

HOLD CLIFTON & SINGER, LLP, BOX #43

DECLARATION
FOR
EXPOSITION PLACE, A CONDOMINIUM
PURSUANT TO
CHAPTER 47C OF THE NORTH CAROLINA GENERAL STATUTES
THE NORTH CAROLINA CONDOMINIUM ACT
(Wake County Register of Deeds Unit Ownership File No ____)

SOUTHPOINTE DEVELOPERS, INC , a North Carolina Corporation with its principal place of business located at 6817 Falls of Neuse Road, Raleigh, NC 27615 (hereinafter defined as "Declarant"), does hereby make, declare and establish this Declaration of Condominium as, and for, the plan of ownership of Exposition Place, a Condominium, being the property and improvements hereinafter described

WITNESSETH

WHEREAS, the Declarant is the Owner of certain real property in Wake County, North Carolina, more particularly described and defined in Exhibit A attached hereto and made a part hereof (hereinafter called "Property"), and

WHEREAS, Declarant is constructing on the Property, a non-residential condominium development consisting of Eleven (11) office Units established in accordance with the provisions of the North Carolina Condominium Act (Chapter 47C, North Carolina General Statutes), and wishes to sell and convey said Units to purchasers subject to the covenants, conditions and restrictions herein reserved

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit A attached hereto shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, uses, limitations, and obligations in furtherance of a plan for the division of the Property into Condominium Units and which shall be deemed to run with the land and be binding on all parties having any right, title, or interest in the land or any part thereof, their heirs, successors and assigns

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ESTABLISHMENT OF CONDOMINIUM OWNERSHIP

1 01 Submission Declarant does hereby submit that Property described in Exhibit "A" attached hereto and the improvements and appurtenances thereto to the form of Condominium ownership pursuant to the provisions of Chapter 47C of the General Statutes of North Carolina (North Carolina Condominium Act) as the same now exists or may be hereafter amended, and hereby declares that the Property shall be subject to the uses, restrictions, covenants, easements, limitations, obligations, and governing authority set forth in the Declaration of Condominium and as the same may be hereafter amended

1 02 Name The Property and improvements thereof shall be known as Exposition Place, a Condominium (hereinafter referred to as "Condominium")

1 03 Division of Property into Separately Owned Units Declarant, pursuant to the North Carolina Condominium Act (Chapter 47C, North Carolina General Statutes), and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into eleven (11) Units and does hereby designate all Units for separate ownership, subject, however to the provisions of this Declaration

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DESCRIPTION OF PROPERTY AND IMPROVEMENTS

2 01 Property The legal description of the Property on which the buildings and improvements are to be located is set forth in Exhibit "A" to this Declaration

The Unit designation of each Condominium Unit, location, and typical description are set forth in the Plans (as hereafter defined) for this condominium filed in the Wake County Register of Deeds in the file number referenced at the top of the first page of this Declaration

2 02 Other Descriptions Actual building locations, Limited Common Areas, utility lines, ground elevations, building elevations, and other land and construction information shall be found in the Condominium Unit Ownership File which number is referenced at the top of the first page of this Declaration recorded in the Office of the Register of Deeds of Wake County, North Carolina

The Condominium is not subject to any code, real estate use law, ordinance, charter provision, or regulation (i) prohibiting the Condominium form of ownership, or (ii) imposing conditions or requirements upon a Condominium which are not imposed upon substantially similar developments under a different form of ownership This statement is made pursuant to G S 47C-1-106 of the Act for the purpose of providing marketable title to the Units in the Condominium

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DEFINITIONS

THE FOLLOWING SHALL BE DEFINITIONS APPLICABLE TO THIS DECLARATION

3 01 "Allocated Interest" means the undivided interests in the Common Elements, the Common Expense Liability and the votes in the Association allocated to each Unit

3 02 "Association" or "Unit Owners' Association" means that non-profit corporation, the name of which shall be Exposition Place Association, Inc and which shall manage the Common Elements of the Condominium as specified in this Declaration and its corporate Bylaws

3 03 "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the directors of the Association, and on behalf of the Association, as prescribed in its Bylaws

3 04 "Building" means a structure constructed or erected on the Property which contains one or more Condominium Units

3 05 "Bylaws" means the Bylaws of the Association as they now or hereafter exist

3 06 "Common Elements" shall mean and comprise all portions of the Condominium except the Units, but excluding any heating or air-conditioning equipment serving only an individual Unit, and excluding all outdoor light fixtures affixed to the exterior walls of a Unit

3 07 "Common Expenses" means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves, including, but not limited to

- (1) All sums lawfully assessed against the Unit Owners by the Association,
- (2) Expenses of administration, maintenance, repair, or replacement of the Common Elements,
- (3) Expenses agreed upon as Common Expenses by the Association,
- (4) Expenses declared to be Common Expenses by the provisions of the North Carolina Condominium Act, by the Declaration or by the Bylaws,
- (5) Hazard, and such other insurance premiums as the Declaration and/or Bylaws may require the Association to purchase,
- (6) Taxes and public assessments levied against the Common Elements not otherwise assessed against the Units,
- (7) Any utilities which are Common Expenses as determined by the Association

3 08 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit

3 09 "Common Profits" means the balance of all income, rents, profits, and revenues from the Common Elements remaining after the deduction of the Common Expenses or reserves therefor,

3 10 "Common Surplus" means all funds and other assets of the Association, including excess receipts of the Association from assessments, rents, profits and revenues from whatever source in excess of the Common Expenses

3 11 "Condominium" shall mean all Condominium Units, the Common Elements and any Limited Common Elements, as said terms are hereinafter defined, and all appurtenances, all comprising the Property located on Exhibit "A" attached hereto

3 12 "Condominium Unit" or "Unit", as the term is used herein shall mean and comprise each of the separate numerically identified Units which are designated in Exhibit "B" attached hereto and which shall be the physical portion of the Condominium designated on that Exhibit for separate ownership or occupancy Mechanical equipment, stairways and appurtenances located within any Unit and designed to serve only that Unit, such as appliances, heating and air-conditioning units, cabinets, fixtures and the like shall be part of the Unit Additionally, all outdoor light fixtures affixed to the exterior walls of a shall be part of the Unit

3 13 "Declarant" means the named Declarant on page one (1) hereof, and its successors and assigns to whom any of its rights hereunder are expressly transferred, in whole or in part, or who succeeds to any Special Declarant Right,

3 14 "Declarant Control Period" or "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) two years after all Declarant has ceased to offer Units for sale in the ordinary course of business, or (ii) the date one-hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the Units to Unit Owners other than a Declarant

3 15 "Declaration" means this instrument, as amended and duly recorded, by which the Property is submitted to the provisions of the North Carolina Condominium Act, and as it, from time to time, may be amended

3 16 "Development Rights" means those rights, if any, reserved by Declarant herein to create Units, Common Elements or Limited Common Elements within the Condominium, or other rights as may be provided in the North Carolina Condominium Act

3 17 "Lessee" means any person entitled to present possession of a leased Unit, whether lessee, sublessee or assignee

3 18 "Limited Common Elements" Those Common Elements allocated for the exclusive use of one but fewer than all of the Units by this Declaration including but not limited to the following

(a) any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially outside of the designated boundaries of a Unit and serving only that Unit If such structures serve more than one Unit, or the Common Elements, they are Common Elements Subject to the preceding sentence, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit

(b) Any shutters, awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries

The cost of maintenance and repair of the Limited Common Elements shall be the responsibility of the Owner, or if more than one, Owners of the Unit or Units to which it is allocated on an equal basis

A Limited Common Element may not be altered or reallocated without the unanimous consent of all Unit Owners whose Units are affected. Any Unit Owners who reallocate a Limited Common Element as among themselves shall first seek and obtain approval from the Board of Directors. Any reallocation of a Limited Common Element, upon approval by the Board, shall be evidenced by an amendment to this Declaration executed by the Unit Owners affected and evidencing executed approval by the Board, shall be evidenced by an amendment to this Declaration executed by the Unit Owners affected and evidencing executed approval by the Association which amendment shall be recorded before it shall become effective. The Unit Owners affected by the reallocation shall pay the cost and expense of preparation of the amendment and the recording thereof, however, the form and substance of the amendment shall be first approved by the Board of Directors or the counsel for the Association.

Common Elements not designated or allocated as Limited Common Elements may not be so allocated to Unit Owners except upon written unanimous consent of all Unit Owners in the Condominium. Any such allocation shall be evidenced by an amendment as set forth above.

3 19 "Majority" or "majority of Unit Owners" means the Owner of more than fifty percent (50%) of the aggregate allocated interests in the Common Elements, as established by this Declaration, assembled at a duly called meeting of the members of the Association.

3 20 "Mortgage" means a mortgage or deed of trust.

3 21 "Mortgagee" means a mortgagee or the owner and holder of a promissory note or other evidence of indebtedness and deed of trust or mortgage which described a Unit or Units as the security property.

3 22 "North Carolina Condominium Act" means the provisions of Chapter 47C of the North Carolina General Statutes as the same now exists or may hereafter be amended, or any new enactment in substitution or replacement thereof as the same by law may be applied to this Condominium.

3 23 "Persons" means any individual, corporation, partnership, Association, business trust, estate, trust, joint venture, government or any subdivision or agency thereof, or other legal or commercial entity.

3 24 "Plans" means the plats and plans of the Buildings and Property filed with this Declaration and located in the Condominium File in the Office of the Register of Deeds in the County in which this Declaration is filed showing thereon graphically all particulars of the buildings and the Units.

