Fees for Use of Common Elements.

Other than (a) the annual assessments to pay the Common Expenses of the Association, as provided by Section 10.2 of the Declaration of Condominium; (b) any special assessments to repair or replace capital improvements upon the Common Elements, as provided by Section 10.4 of the Declaration of Condominium; (c) individual assessments if an owner fails to maintain a Limited Common Element, as provided by Section 10.5 of the Declaration of Condominium; and (d) the initial contribution collected at closing and equal to three (3) times the monthly assessments due on the particular unit as reflected in the budget, as provided in Section 10.6 of the Declaration of Condominium, there are no present or no known or anticipated future fees or charges to be paid by unit owners for the use of the common elements; provided, however, the Association shall have the right to charge fees for the use of common elements for special occasions and for the use of the lobby area of the Condominium as a social gathering place or for similar functions.

16. Zoning and Land Use Requirements.

The land is zoned R-22MF under the terms of the Zoning Ordinance of the City of Charlotte. This zoning classification permits a condominium project of the size and type as the Condominium. In addition, the Condominium is subject to all use restrictions set forth in the Declaration, or any restrictions and rules later promulgated by the Association from time to time.

17. Alienation of Common Elements.

Under the North Carolina Condominium Act and the terms of the Declaration of Condominium, portions of the common elements of the Condominium may be conveyed by the Association or subjected to a security interest only if persons entitled to cast at least eighty percent (80%) of the votes allocated to units, not owned by the Declarant, agree to the action.

18. Additional Disclosures.

The units are not designed or constructed to minimize noise transmissions or other nuisances. The Condominium is located near a major intersection, namely Fairview Road and Park Road, where traffic congestion exists, sirens are heard and other urban activities can cause high levels of noise. The Declarant will not be responsible or liable to any purchaser or the Association for such noise transmissions. Purchaser further agrees and understands that a sewage treatment plant is within approximately 1,200 feet of the Condominium and an electrical power substation is near the Condominium, and the operations of such facilities may create nuisances or hazards typical of such operations. The Declarant shall have no liability as a result of any nuisance, hazard or other condition resulting from the proximity of such facilities.

19. Exhibits.

The following exhibits are attached to and are an integral part of this Public Offering;
Statement:

- (a) Exhibit "A" -- Schedule of Units and Percentage Interests
- (b) Exhibit "B" -- Declaration of Condominium
- (c) Exhibit "C" -- Bylaws of Association
- (d) Exhibit "D" -- Articles of Incorporation of Association
- (e) Exhibit "E-1" -- Balance Sheet
- (f) Exhibit "E-2" -- Annual Budget
- (g) Exhibit "F" -- Liens and Encumbrances

RECEIPT FOR PUBLIC OFFERING STATEMENT

The undersigned hereby acknowledges:

(1) Receipt from Colonial Properties Services, Inc. on _____, 200_ of a copy of the Public Offering Statement (and all amendments thereto, if any) of SOUTHGATE ON FAIRVIEW CONDOMINIUM, with all Exhibits attached;

(2) The right of the undersigned to cancel the purchase contract within seven (7) calendar days following the signing of the purchase contract; and

(3) The right of Declarant, at any time after the expiration of the seven (7) day cancellation period set forth in the Purchase and Sale Agreement to transfer the undersigned's earnest money deposit out of the escrow account without any further consent or approval of the undersigned.

This ___ day of _____ 200_.

Purchaser

Purchaser