3 25 "Property" means the real estate described on Exhibit A, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate

3 26 "Special Declarant Rights" means those rights, including Development Rights, permitted by the North Carolina Condominium Act and specified in Article Six (6) herein

3 27 "Unit Boundaries" means the boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plans, are the walls, floors and ceiling

3 28 "Unit Designation" means the identifying number, letter, symbol or combination thereof designating a Condominium Unit and set forth in this Declaration and the Plans

3 29 "Unit Owner" or "Owner" means Declarant or any other person, or any combination thereof, who owns a Condominium Unit, but excludes any person having an interest in a Unit solely for security purposes

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OWNERSHIP OF CONDOMINIUM UNITS AND
APPURTENANT ALLOCATED INTEREST IN COMMON ELEMENTS

4 01 Ownership Interest Each Condominium unit shall be held, conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each Condominium Unit, an allocated individual interest in the Common Elements. The undivided allocated interest appurtenant to each Condominium Unit shall be as set out in Exhibit "B" attached hereto and made a part hereof, The Allocated Interest in the Common Elements that is appurtenant to each Condominium Unit is according to the area of each Unit to the area of all Units

4 02 Change in Allocated Interests Except such reallocations as may be required by law, as may arise in the case of condemnation as set forth in Article 38 herein, as may result from a casualty loss as specified in Article 22 hereof, as may occur because of exercise of Development Rights reserved by Declarant herein, if any, or as permitted by this Declaration the Allocated Interests in the Common Elements assigned to each Condominium Unit shall not be changed except with the unanimous consent of all of the Unit Owners of all of the Condominium Units

4 03 No Division of Common Elements The Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements by an Owner made without the Condominium Unit to which that interest is allocated is void

SPECIAL DECLARANT RIGHTS RESERVED

The Declarant reserves the following Special Declarant Rights with Respect to the Condominium

(A) The right to complete the Condominium in accordance with the Plans filed contemporaneously with this Declaration and as a part of the Unit Ownership File identified on page 1 hereof

(B) Declarant may maintain models, management offices, and sales offices for management of the Condominium or sales of Units as follows

(1) Any Unit or number of Units may be used as models and/or management or sales offices

(2) Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the condominium, until all of the Units have been conveyed to a Unit Owner other than declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sale or management offices or models

(3) Declarant may also maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to a Unit Owner other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs

(4) Notwithstanding any other provisions of this Declaration of the Bylaws, the Association may maintain an office in the Condominium for management of the Condominium both before and after the sale of all Units to someone other than the Declarant, and both during and after the Declarant Control Period

(C) The right of access, ingress and egress through the Common Elements for the purpose of discharging Declarant's obligations and all portions thereof, as now or hereafter constituted, or exercising Special Declarant rights

(D) The right to elect or name persons to the Board of Directors and to name and appoint officers of the Association and to otherwise control the activities of the Board and Association until the rights of Declarant terminate, all as specified in the Bylaws or this Declaration during Declarant Control Period

SUBDIVIDING AND RELOCATING BOUNDARIES OF ADJOINING
CONDOMINIUM UNITS, SEPARATE CONVEYANCE OF APPURTENANT
COMMON ELEMENTS PROHIBITED

6 01(A) Recombination of Condominiums A Unit may be recombined subject to the restrictions of all relevant codes, ordinances, and regulations of all regulatory and governmental bodies having jurisdiction over the Condominium. However, no unit shall have a square footage of less than 1050 square feet.

The Association, at the expense of the Unit Owners, shall prepare, execute, and record an amendment to the declaration, including the Plans, recombining said Units.

The amendment to the declaration must be executed by the Owners of the Units to be recombined, assign identifying numbers to each of the Units created, and reallocate the allocated interest formerly allocated to the recombined Units to the new units in any reasonable manner prescribed by the Owner of the recombined Units.

6 01(B) Relocation of Unit Boundaries The boundaries of Units may be relocated by the affected Unit Owners upon application to, and approval by, the Board of Directors. Any such application must be in such form and contain such data as the Board may require detailing the relocation of the boundaries of the affected Units and the reallocation of their respective Allocated Interest. Such application shall be accompanied by a plat prepared by an engineer or architect registered under N.C.G.S. Chapter 83 or 89C showing the relocation. The Board in its discretion may determine the relocation to be unreasonable. If the Board shall approve the application, or if within thirty (30) days after filing the application with the Board, the Board has not denied the application as being unreasonable, then the Board, at the expense of the Owners affected, shall have prepared an amendment to the Declaration including plats or plans necessary to show the altered boundaries between the adjoining units and their dimensions and identifying numbers and such other information as the applicable statute (presently G.S. 47C-2-112) shall require, and the same be filed of record at which time the relocation shall be effective.

6 01(C) The Allocated Interest in the Common Elements declared to be appurtenant to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the Allocated Interest in Common Elements appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such Condominium Unit.

6 02 Instrument of Conveyance Any conveyance, mortgage or other instruments which purports to grant any title, right, interest or lien in, to or upon a Condominium Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Condominium Unit and its appurtenant Allocated Interest in Common Elements, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire Condominium Unit as then constituted. Any

instrument conveying, devising, encumbering, or otherwise dealing with any Condominium Unit, without limitation or exception, shall be deemed or construed to affect the entire Condominium Unit as then constituted and its appurtenant Allocation Interest in the Common Elements

6 03 Joint Ownership Not Prohibited Nothing herein contained shall be construed as limiting or preventing ownership of any Condominium Unit and its appurtenant Allocated Interest in the Common Elements by more than one person as tenants in common, joint tenants, or as tenants by the entirety

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THE CONDOMINIUM SUBJECT TO RESTRICTIONS

The Condominium Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said condominium Units, Common Elements and Limited Common Elements and setting forth the obligations and responsibilities incident to ownership of each Condominium Unit and its appurtenant Allocated Interest in the Common Elements, and said condominium Units, Common Elements, and said Condominium Units, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the condominium

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PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS

8 01 Common Elements The Common Elements shall be, and the same is hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of the Condominium Units in the Condominium, for their use and the use of their employees, servants, guests, invitees and lessees, for all proper and normal purposes, including, but not limited to the right of access, ingress and egress to and from all public streets, and public walkways and over walkways and parking areas within the Common Elements, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of Condominium Units Each Unit Owner specifically shall grant an easement to maintain all components of the heating and air-conditioning system serving his Unit in their present location and as shown on the Plans

8 02 Rules and Regulations Notwithstanding anything provided in this Article seemingly to the contrary, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any condominium Unit, his employees, servants, invitees and lessees, may be entitled to use the Common Elements, including the right to make permanent and temporary assignments of parking spaces

8 03 Utilities Each Unit Owner shall have an easement in common with the Owners of all other Units to use all chutes, flues, pipes, wires, ducts, cables, conduits, and public utilities serving his Unit Each Unit shall be subject to an easement in favor of the Owners of all other Units to use

the chutes, flues, pipes, ducts, cables, wires, conduits, public utility lines, and other Common Elements serving such other Units and located in such Unit. The Board of Directors, or its agents, shall have a right of access to each Unit from time to time during reasonable hours as may be necessary to inspect the same, to remove violations therefrom, and to maintain, repair, or replace the Common Elements contained therein or accessible therefrom, and to make emergency repairs therein necessary to prevent damage to the common Elements or to another Unit or Units. Each Unit Owner specifically shall have an easement of access through all other Units as may be reasonably necessary to maintain, repair and replace all components of mechanical systems serving his Unit and to maintain, repair, and replace those portions of his Unit or Limited Common Elements within this sphere of responsibility.

8 04 Structural Every portion of a Unit, such as a bearing column, and a bearing wall, which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all other Units and for the Common Elements.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

9 01 Present Encroachment In the event that any Condominium Unit shall encroach upon any Common Element, or any other condominium Unit or Units, for any reason not caused by the purposeful or negligent act of the Condominium Unit Owner, or agent of such Owner, then an easement appurtenant to such Condominium Unit shall exist for the continuance of such encroachment upon the Common Elements or upon a Condominium Unit for so long as such encroachment shall naturally exist, and, in the event that any portion of the Common Elements shall encroach upon any Condominium Unit then an easement appurtenant to such Common Elements for the continuance of such encroachment upon a Unit shall exist for so long as such encroachment shall naturally exist.

9 02 Encroachments on Reconstruction If any Condominium Unit or 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 such Unit or Common Elements, there exist encroachments of portions of the Common Elements upon any condominium Unit, or of any Condominium Unit upon any other Condominium Unit or upon any portion of the Common Elements, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Elements in common with the Owners of all other Condominium Units, and that it is in the interest of all Owners that the ownership of the common Elements be retained in common by the Owners, it is hereby declared that the proportional

undivided interest in the Common Elements appurtenant to each Condominium Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division

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CONVEYANCE OR ENCUMBRANCE OF COMMON
ELEMENTS BY ASSOCIATION

11 01 Conveyance or Encumbrance Permitted Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by a Declarant, agree to that action, provided, that all the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Distribution of proceeds of the sale of a Limited Common Element shall be as provided by agreement between the Unit Owners to which it is allocated and the Association. Proceeds of the sale or financing of a Common Element (other than a Limited Common Element) shall be an asset of the Association.

11 02 Agreement Required An agreement to convey Common Elements or subject them to a security interest must be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed, by the requisite number of Unit Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratification thereof must be recorded in the county in which the Condominium is situate, and is effective only upon recordation.

11 03 Contract Voidable The Association, on behalf of the Unit Owners, may contract to convey Common Elements, or subject them to a security interest, but the contract is not enforceable against the Association until approved pursuant to Sections 11 01 and 11 02 above. Thereafter, the Association has the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

11 04 Other Conveyance Void Any purported conveyance, encumbrance, judicial seal or other voluntary transfer of Common Elements, unless made pursuant to this Section, is void.

12 05 No Limitation of Access or Support A conveyance or encumbrance of Common Elements pursuant to this section shall not deprive any Unit of its rights of access and support.

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ADMINISTRATION OF THE CONDOMINIUM

12 01 Association To efficiently and effectively provide for the administration of the condominium by the Owners of the Condominium Units, a non-profit North Carolina corporation (the "Association" as defined above), has been organized (or will be organized before sale of any Unit by Declarant), and said Association shall administer the operation and management of the

Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and ByLaws

12 02 Members The Owner or Owners of each Condominium Unit shall automatically become members of said Association upon this, their or its acquisition of an ownership interest in title to any condominium Unit and its appurtenant Allocated Interest in the Common Elements, and the membership of such Owners or Owner shall terminate automatically upon such Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of the means by which such ownership may be divested No person holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said Association or to any of the rights or privileges of such membership

12 03 Authority In the administration of the operation and management of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration of Condominium, to levy and collect assessments in the manner hereinafter provide, to adopt, amend, promulgate and enforce such rules and regulations governing the use of the Condominium Units and Common Elements as the Board of Directors of said Association may deem to be in the best interest of the Association

12 04 Records Inspection The Association shall make available at its office, or through its managing office, during normal business hours, and upon request, copies of the Declaration, Bylaws, and Rules and Regulations of the Association to Unit Owners, mortgage lenders, or any Unit insurers, guarantors of such mortgage loans and holders of such mortgage loans, and shall make available during such time books, records and financial statements for inspection by those persons The Association may make a reasonable charge for such copies

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OCCUPANCY AND USE RESTRICTIONS

13 01 ZONING Each Condominium Unit is hereby restricted to use by the owner thereof, his employees, servants, guests, invitees and lessees, for those uses and purposes permitted in the zoning district in which the Condominium is located, excluding those uses permitted therein only upon obtaining a special use permit or variance Provided, however, with the prior written consent of the Association, a Unit Owner may seek a variance or special use permit and upon obtaining the same may engage in those uses of the Unit permitted by such variance or special use permit subject to the further restrictions of this Article Upon obtaining a special use permit or variance, the Unit Owner shall file a certified copy thereof with the Secretary of the Association

13 02 Additional Use Restrictions In addition to the restrictions set forth in Section 14 01 above, the following restrictions shall also apply to the Condominium

- a No portion of the Property may be used for any residential purpose

b A Unit Owner may lease his entire Unit or less than the entire Unit but all leases and subleases must be in writing and be for a term of 30 days or more Any lease agreement shall be required to provide (i) that the terms of the lease shall be subject to the provisions of this Declaration, the Bylaws, and the Association's rules and regulations and (ii) that any failure of a lessee or sublessee to comply with the terms of such documents shall be a condition of default under such lease All leases and subleases must be filed with the Association, or such information form such leases or subleases as may be prescribed by the Board shall be filed with the Association

13 03 Use of Common Elements The use of the common Elements, including the Limited Common Elements, by the Owner or Owners of all Condominium Units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be hereafter prescribed and established by the Association

13 04 Offensive Uses Prohibited No immoral, improper, offensive or unlawful use shall be made of any Condominium Unit or of the Common Elements, nor any part hereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed No Owner of any Condominium Unit shall permit or suffer anything to be done or kept in his Condominium Unit, or in the Common Elements, which is a hazardous waste or material or which will increase the rate of insurance on the Condominium or cause cancellation of a policy of insurance therein, or which will obstruct or interfere with the rights of other occupants of the Condominium or annoy them by unreasonable noises, nor shall any Owner undertake any use or practice which shall create and constitute a nuisance to any other Owner of a Condominium Unit, or which interferes with the peaceful possession and proper use of any other condominium Unit or the Common Elements

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RIGHT OF ENTRY INTO CONDOMINIUM UNITS

14 01 Emergencies In case of emergency originating in, or threatening, any Condominium Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Managing Agent, shall have the right to enter such Condominium Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate

14 02 To Repair Common Elements Whenever it may be necessary to enter any Condominium Unit for the purpose of performing any maintenance, alteration, replacement or repair to any portion of the common Elements, the Owner of each Condominium Unit shall permit other Owners or their representative, or the duly constituted and authorized Agent of the Association, to enter such Condominium Unit for such purpose, provided that the entry shall be made only at reasonable times and with reasonable advance notice

RIGHT OF OWNERS TO ALTER AND MODIFY CONDOMINIUM
UNITS, NO RIGHT TO ALTER COMMON ELEMENTS

15 01 Interior Alterations A Unit Owner may make any interior improvements or interior alterations to his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium without permission of the Association or any other person

15 02 Alteration by Owner of Adjoining Units A Unit Owner may, after acquiring an adjoining Unit, remove or alter any intervening partition between the Units or create apertures through such partition, even if the partition is a Common Element, so long as such removal, alteration or aperture construction does not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal or alteration of partitions or creations of apertures shall not be a change or alteration of boundaries of the Units affected. However, a Unit Owner must first obtain permission of the Association as specified below

15 03 Structural Alterations No Owner of a Condominium Unit shall cause, or permit to be made, any alteration or removal of any part of the Condominium Unit or Common Elements which would impair the structural integrity or mechanical systems of the Condominiums without first having obtained permission of the Association as set forth below

15 04 Exterior Changes No Owner shall cause any improvements or changes to be made on the exterior of the Condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects, machines or air conditioning units which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any Building without first having obtained permission of the Association as set forth below

15 05 Common Elements Changes No Unit Owner or occupant, except Declarant during the Declarant Control Period, shall cause any object to be fixed to the Common Elements or to any Limited Common Element (including the location or construction of fences and the planting or growing of flowers, trees, shrubs, or any other vegetation) or in any manner change the appearance of the Common Elements or Limited Common Elements without the written permission of the Association being first had and obtained

15 06 Permission of Board The permission required of the Association in this Section 16 shall be by written consent of the Association upon approval by a majority of the Board of Directors. The Board is authorized to appoint a Committee for the purpose of reviewing the alterations, removals and aperture construction and making recommendations to the Board

15 07 Standards The Board of Directors (or any committee appointed for such purpose by the Board) in approving or disapproving any proposed change or alteration in the Condominium or any addition or change in the Common Area shall consider such standards or criteria established by

regulation, but if no regulation is issued, then shall consider that any such change or alteration shall not affect the structural or mechanical integrity of the Condominium, shall be harmonious with the appearance of the Condominium, and in congruity with the existing exterior appearance of the buildings and common Elements, including style, color, materials, quality, texture, design, arrangement, non-obstruction of air, light, walk or drive areas and similarity with existing plantings or proposed planting plans

16

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE
COMMON ELEMENTS AND ASSESSMENT THEREFOR

The Association shall have the right to make or cause to be made such alterations or improvements to the Common Elements which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvement shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements to the Common Elements are exclusively or substantially for the benefit of the Owner or Owners of a certain Condominium Unit or Units requesting the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owner of the Condominium Unit or Units exclusively or substantially benefitted, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association

17

MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS

17 01 General Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit, which, if omitted, would affect the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Condominium Unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all electrical, plumbing and sewer systems within the Condominium Unit together with the heating and air conditioning systems serving only his Unit (whether located within or adjacent to such Unit) including any fixtures and/or their connections required to provide heat, air conditioning, water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of all walls, all ceilings, and floors within his Unit including painting, decorating, carpeting and furnishings, and all other accessories which such Owner may desire to place or maintain in his Condominium Unit

This description of the maintenance area shall in no way limit the definition of "Condominium Unit", and each Owner is expressly responsible for all maintenance within his defined Unit

17 02 Insured Loss Whenever the maintenance, repair and replacement of any item for which the Owner of a Condominium Unit is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, use, repair or replacement. If not promptly paid, the Association may assess the Owner therefor and the same shall become a lien against the Unit of the Owner as provided herein.

18

MAINTENANCE AND REPAIR OF COMMON ELEMENTS BY
THE ASSOCIATION

18 01 General The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Elements, including, but not limited to, those portions thereof which contribute to the support of the Buildings, all conduits, ducts, plumbing, wiring, all water lines and sewer lines outside of public rights of way and governmental easements, and other facilities located in the Common Elements for the furnishing or utility and other services to the Condominium Units and said Common Elements, such exterior painting as may be needed as a result of normal wear and tear, and all walks, driveways and parking areas, and roofs. Should any incidental damage be caused to any Condominium Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Elements, the Association shall, at its expense, repair such incidental damage.

18 02 Insured Loss Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of a Condominium Unit Owner, his immediate employees, servants, guests, invitees or lessees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit owner who is responsible for the act causing the damage (whether done by himself or by his employees, servants, guests, invitees or lessees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If not promptly paid, the Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

18 03 Uninsured Loss Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of Condominium Unit Owner, his immediate employees, servants, guests, invitees or lessees, and such loss or damage is not covered by any insurance maintained by the Association, then the Owner shall pay the cost thereof, and, if not promptly paid upon request, the Association may assess the Owner thereof.

CLAIMS AGAINST OWNERS OF FIVE HUNDRED DOLLARS OR LESS

In cases where a claim against an Owner is five hundred dollars or less, the owner, or the Association may request the Board of Directors to appoint an adjudicatory panel to determine whether the Unit Owner is responsible for damages to any Common Element or whether the Association is responsible for any damages to a Unit. Within twenty (20) days of the request, the affected Owner and the Association shall each appoint a member of the Association and the Owner and Association shall each agree upon a third member of the Association, which three people shall constitute the adjudicatory panel. Within thirty (30) days of the request, the panel shall set a date and time at which the parties may be heard and give notice thereof to the parties, such hearing to be held on no less than ten (10) days notice. At the hearing the parties may present such evidence and witnesses and provide such argument as they deem appropriate. Within ten (10) days of the hearing date, the parties shall be notified by the panel of its decision.

If the decision is adverse to the Unit Owner, the liability of such Owner shall be assessed against the Owner's Unit and be secured by a lien in favor of the Association as provided herein. If the decision is adverse to the Association, then any liability of the Association may be offset by the Unit Owner against sums then and later owing the Association by the Unit Owner.

INSURANCE AUTHORITY TO PURCHASE

Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Managing Agent or Board of Directors of the Association, as Trustees for the Condominium Unit Owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units or any of them, and, if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Unit Owners, the Association and their respective servants, agents and guests. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Condominium Unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

INSURANCE COVERAGE TO BE MAINTAINED, USE AND DISTRIBUTION OF INSURANCE PROCEEDS

21.01 Insurance Required. This following insurance coverage, unless denoted to be optional, shall be maintained in full force and effect by the Association covering the operation and management of the Condominium, meaning the Condominium Units and Common Elements, to wit:

(A) Casualty. Casualty insurance covering the Common Elements and the Units including the Buildings and all improvements upon the land and all personal property owned by the

Association shall be procured in an amount equal to the insurable replacement value thereof (exclusive of excavations, foundations, streets, and parking facilities and other items normally excluded from such coverage) as determined annually by the insurance company affording such coverage, and provided that such policies may be written on a co-insurance basis of not less than eighty percent (80%) Such coverage shall afford protection against (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, (b) such other risks as from time to time customarily shall be covered with respect to Buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief This insurance need not include improvements and betterments installed by Unit Owners as their sole and separate property

(B) Public Liability and Property Damage Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association insuring against death, bodily injury and property damage arising out of the use, ownership or maintenance of the Common Elements

All liability insurance shall contain cross-liability endorsements to cover liabilities of the Condominium Unit Owners as a group to a Condominium Unit Owner

(C) Board and Officers Fidelity coverage on each officer and each of the members of the Board of Directors of the Association shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1 1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all units plus the Associations' reserve funds Such bonds or policies shall contain an appropriate endorsement to cover persons who serve without compensation The premiums on such bonds shall be a Common Expense

21 02 Premiums Premiums upon insurance policies purchased by the Association shall be paid by the Association as common expenses to be assessed and collected from all of the Owners of Condominium Units

21 03 Insurance Proceeds All insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their respective interest may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association Any loss covered under Section 21 01(A) and (B) shall be adjusted by the Association Unit Owners and Lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the restoration or repair, or if the Condominium is terminated

21 04 Non-availability If for any reason the Association is unable to obtain the insurance coverage required under 21 01(a) or (B) above, written notice of such unavailability shall be hand-delivered or mailed to all Unit Owners

21 05 Policy Requirements The policies required in Section 21 01 (A) and (B) must provide that

(A) each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or Membership in the Association,

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

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

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

(E) the policy may not be canceled, nor may the insurer refuse to renew the policy until after thirty (30) days after the notice of such cancellation of non-renewal has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a mortgage or deed of trust to whom certificates have been issued at their last known address

21 06 Restoration Any portion of the Condominium which is damaged or destroyed, and for which insurance proceeds have been paid to the Association shall be repaired, replaced or restored promptly by the Association, and the insurance proceeds held by it used to defray the cost thereof, unless

(A) the Condominium is terminated as by law provided, or

(B) repair, replacement or restoration would be illegal under any State or local health or safety statute, code or ordinance, or

(C) The Unit Owners decide not to rebuild by a vote of eighty percent (80%), including 90% of the votes of any Unit Owners of Units not to be rebuilt or Owners assigned to Limited Common Elements not be rebuilt

21 07 Excess Cost The cost of repair, replacement or restoration in excess of the insurance proceeds and reserves is a Common Expense

21 08 Proceeds Distribution on Unreconstructed Units or Elements If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Element shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated or to Lienholders,

as their interest may appear, and (3) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interest may appear, in proportion to their Common Element interest

21 09 Allocated Interest Reallocation on Nonreconstruction If the Unit Owners vote not to rebuild any Unit, the Unit's Allocated Interest is automatically reallocated upon the vote not to reconstruct as if the Unit had been condemned. In such case the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations

21 10 Notwithstanding this Article 21, the provisions of Article 25 govern the distribution of insurance proceeds if the Condominium is terminated

22

ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES

22 01 Owner Register The Association shall at all times maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the sale or transfer of any Condominium Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Condominium Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Condominium Unit

22 02 Mortgagee Register The Owner of each Condominium Unit shall also notify the Association of the names of the parties holding any mortgage(s) or Deed(s) of Trust (herein called "Mortgage") covering the Owner's Unit(s) and the recording information which shall be pertinent to identify the same. The holder of any mortgage or mortgages upon any Condominium Unit, if it so desires, may notify the Association of the existence of any mortgage or mortgages upon any condominium Unit, and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto

23

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

23 01 Authority to Assess Owners The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominiums, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, cost and expenses which are sometimes herein referred to as "Common Expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy, and collect assessments against the Unit Owners and their Condominium Units

In furtherance of this grant of authority to the Association to make, levy, and collect assessments to pay the costs and expenses for the operation, management of, and capital improvements to the Condominium, the following provisions shall be operative and binding upon the Owners of all

Condominium Units Until the Association makes a Common Expense assessment, the Declarant shall pay all "Common Expenses"

23 02 Basis of Assessments Except for those assessments under Section 23 14(A) and 23 14(G), all assessments levied against the Units Owners and their Condominium Units shall be uniform and, unless specifically otherwise provided for in this Declaration of Condominium, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his condominium Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the Allocated Interest in the Common Elements appurtenant to each Condominium Unit bears to the total Allocated Interest in the Common Elements appurtenant to all Condominium Units Should the Association be the Owner of a Condominium Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and the assessment therefor levied ratably among the Owners of all Units which are not owned by the Association, based upon their proportionate Allocated Interest in Common Elements exclusive of the interest therein appurtenant to any Unit or Units owned by the Association

23 03 Manner of Payment Assessments provided for herein shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times, as may be determined by the Board of Directors of the Association

23 04 Commencement Such assessments shall commence for each Unit on the first day of the first month following the closing of sale of the first Condominium Unit by the Declarant to a Unit Owner

23 05 Annual Budget The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit) Such budget shall project all expenses (including ad valorem taxes and public improvement assessments levied against the Common Elements) for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year The Board of Directors shall keep separate, in accordance with Section 23 07 hereof, items relating to operation and maintenance from items relating to capital improvements, Within thirty (30) days after adoption of any proposed budget for the Condominium, the executive board shall provide a summary of the budget to all the Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary There shall be no requirement that a quorum be present at the meeting The budget is ratified unless at that meeting a majority of all the Unit Owners rejects the budget In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board The assessment for said year shall be established based upon such budget

Receipt of a copy of said budget by each Unit Owner shall not affect the liability of any Unit Owner for such assessment

23 06 Modification of Assessment Should the Board 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, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments it may deem to be necessary

23 07 Capital Improvement Fund 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 in the minimum amount of ten percent (10%) of the annual assessment to be collected and maintained as a reserve fund for replacement of, and the making of capital improvements to the Common Elements which Capital Improvement and Replacement Fund (herein "Capital Improvement Fund") shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements or be owned by the Association and held for the joint use and benefit of the Owners of the Condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Board so as to collect and maintain a sum of reasonably necessary to anticipate the need for replacement of Common Elements and other property owned by the Association. The amount collected for the capital improvement fund shall be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Elements. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board, be expended for current operation and maintenance. Each Unit Owner shall be deemed to own a portion of the Capital Improvement Fund equal to his Allocated Interest in the Common Elements. However, such balance shall not be subject to withdrawal by a Unit Owner.

23 08 Accountability All monies 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, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium, the Articles of Incorporation and the Bylaws of the Association. As monies for the assessment are paid into the Association by any Owner of a Condominium Unit, the same may be commingled with monies paid to the Association by the other Owners of Condominium Units. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Elements, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Condominium Unit. When the Owner of a condominium Unit shall cease to be a member of the Association by reason of this divestment of ownership of such Condominium Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Condominium.

23 09 Default Interest The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date established by the Association for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the rate established by the Association not to exceed eighteen percent (18%) per annum, commencing on the date of default and continuing until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association.

23 10 Late Payment Penalty In addition to the accrual of default interest the Association may impose a penalty for non-payment of any assessment by the due date. Such penalty shall be no greater than four percent (4%) of the delinquent installment. Such late payment penalty shall be charged only once for any delinquent payment.

23 11 Where Payable All monies owing to the Association shall be due and payable at the main office of the association in the State of North Carolina established by it from time to time, or where otherwise directed by the Association.

23 12 Liability of Owners for Assessments and Other Charges The Owner of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment thereof owned to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally, for interest and penalty on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

23 13 No Exemption No Owner of a Condominium Unit may exempt himself from liability from any assessment levied against him or his condominium Unit by waiver of the use of enjoyment of any of the Common Elements or by abandonment of the Condominium Unit or in any other way.

23 14 Assessments Against Specific Owners Notwithstanding the requirement of Section 23 02 that assessments be levied against each Owner according to the Allocated Interest of each Owner, the Association shall assess

(A) any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element against the Unit or Units to which that Limited Common Element is assigned, and

(B) any Common Expense, or portion thereof, benefitting fewer than all of the Units exclusively against the Units benefitted, and,

(C) the cost of insurance against the Units in proportion to the risk if any Unit or Units can be reasonably determined to create a greater risk than any other, and,

(D) the cost of utilities, if not separately metered to each Unit, in proportion to usage if it can be reasonably determined that any Unit or Units use an unusually disproportionate share of any utility, and

(E) the cost of any judgment against the Association against only the Units in the condominium at the time the judgment was entered in proportion to their Common Expense Liabilities, and

(F) any Common Expense caused by the misconduct of any Unit Owner exclusively against that Unit Owner, and

(G) any fine or penalty or interest for any delinquent assessment installment exclusively against the Unit so charged

23 15 Reallocation If the Common Expense Liabilities are reallocated, the Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities

23 16 Assessment Lien Granted Recognizing the proper operation and management of the Condominium requires the continuing payment of costs and expenses thereof, and that such proper operation and maintenance results in benefit to all of the Owners of Condominium Units, and that the payment of such Common Expenses represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant Allocated Interest in Common Elements, which lien shall secure, and does secure, the monies due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure penalties and interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorneys' fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit and its appurtenant Allocated Interest in Common Elements The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, pursuant to Article 2A of Chapter 45 of the General Statutes and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any condominium Unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a Receiver for said Condominium Unit The lien granted to the Association shall further secure such advances for taxes, and payments of account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose All persons who shall acquire, by whatever means, any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights

23 17 Enforcement of Lien The lien herein is granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of the Superior Court in all counties in which the Condominium is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record Owner, the amount due and date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, cost, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereof, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

23 18 Lien Extinguished Except by payment, satisfaction and cancellation, a lien is extinguished only if proceedings to enforce the lien are not instituted within three (3) years after docketing in the Office of Clerk of Superior Court.

23 19 Other Remedies This Section does not prohibit the Association from bringing an action to recover sums due it as an assessment independent of any lien filed or claimed, nor does it prohibit the Association from taking a deed in lieu of foreclosure.

23 20 Judgments Any judgment brought hereunder to enforce the lien or the collection of any assessment must include the costs and reasonable attorneys' fees for the prevailing party.

23 21 Lien Subordinate to Mortgage The lien provided for herein shall be subordinate to the lien of any mortgage or deed of trust recorded before docketing the lien and the lien for real estate taxes, but shall be superior to all other liens. Any person acquiring title to any Condominium Unit and its appurtenant Allocated Interest in Common Elements by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale resulting from such prior lien mortgage or deed of trust shall be liable and obligated only for assessments which shall accrue and become due and payable for said Condominium Unit and its appurtenant Allocated Interest in the Common Elements subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a condominium Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Condominium Units, including such purchaser, his successors and assigns, as a part of the common Expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

23 22 Statement of Assessments Due Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchase or mortgagee

may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement

23 23 Priority of Payment In the event that a Condominium Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the Owner and such Condominium Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the Owner of any Condominium Unit who is responsible for payment for such delinquent assessment

23 24 Purchaser Liable for Delinquent Assessments In any voluntary conveyance of a Condominium Unit, the Purchaser thereof shall be jointly and severally liable with Seller for all unpaid assessments against Seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the Purchaser to recover from Seller the amounts paid by Purchaser therefor

23 25 Remedies Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association All of the rights accruing to the Association shall be deemed cumulative

24

COMMON SURPLUS

Common Surplus shall be owned by the Owners of all Condominium Units in the same proportion that the allocated Interest in the Common Elements appurtenant to each Owner's Condominium Unit bears to the total of all Allocated Interests in the Common Elements appurtenant to all condominium Units, provided, however, that said Common Surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof Except for distribution of any insurance as herein provided, or upon termination of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to the Owners of Condominium Units in accordance with their Allocated Interest in Common Surplus as declared herein

25

TERMINATION

The Condominium shall be terminated, if at all, in the following manner

25 01 Consent Except in the case where the whole of the Condominium is taken by Eminent Domain the termination of the Condominium may be effected only by agreement of eighty

percent (80%) of the Allocated Interests of all Condominium Unit Owners expressed in an instrument to that effect specifying a date after which it will be void unless recorded prior to such date and duly recorded, and, provided, that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, in either case by instrument duly recorded, that their liens be transferred to the Allocated Interest of the Condominium Unit Owner in the Property as provided in Section 25 02 below. This termination shall become effective when such agreement has been recorded in the public records of all counties in which the Condominium is located.

25 02 Contract For Sale At Termination, Ownership of Property The Association, on behalf of the Unit Owners, may contract for the sale of Property in the Condominium, but the contract is not binding on the Unit Owners until approved by the Unit Owners in conformity with Section 25 01. If any Property in the Condominium is to be sold following termination, title to that Property, upon termination, vests in the Association, as trustee, for the holders of all interests in the Units. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to Unit Owners and Lienholders as their interest may appear, in proportion of the respective interest of Unit Owners as provided in Section 25 07 below. Unless otherwise specified in the termination agreement, as long as the Association holds title to the Property, each Unit Owner and his successors in interest have an exclusive right to occupancy of the portion of the Property that formerly constituted his Unit. During the period of that occupancy each Unit Owner and his successors in interest remain liable for all assessments and other obligations imposed on Unit Owners by the Declaration.

25 03 No Sale at Termination, Ownership of Property After termination of the Condominium where no sale has been agreed to, the Condominium Unit Owners shall own the Property as tenants in common in their respective interests as defined in Section 25 07 and the holders of mortgages and liens against the Condominium Unit or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective interests of the Condominium Unit Owners. All funds held by the Association and insurance proceeds, if any, shall be, and continue to be held, for the Unit Owners in the same proportion. While the tenancy in common ownership exists, each Unit Owner and its successors in interest have an exclusive right to occupancy of his portion of the Property that formerly constituted his Unit.

The costs incurred by the Association in connection with the termination shall be a Common Expense.

25 04 Partition or Sale Following Termination Following termination, the Property may be partitioned and sold upon the application of any former Condominium Unit Owner having an interest in the Property.

25 05 Association Powers Continue The members of the Board of Directors acting collectively as agent for all Condominium Unit Owners, shall continue to have such powers as in this Section are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

25 06 Association as Trustee Following termination of the Condominium, the proceeds of any sale of Property, together with the assets of the Association, are held by the Association as trustee for Unit Owners and holders of liens on the Units as their interest may appear following termination, creditors of the Association holding liens on the units, which were recorded before termination, may enforce those liens in the same manner as any Lienholder All other creditors of the Association are to be treated as if they had perfected liens on the units immediately before termination

25 07 Owners Respective Interest on Termination The respective interests of Unit Owners referred to in Section 25 02, 25 03 and 25 06 are as follows

(A) Except as provided in paragraph (B), the respective interest of Unit Owners are the fair market value of their Units, Limited Common Elements, and Common Element interests immediately before their termination, as determined by one or more independent appraisers selected by the Association The decision of the independent appraisers shall be distributed to the Unit Owners and becomes final unless disapproved within 30 days after distribution by Unit Owners of Units to which twenty-five percent (25%) of the votes in the Association are allocated The proportion of any Unit Owner's interest to that of all Unit Owners is determined by dividing the fair market value of that Unit Owner's Unit and Common Elements

(B) If any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interest of all Unit Owners are their respective Common Element interests immediately before the termination

25 08 Foreclosure of Lien on Whole Condominium Not a Termination Except as provided in Section 25 09, foreclosure or enforcement of a lien or encumbrance against the entire Condominium does not of itself terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the Condominium, other than withdraw able real estate, does not withdraw that portion from the Condominium Foreclosure or enforcement of a lien or encumbrance against withdraw able real estate does not of itself withdraw that real estate from the Condominium, but the person taking title thereto has the right to require from the Association, upon request an amendment excluding the real estate from the Condominium

25 09 If a lien of encumbrance against a portion of the Condominium has priority over the Declaration, and the lien or encumbrance has not been released, the parties foreclosing that lien or encumbrance may upon foreclosure, record an instrument excluding the real estate subject to that lien or encumbrance from the Condominium

AMENDMENT OF DECLARATION OF CONDOMINIUM

This Declaration of Condominium may be amended in the following manner

26 01 General Procedure for Amendment Except as provided otherwise in this Section 26, an Amendment or Amendments to this Declaration of Condominium may be proposed by the Board

of Directors of the Association acting upon a vote of a majority of the Allocated Interest, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to this Declaration of condominium being proposed by the Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the Members of the Association for a date not sooner than ten (10) days nor later than thirty (30) days from receipt by him of the proposed Amendment or Amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed Amendment or Amendments in reasonable detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of the voting member as having at least sixty-seven percent (67%) of the Allocated Interest in the Common Elements, in order for such Amendment or Amendments to become effective. Thereupon such Amendment or Amendments of this Declaration of Condominium shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment or Amendments, so certified and executed with the same formalities as a Deed, shall be recorded in the Public Records of the county in which the Condominium is located within then (10) days from the date on which the same became effective, such Amendment or Amendments to specifically refer to the recording data identifying the Declaration of Condominium. Thereafter, a copy of said Amendment or Amendments in the form in which the same were placed of record by the Officers of the Association shall be delivered to the Owners of all Condominium Units, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such Amendment or amendments.

26 02 Certain Amendments Requiring Unanimous Consent Except as permitted herein and as provided in Section 26 04 no amendment may create or increase Special Declarant rights, increase the number of Units, change boundaries of a Unit, change the allocated interest in Common Elements of a Unit, or the uses to which any Unit is restricted, without prior written consent of all the Owners of all Condominium Units.

26 03 Amendments Permitted Other Than By Action Under Section 26 01 and Section 26 02 Notwithstanding the provisions of Section 26 01 and Section 26 02, amendments to the Declaration, including reallocation of the Allocated Interest, may be prepared, executed and filed without a vote of the member Unit Owners, or their consent, in the following cases:

(A) Nominal Amendments By the Declarant, during the period of Declarant Control, and thereafter, the Board

(1) To correct any obvious error or inconsistency in drafting, typing or reproduction,
and

(2) To conform to the requirements of any law or governmental agency having legal jurisdiction over the Condominium or to qualify the Condominium or any Units therein for mortgage or improvement loans made or insured by a governmental agency or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase or mortgage interests in units by such agency

(B) Amendments Prior to Sale By the Declarant at any time prior to recording of the sale of the first Unit to an Owner by filing an Amendment in the Office of the Register of Deeds of the County in which the Condominium is located with a Certificate certifying the fact that no sale has previously occurred

(C) Declarant Development Rights By Declarant upon exercising any Development Right or Special Declarant Right hereunder or by law provided

(D) Eminent Domain By the Association if a portion of the Condominium is take by the proceedings in Eminent Domain as by law provided

(E) Unit Boundary Changes By Association and affected Unit Owners upon relocation of Unit boundaries as by law provided

(F) Unit Partition By Association and affected Unit Owners upon subdividing or partitioning a Unit, if herein permitted, as by law provided

(G) Limited Common Elements By Association and affected Unit Owners upon reallocation of a Limited Common Element, as by law provided

(H) Termination of Condominium By Association upon termination of the Condominium, as by law provided

26 04 Declarant Rights No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Declarant shall be made without the written consent of said party being first had and obtained

REMEDIES IN EVENT OF DEFAULT

The Owner or Owners of each Condominium Unit shall be governed by and shall comply with the provisions of this Declaration of condominium and the Articles of Incorporation and Bylaws of the Association, and any rules or regulations issued pursuant thereto, as any of the same are now constituted or as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owner of other Condominium Units to the following relief

27 01 Actions at Law and Equity Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or Bylaws of the Association or any rules and regulations issued pursuant thereto, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sums due to damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner.

27 02 Liabilities of Owners 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 his or their guests, employees, servants, agents, invitees 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 any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver of insurance companies or rights or subrogation.

27 03 Collection or Enforcement Costs and Expense In any proceeding arising because of alleged default by a Unit Owner, the association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

27 04 No Waiver The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium 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, covenant or condition in the future.

27 05 Cumulative Remedies All rights, remedies and privileges granted to the association or the Owner or Owners of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of the Declaration of Condominium or 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.

27 06 No Waiver By Declarant The failure of Declarant to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration of Condominium or other above-mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

27 07 Fines and Penalties Notwithstanding the foregoing, and in addition thereto any Unit Owner may be fined by the Association for failure to comply with the terms of this Declaration, the Bylaws, Articles of Incorporation or published rules and regulations in an amount not to exceed One Hundred Fifty Dollars (\$150.00). If the Board should determine that it shall seek to impose fines hereunder, it shall appoint a panel of three Unit Owners, who, upon appointment, shall notify the Owner in writing of the charge against him, provide an opportunity to be heard before the panel in not less than ten (10) days, nor more than thirty (30) days, prior notice, provided the Owner an

opportunity to be heard and give notice of the decision. Any fine given to any Owner shall be assessed against the Owner and his Unit as a Common Expense and, if unpaid, shall be a lien on the Unit as provided herein.

28

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

"Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, insurance companies, or other reputable mortgage lenders. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Condominium Unit or Units, or shall be the Owner of any Condominium Unit or Units, such Institutional Lender or Institutional Lenders shall have the following rights:

28 01 Records and Statement To examine, at reasonable times and upon reasonable notice, the books and records of the Association and to be furnished at least one copy of the Annual Financial Statement and Report of the Association, prepared by the Association Treasurer or a Certified Public Accountant designated by the Association, such Financial Statement and Report to be furnished within 120 days after the end of each fiscal year.

28 02 Notice of Certain Meetings To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of the Association, which Notice shall state the nature of the Amendment being proposed.

28 03 Notice of Owner's Default To be given notice of default by any Owner owning a Condominium Unit encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing.

28 04 Request for Notices Whenever an Institutional Lender or Institutional Lenders desire the provisions of this Article to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to it address stated herein, identifying the Condominium Unit or Units upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Condominium Units owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender or Institutional Lenders.

29

RIGHT OF DECLARANT TO REPRESENTATION
ON BOARD OF DIRECTORS OF THE ASSOCIATION

During the period of Declarant Control, Declarant shall be entitled to designate and select persons to serve on the Board of Directors of the Association and the manner in which such person

or persons shall be designated and the number thereof and the composition of the Board of Directors during such period of Declarant Control shall be as provided in the Bylaws of the Association, and Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term or any Director or Directors so removed. Any director designated and selected by Declarant need not be an Owner of the condominium. However, Declarant shall be responsible for the payment of any assessments which may be levied by the Association against any Condominium Unit or Units owned by the said Declarant, and for complying with the remaining terms and provisions hereof in the same manner as any other Owner of a Condominium Unit or Units.

30

SEVERABILITY

In the event that any of the terms, provisions, or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

31

LIBERAL CONSTRUCTION

The provisions of the Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural and the masculine gender the feminine or neuter. The headings are for convenience of reference only and shall not be considered terms of this Declaration.

32

DECLARATION OF CONDOMINIUM BINDING
ON ASSIGNS AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit and its appurtenant Allocated Interest in Common Elements. This Declaration of Condominium shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become Owners of Condominium Units in the Condominium and their respective heirs, legal representative, successors and assigns.

33

EASEMENTS

33 01 Utilities The Board of Directors may hereafter grant easements in the name of the Association for utility purposes for the benefit of the Condominium and for the benefit of any Unit,

including the right to install, lay, maintain, repair and replace, waterlines, pipes, sewer lines, storm drainage facilities, telephone wires, cable television wires, and electrical conduits, wires over, under and along any portion of the Property, and the Owners of any Unit hereby grant to the Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing

33 02 Public Service Access An easement is hereby established over the Common Elements for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities

34

DISCLAIMER BY GOVERNMENTAL AUTHORITIES

Some governmental authorities or fire or police department, refuse to be responsible for failing to provide any emergency or regular fire, police or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, Association or Unit Owners Accordingly, the Board of Directors is hereby empowered to make all efforts to assure that there is adequate access to all Units and shall not allow any blocking of access or defects in access to remain uncorrected

35

PARTY WALLS

It is contemplated that some Owners of Condominium Units may erect party walls between Units which are under separate ownership, and it is therefore necessary to provide for the equitable sharing of the cost of construction and maintenance of such party wall as well as wall specifications The Board shall have the authority to formulate, and from time to time to amend, rules and regulations governing all specifications of party walls, the sharing of costs between the Owners or adjacent Units and the arbitration of disputes relating to party walls

The center of each party wall shall be the dividing line between adjacent Condominium Units which are under separate ownership Such party wall shall be constructed of materials and design mutually agreeable to the adjacent Unit Owners, provided that these do not violate the rules and regulations adopted by the Board If adjacent Unit Owners cannot mutually agree, the Board shall designate the materials and design of the party wall between Units owned by disagreeing Unit Owners and such designation shall be binding on all parties The cost of each such party wall shall be shared equally by those served by it and shall be paid promptly when the wall is constructed, provided however, that the cost of utility installations within the party wall (such as plumbing and electrical) shall be borne only by the Owner of the Unit served by such installations

SIGNS

Except for Declarant's signs permitted under Article 5, Section (C) (3) hereof, all signs and numbers on entrance doors to Condominium Units shall conform in all respects to the rules and regulations adopted by the Board

CONDEMNATION

37 01 General Whenever all or any part of the Condominium shall be taken by any authority having the power of condemnation or eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law

37 02 Common Elements If the taking is confined to the Common Elements or the Common Elements on which improvements shall have been constructed, but shall not involve a Unit or Limited Common Element then the award for the common Element loss shall be payable to the Association

37 03 Limited Common Elements Any portion of any award in condemnation attributable to the taking of all or portion of a Limited Common Element shall be paid to the Owner of the Unit to which the Limited Common Element as allocated or, if more than one, apportioned among the Owners of the Units to which the Limited Common Element taken was allocated

37 04 Units

(A) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Unit Owner for his Unit and its interest in the common Elements, whether or not any Common Elements are acquired Unless the condemn or acquires the right to use the Unit's interest in Common Elements, that Unit's allocated interest are automatically reallocated to the remaining units in proportion to the respective Allocated Interest of those Units before the taking exclusive of the Unit taken, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element

(B) Except as provided in subsection (A), if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and of its interest in the Common Elements, whether or not any common Elements are acquired Upon acquisition, unless the decree otherwise provides, (1) that Unit's Allocated Interest are reduced in proportion to the reduction in the size of the Unit, and (2) the portion of the Allocated Interest divested from the partially acquired Unit is automatically reallocated to that Unit and the remaining Units 1 proportion

to the respective Allocated Interest of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interest

38

POWER OF ATTORNEY TO DEAL IN OWNED UNIT

Each Owner, by purchase of a Unit within the Property and acceptance of the Deed therefor, grants to the Board of Directors of the Association an irrevocable power of attorney, coupled with an interest, to acquire title to, including the purchase at a foreclosure or judicial sale, or to lease any Unit in the name of the Association, or its designee, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Association Any Unit purchased by the Association shall be held by it, or its designee, on behalf of all Unit Owners in proportion to their respective Allocated Interests in the Common Elements The lease covering any Unit Leased by the Association, or its designee, shall be held on behalf of all Unit Owners, in relation to their Allocated Interests in the Common Elements

39

WAIVER OF PUBLIC OFFERING STATEMENT REQUIREMENT

By acceptance of the conveyance of a Unit within the Condominium, all persons or entities which shall acquire a Unit, or any interest therein shall be deemed to have waived any and all rights which such parties may otherwise have to examine, review, receive or obtain a public offering statement or other similar document pursuant to North Carolina General Statues Chapter 47C-4-101 et seq

IN WITNESS WHEREOF, Declarant of this Declaration has hereunto set his hand and affixed his seal this the 28 day of June 1999

SOUTHPOINTE DEVELOPERS, INC

BY W. Russell Gay
W RUSSELL GAY, PRESIDENT

ATTEST Marshall Gay
MARSHALL GAY, SECRETARY

STATE OF NORTH CAROLINA, COUNTY OF WAKE

I, the undersigned Notary Public of said County and Sate, do hereby certify that MARSHALL GAY, personally came before me this day and acknowledged that he is Secretary of Southpointe Developers, Inc , a North Carolina 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 him as its Secretary

WITNESS MY hand and seal this 28 day of June, 1999

Elizabeth J Hart
NOTARY PUBLIC

My Commission Expires 6-18-02

ELIZABETH F HART
Notary Public
Wake County, NC

Exhibit "A"

TRACT ONE

BEGINNING at a point in the Julian McKeller northern line, said point being 210 feet West of the center line of the Falls Road and being the southwest corner of the Church of Christ property, thence North 84 degrees West 147 feet to a point in the said McKeller line, thence North 6 degrees 30 minutes East 277 feet to a point, said point being in the southern edge of a private road, thence South 72 degrees 30 minutes East 152 feet to a point, thence South 6 degrees 30 minutes West 251 feet to the point of BEGINNING AND BEING ALL OF Lot No 2 of the R E Hawkins property This tract also known as Parcels 6 and 51

Together with the right of ingress and egress over a 25 foot private road running along the northern line of the R E Hawkins property

TRACT TWO

BEING all of that 25-foot roadway abutting the north line of Lots C and D according to map recorded in Book of Maps 1960, Page 196, Wake County Registry, and being fully described as follows

BEGINNING at a point, northwest corner of Lot D, thence North 6 degrees 30 minutes East 26 feet, more or less, to a point in the north line of the existing 25 foot roadway and in the south line of the Kelly Land, thence with the south line of the Kelly Land South 72 degrees 30 minutes East with the north line of the roadway 293 feet, more or less, to a point, intersection of the northern line of said 25 foot dirt roadway with the northward extension of the common line between Lots A and B and Lot C, thence South 6 degrees 30 minutes West 26 feet, more or less, to a point, northwest corner of Lot A on said map, thence North 72 degrees 30 minutes West with the north lines of Lots C and D 293 feet to the point and place of Beginning Also being referred to as Parcel 4

TRACT THREE

BEGINNING at a point in the north line of Julian McKellar, said point lying North 84 degrees 00 minutes West 357 feet from the center line of the Falls Road, the southwest corner of Tract C, thence with the north line of Julian McKellar, North 84 degrees 00 minutes West 136 feet to a point, a corner of the property of R E Hawkins, thence with the Hawkins line North 6 degrees 30 minutes East 308 3 feet to a point in the south line of a 25 foot private dirt road, thence with the south line of said dirt road, South 72 degrees 30 minutes East 141 feet to a point, the northwest corner of Tract C, thence with the west line of Tract C, South 6 degrees 30 minutes West 280 63 feet to the point and place of BEGINNING, being all of Tract D, according to survey and plat for Mr R E Hawkins, Falls of Neuse Road, recorded in Book of Maps 1960, Page 196, Wake County Registry Also being referred to as Parcel 5

There is conveyed herewith the right of ingress and egress over said 25 foot private dirt road

EXHIBIT B

SUITE NO	PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS	PERCENTAGE OF COMMON EXPENSES	VOTES IN ASSOC
700-100	4 84	4 84	1
700-101	4 84	4 84	1
700-111	9 67	9 67	1
700-120	9 67	9 67	1
700-130	9 67	9 67	1
700-140	7 98	7 98	1
700-150	16 34	16 34	1
700-160	7 98	7 98	1
700-170	9 67	9 67	1
700-180	9 67	9 67	1
700-190	9 67	9 67	1

Undivided Interest in Common Area and Liability for Common Expenses Undivided interest in the common area shall be allocated proportionately to square footage such that each unit shall have a fractional interest in the common area, such fraction having the unit square footage as the numerator, and having as the total square footage of all units as denominator

Liability for common expenses shall also be allocated proportionately, such that each unit shall pay a fractional portion of the common expenses, such fraction having the unit square footage as the numerator, and having as the denominator, a number equal to the total square footage of all units

Voting Rights Each unit shall have one vote, with the total number of votes being equal to the total number of units

BYLAWS
OF
EXPOSITION PLACE ASSOCIATION, INC
a North Carolina Nonprofit Corporation

THE UNIT OWNERS ASSOCIATION
OF
EXPOSITION PLACE, A CONDOMINIUM
in Wake County, North Carolina

Adopted June 28, 1999

BYLAWS

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BY-LAWS
OF
EXPOSITION PLACE ASSOCIATION, INC

ARTICLE I
NAME AND LOCATION

The name of the corporation is Exposition Place Association, Inc. The principal office of the corporation shall be located at 6817 Falls of Neuse Road, Raleigh, North Carolina 27615, but meeting of Unit Owners and directors may be held at such places within the State of North Carolina, County of Wake as may be designated by the Board of Directors

ARTICLE II
DEFINITIONS

Section 2.1 "Declaration" shall mean that certain Declaration for Exposition Place, A condominium recorded in Condo File _____, Wake County Registry

Section 2.2 The terms defined in Article 3 of the Declaration shall have the same meanings as set forth therein in these Bylaws

ARTICLE III
MEMBERSHIP

As Owner of a Condominium Unit shall automatically become a member of the Association upon taking title to the Condominium Unit and shall remain a member for the entire period of ownership. If title to a Condominium Unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one membership per Condominium Unit. Membership does not include a Mortgagee, and the giving of a Mortgage shall not terminate the unit Owner's membership. Membership shall be appurtenant to the Condominium

Unit to which it appertains, shall be transferred automatically by conveyance of that condominium Unit, and may be transferred only in connection with the conveyance of title of that Condominium Unit

ARTICLE IV
MEETINGS OF UNIT OWNERS

Section 4.1 Annual Meetings The annual meeting of the Unit Owners shall be held on date to be determined by the Board, for the purpose of transaction any business authorized to be transacted by the Unit Owners

Section 4.2 Substitute Annual Meeting If the annual meeting of the Unit Owners is not held as provided in Section 4.1, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent Unit Owners meeting held pursuant to these Bylaws or to a court order requiring a substitute annual meeting

Section 4.3 Special Meeting Special meetings of the Unit Owners may be called at any time by the president, secretary, any two or more Directors or upon written request of the Unit Owners who are entitled to vote one-fourth (1/4) of all of the Votes in the Association

Section 4.4 Notice of Meeting Written notice of each meeting of Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days nor more than thirty (30) days, unless otherwise stated in the Declaration, before such meeting to each Unit Owner entitled to Vote thereat, addressed to the Unit Owner's address last appearing on the books of the Association, or supplied by such Unit Owner to the Association for the purpose of notice such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting Proof of such mailings shall be given by the affidavit of the person giving the notice Notice of meeting may be waived before or after meetings by Vote of the Unit Owners of the Association

Section 4.5 Quorum The presence at the meeting of Unit Owners entitled to cast, or of proxies entitled to cast, one-half (1/2) of the Votes in the Association shall constitute a quorum for any action except as otherwise provided in the Condominium Instrument If, however, such quorum shall not be present or represented at any meeting, the Unit Owners entitled to Vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented The presence of a Unit Owner at the beginning of a meeting shall constitute the presence of such Unit Owner for the purpose of determining a quorum The Vote of the Owners of a Condominium Unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the Owners of the Condominium Unit and filed with the Secretary of the Association Such certificate shall be valid until revoked by a subsequent certificate If such a certificate is not on file, the Vote of such Unit Owners shall not be considered in determining the requirement for a quorum nor for any other purpose

Section 4.6 Proxies At all meetings of Unit Owners each Unit Owner may Vote in person or by proxy All proxies shall be in writing and filed with the Secretary Every proxy shall be revocable and shall automatically cease upon conveyance by the Unit Owner of his Condominium Unit

Section 4.7 Order The order of business at annual Unit Owners' meeting, and, as far as practical at all other Unit Owners' meetings, shall be

- a Calling of the roll and certifying of proxies
- b Proof of notice of meeting or waiver of notice
- c Reading and disposal of any unapproved minutes
- d Unfinished business
- e New business
- f Adjournment

Section 4.8 Conduct of Meetings The President shall preside over all Unit Owners meetings The Secretary shall keep a minute book with all resolutions adopted by the Unit Owners, minutes of all meetings, and all written consents to actions taken without a meeting Robert's Rules of Order (latest edition) shall govern the conduct of the meeting

Section 4.9 Adjournments Any meeting of the Unit Owners, whether or not a quorum is present, may be adjourned by a Majority of the Votes at the meeting to reconvene at a specific time and place It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is at the reconvened meeting

Section 4.10 Action of Unit Owners Without a Meeting Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a written consent setting forth the action authorized, is signed by all of the Unit Owners The consent shall be filed in the minute book or other appropriate records by the Secretary It shall then have the same effect as a unanimous Vote of the Unit Owners at a special meeting called for the purpose of considering the action authorized

Section 4.11 Vote Required for Action Except as otherwise provided by the Act, the Nonprofit Corporation Act, in the Condominium Instruments or herein, the act of a Majority of the Unit Owners at a meeting at which a quorum was present shall be the act of the Unit Owners

ARTICLE V BOARD OF DIRECTORS

Section 5.1 General Powers The business and affairs of the Association shall be managed by the Board of Directors The Board shall have all powers of the Association that are not required by law, the Condominium Instruments, the Articles of Incorporation or these Bylaws to be exercised by the Unit Owners The powers of the Association include those set forth in Section 55A-15 of the North Carolina Nonprofit Corporation Act

Section 5.2 Qualifications Each Director must be a Unit Owner, except those appointed by Declarant during the Declarant Control Period

Section 5.3 Nomination Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of three (3) Unit Owners appointed by the President. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. Separate nominations shall be made for each seat on the Board for which a Director is to be elected. The nominations and the names of those on the nominating committee shall be included with the notice of the meeting. Nominations shall also be allowed from the floor at the meeting.

Section 5.4 Election Subject to Section 5.5.1 hereof, election to the Board of Directors shall be by written ballot. At such election the Unit Owners or their proxies may cast, in respect to each vacancy, as many Votes as they are entitled to exercise under the provisions of the Declaration. The Unit Owner or Owners receiving the largest number of Votes shall be elected. Cumulative voting shall not be permitted.

Section 5.5 Number and Term of Office

5.5.1 During the Declarant Control Period, the Board shall consist of three (3) Directors appointed by Declarant. Each such Director shall serve at the pleasure of Declarant, provided, however, not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units (including units which may be created pursuant to Section 16 of the Declaration) to Unit Owners other than Declarant, at least one member of the Board shall be elected by Unit Owners other than Declarant. The election of such member to the Board shall mean that Unit Owners other than Declarant shall have elected not less than thirty-three percent (33%) of the members of the Board and therefore, by virtue of such election, there shall be compliance with Section 47C-3-103(e) of the Act until expiration of the Declarant Control Period.

5.5.2 After the expiration of the Declarant Control Period, the Board shall consist of five (5) Directors with each having a three (3) year term of office. The Directors shall be divided into three (3) classes with the terms of one class expiring each year. The first class shall have one (1) Director, and the second and third classes shall have two (2) Directors, each. Directors replacing those appointed by Declarant shall be elected upon the expiration of the Declarant Control Period, but in no event more than ninety (90) days after the expiration thereof. If the next annual meeting occurs within that time period, the election shall be held at the annual meeting. If not, a special meeting may be called by any Unit Owner for such purpose. In either case, Section 5.3 shall govern nominations. The term of the Director in the first class shall expire at the next annual meeting, the terms of the Directors in the second class shall expire at the second annual meeting thereafter, and the terms of the Directors in the third class shall expire at the third annual meeting thereafter. Each Director shall serve until his term expires and his successor has been elected and qualified, subject to removal, disqualification, or resignation.

Section 5.6 Removal Any Director may be removed from office with or without cause by a Vote of at least sixty-seven percent (67%) of the Unit Owners at any meeting of the Association at which a quorum is present. Removal action may be taken at any annual or special meeting with respect to which notice of such purpose has been given. A removed Director's successor may be elected at the same meeting to serve the unexpired term.

Section 5.7 Vacancies A vacancy occurring on the Board of Directors may be filled by a Majority of the Directors remaining in office though less than a quorum of the Board of Directors. The Director so elected by the Board shall serve until the next annual meeting, at which time a Director shall be elected by the Unit Owners for the remaining term, if any.

Section 5.8 Compensation Directors shall not receive compensation for their services as Directors. A director may serve the Association in another capacity and receive compensation, if disclosed to the Board in advance in writing.

Section 5.9 Committees of the Board of Directors The Board may designate from among its members an executive committee and one or more other committees, each consisting of at least two (2) Directors. Each committee shall have the authority set forth in the resolution establishing the committee.

ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Place of Meetings Directors may hold their meetings at any place within reasonable proximity to the condominium as the Board may from time to time establish.

Section 6.2 Regular Meetings Regular meetings of the Board of Directors shall be held at least once every three (3) months on a regular schedule established by the Board.

Section 6.3 Special Meetings Special meeting of the Board may be called by the President, the Secretary, or any two (2) Directors.

Section 6.4 Notice of Meetings No notice shall be required for regularly scheduled meetings. Notice of each special meeting shall be given to each Director stating the time, place and purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by telephone, telegram, cablegram or personal delivery at least three (3) days before the meeting. Notice by telegram or cablegram shall be deemed delivered at the time the notice is filed with the transmitting agency. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director.

Section 6.5 Quorum A quorum shall be deemed present throughout any meeting of the Board of Directors when Directors entitled to cast a Majority of the votes on the Board are present at the beginning of the meeting.

Section 6 6 Voting Except as otherwise provided by law or in the Condominium Instrument, the act of a Majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Each Director shall have one equal vote on the Board, regardless of the Votes attributable to his Condominium Unit.

Section 6 7 Adjournments Any meeting of the Board, whether or not a quorum is present, may be adjourned by a Majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 6 8 Action by Directors Without A Meeting Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent is signed by all the Directors and is filed with the minutes of the Board. The consent shall have the same force and effect as a unanimous vote of the Board.

Section 6 9 Conduct of Meetings The President shall preside over all meetings of the Board. The Secretary shall keep a minute book with all resolutions adopted by the Board, minutes of all meeting, and all written consents to actions taken thawed a meeting and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7 1 Powers The Board of Directors shall have power to

(a) adopt and publish rules and regulations governing the use of the Common Area and Facilities, and the personal conduct of the Unit Owners and their tenants, invitees and guests thereon, and to establish penalties for the infraction thereof

(b) suspend the voting rights of a Unit Owner during any period in which such Unit Owner shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed 60 days, for infraction of published rules and regulations,

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration,

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors,

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, and

(f) foreclose on the lien against any condominium Unit for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same in accordance with and as authorized by the Declaration

(g) exercise such other powers as are conferred upon the Association by the Articles of Incorporation or the Declaration

(h) exercise all powers set forth in Section 55A-15 of the North Carolina Nonprofit Corporation Act

Section 7.2 Duties It shall be the duty of the Board of Directors to

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Unit Owners at the annual meeting of the Unit Owners, or at any special meeting which such statement is requested in writing by one-fourth (1/4) of the Unit Owners who are entitled to vote,

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed,

(c) as more fully provided in the Declaration, to

(1) fix the amount of the monthly Assessment against each Condominium Unit at least thirty (30) days in advance of each annual Assessment period, and

(2) send written notice of each change in the monthly Assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment,

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate,

(f) cause the Common Areas and Facilities to be maintained,

(g) within thirty (30) days after adoption of any proposed budget, the Board shall provide a summary of the budget to all Unit Owners, and shall set a date for a meeting of the Association to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after the mailing of such summary. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a Majority of the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Association ratifies a subsequent budget proposed by the Board,

(h) to perform all other duties imposed by the Articles of Incorporation and the Declaration,

(i) procure the insurance coverages set forth and required by the Declaration on behalf of the Association,

(j) pay any license fees or governmental charges levied or imposed against the Common Areas and Facilities or other property, real or personal, owned by the Association, and

(k) to perform such other duties as imposed by the Declaration and the Articles of Incorporation

ARTICLE VIII
OFFICERS

Section 8 1 Number The Officers of the Association shall consist of a President, one or more Vice Presidents as designated by the Board, a Secretary, a Treasurer and one or more Assistant Secretaries and Treasurers as designated by the Board. The Association shall not be required to have at any time any Officers other than a President, Secretary and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 8 2 Election and Term All officers shall be elected by the Board and shall serve at the pleasure of the Board. Only Directors shall qualify to hold the offices of President, Secretary and Treasurer.

Section 8 3 Compensation Any compensation of Officers shall be fixed by the Board, subject to the approval of Unit Owners having a Majority of Votes in the Association, provided, however, that no Offices appointed by Declarant shall receive any compensation from the Association.

Section 8 4 Removal Any Officer or agent elected by the Board may be removed by the Board at any meeting with respect to which notice of such purpose has been given to the Directors.

Section 8 5 President The President shall be the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. He shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board. He shall have all the general powers and duties which are incident to the office of the President of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8 6 Vice President The Vice President shall, in the absence or disability of the President, or at the direction of the President, have the duties and powers of the President. If the Association has more than one Vice President, the Board shall designate one of them to act for the President. Vice Presidents shall have whatever duties and powers the Board may from time to time assign.

Section 8.7 Secretary The Secretary shall keep accurate and complete records of all meetings of Unit Owners, Directors and committees of Directors, including minutes of the meetings, all resolutions adopted and all consents to actions thawed a meeting. He shall have authority to given all notices required by law, the Condominium Instruments or these Bylaws. He shall be custodian of the corporate books, records, contracts and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature. The Secretary shall have whatever additional duties and powers the Board may from time to time assign him or may be incident to the office of secretary of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8.8 Treasurer The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board and President upon request. He shall perform all duties as may be assigned to him from time to time by the Board. The Treasurer shall prepare or cause to be prepared all required financial statement, tax returns and budgets. If the Association employs a property manager, accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent.

Section 8.9 Assistant Secretary and Assistant Treasurer The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any Officer.

Section 8.10 Bonds The Board may require any or all of the Officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the duties of their respective Offices or positions.

ARTICLE IX MISCELLANEOUS

Section 9.1 Fiscal Year The fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first year shall begin on the date of incorporation of the Association.

Section 9.2 Seal The corporate seal of the Association shall be in circular form having therein its circumference the words Exposition Place Association, Inc - Corporate Seal.

Section 9.3 Inspection of Books and Records All accounts, books and records of the Association, including the Condominium Instruments, shall be open to inspection by the Unit Owners, Mortgagees and prospective purchasers during normal business hours subject to such reasonable rules as the Board may establish.

Section 9.4 Indemnification Each Director or Officer shall be indemnified by the Association against those expenses which are allowed by the laws of North Carolina and which are reasonable incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or having been a Director or Officer. Indemnification shall be made only in accordance with laws of North Carolina. The Association may purchase and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against them whether or not the Association would have the power to indemnify the Officers and Directors against the liability under the laws of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action of Unit Owners or by an insurance carrier, the Association shall provide notice of such payment to the Unit Owners in accordance with the laws of North Carolina.

Section 9.5 Waiver of Notice Whenever any notice is required to be given to any Unit Owner or Director, a waiver signed by the Director or Unit Owner entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted unless specific objection is made before the objectionable business is put to vote.

Section 9.6 Amendment These Bylaws may be amended at a regular or special meeting of the Unit Owners, by the Vote of a Majority of the quorum of Unit Owners present in person or by proxy, except the Declarant shall have the right to veto amendments during the period of Declarant control.

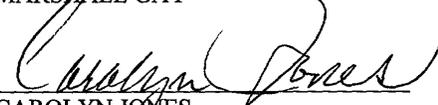
Section 9.7 Self-Dealing Each Director and Officer and any property manager shall disclose in the written minutes of the Board any contract or agreement of any kind between the Association and any person or entity to which is related by blood or marriage or in which he has an interest, whether direct or indirect.

Section 9.8 Conflicts In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of Exposition Place Association,
Inc have hereunto set our hands this 28 day of June, 1999


W RUSSELL GAY


MARSHALL GAY


CAROLYN JONES

CERTIFICATION

I, the undersigned, do hereby certify

THAT I am the duly elected and acting Secretary of the Exposition Place Association, Inc ,
a North Carolina nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of such Association and were
duly adopted at a meeting of the Board of Directors thereof, held on the 28 day of June, 1999

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the
Association this 28 day of June, 1999

Marsha Hay
Secretary

Amendments to Declaration for Exposition Place Association, Inc.

Amendment I: **Combine Units 100 & 101 to Form #101**
Amendment II: **N/A - See Attorney Email Below - There is no Amendment II**
Amendment III: **Correct Drafting Typos & Repro Errors**

----- Forwarded message -----

From: **Chris Peck** <Chris@pecklawfirm.net>

Date: Fri, Jan 3, 2014 at 12:45 PM

Subject: Re: Fwd: Expo / The Search for Amendment II Continues.....

To: D <gooddoctordeb@gmail.com>

Deb,

Looks like the 3rd Amendment was mislabeled as 3rd rather than 2nd. No big deal...but there does not appear to be any 2nd amendment.

All the best,

C:P

--

Christopher L. Peck

The Peck Law Firm, P.A.

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[919.376.5411](tel:919.376.5411) Fax: [919.782.9493](tel:919.782.9493)

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