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NORTH CAROLINA  
ORANGE COUNTY

DECLARATION OF PROVIDENCE CENTER  
CONDOMINIUMS TO UNIT OWNERSHIP  
UNDER THE PROVISIONS OF CHAPTER 47A OF  
THE GENERAL STATUTES OF NORTH CAROLINA  
PLAT BOOK 42, PAGES 74 to 76

THIS DECLARATION is made this 2<sup>nd</sup> day of August,  
1985, by PROVIDENCE CENTER CORPORATION, a corporation organized and  
existing under the laws of the State of North Carolina, hereinafter  
referred to as "Declarant", who is joined by CENTRAL CAROLINA BANK AND TRUST  
COMPANY, NATIONAL ASSOCIATION, and GUARANTY STATE BANK, Trustee.

W I T N E S S E T H

WHEREAS, the Declarant is the owner of record of the fee simple title  
of certain property in Orange County, North Carolina, which is more particularly  
described in Exhibit "A" attached hereto and incorporated herein by reference;  
and

WHEREAS, a certain condominium type multi-unit building and certain  
other improvements by Declarant hereafter are to be constructed upon the  
aforesaid property and it is the desire and the intention of the Declarant to  
divide the project into "condominium units" or "units" as those terms are  
defined under the provisions of the North Carolina Unit Ownership Act, and to  
sell and convey the same to various purchasers subject to the covenants,  
conditions and restrictions herein reserved to be kept and observed; and

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

WHEREAS, Declarant has given a deed of trust to Guaranty State Bank,  
Trustee, recorded in Book 486, Page 474, Orange County Registry, N.C. to secure a  
note to Central Carolina Bank and Trust Company, National Association.

NOW, THEREFORE, the Declarant hereby submits to the provisions of the  
North Carolina Unit Ownership Act, as set forth in Chapter 47A of the North  
Carolina General Statutes, all of the property described in Exhibit A, together  
with all the buildings, structures and improvements now or hereafter to be  
located thereon, and all easements, rights and appurtenances belonging thereto,  
hereinafter referred to as the "Property". This Declaration and the Property  
shall be subject to the covenants, conditions, restrictions, uses, limitations  
and obligations contained herein, all of which are declared and agreed to be in  
furtherance of a plan for the improvement of the Property and the division  
thereof into condominium units, and which shall be deemed to run with the land  
and shall be a burden and a benefit to Declarant, its successors and assigns,  
and any person acquiring or owning an interest in the real property and  
improvements, their grantees, successors, heirs, executors, administrators,  
 devisees and assigns.

1. NAME AND LOCATION

The name by which this condominium is to be identified is:

"THE PROVIDENCE CENTER CONDOMINIUM"

The condominium is located at the corner of Eastowne Drive and  
Providence Road in the Town of Chapel Hill, Orange County, North Carolina.

2. DEFINITIONS

The terms used herein and in the By-Laws shall have the meanings stated  
in the North Carolina Unit Ownership Act, Chapter 47A of the North Carolina  
General Statutes, unless otherwise defined herein or in the By-Laws or unless  
the context otherwise requires.

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2.1 Condominium Unit means a unit as defined in the said Unit Ownership Act.

2.2 Association means the Providence Center Owners Association, Inc. consisting of all the unit owners acting as a group in accordance with the By-Laws and this Declaration.

2.3 Condominium means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the said Unit Ownership Act.

2.4 Singular, Plural, Gender. Whenever the context so permits the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

2.5 The Developer is Providence Center Corporation.

### 3. IDENTIFICATION OF PROPERTY

A. LAND: The description of the land on which the buildings and improvements are, or are to be, located is set forth in Exhibit "A" of this Declaration.

B. BUILDING: The description of the building erected by the Declarant on the land described in Exhibit "A" is set forth in Exhibit "B" which states the number of stories and basements, the number of units, and the principal construction materials of each condominium structure.

Said multi-unit condominium structure is more particularly described in the plans of said building, which are annexed hereto as Exhibit "C" and recorded in the Plat Books of Orange County, N.C., said plans being incorporated herein by reference.

C. UNIT DESIGNATIONS: The unit designation of each condominium unit, its location, its dimensions, approximate area, number of rooms and common areas and facilities to which it has immediate access, and other data concerning its proper identification are set forth on Exhibit "C" hereinabove referred to and made a part hereof. No unit bears the same identifying number as does any other unit. Each unit shall constitute a single freehold estate and means an enclosed space consisting of one or more rooms occupying all or part of one or more floors provided always that any such unit has direct access to a thoroughfare or to a common element leading to a thoroughfare. The lower verticle boundary of any such unit is a horizontal plane (or planes) the elevation of which coincides with the surface of the unfinished subfloors or basement thereof and the upper vertical boundary is a horizontal plane (or planes) the elevation of which coincides with the elevation of the exterior surface of the interior ceilings thereof, to include the acoustical tile. The lateral or perimetrical boundaries of any such unit are the exterior surfaces of the interior perimeter or main walls, to include the drywall, windows and doors thereof, and vertical planes coincidental with the exterior surfaces of the interior perimeter or main walls thereof to intersect the upper and lower vertical boundaries of the unit. 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 a part of the unit. Where the heating and air conditioning equipment is located on part of the common areas and is serving only one unit, said equipment shall be a part of the unit so served.

#### D. COMMON AREAS AND FACILITIES:

(1) Extent: The common areas and facilities consist of all parts of the property described in Exhibits "A" and "B" other than the individual condominium units therein as described in Exhibit "C" above.

(2) All areas of the described property not within any condominium units shall be common areas; and all portions of any building or other improvement not included within a condominium unit shall be a common facility. The common facilities shall include all installations, items and equipment for utility service to more than one condominium unit and shall

also include tangible personal property required for the maintenance and operation of the condominium even though owned by the Association. The use of the term "common elements" in this document shall be synonymous with "common areas and facilities."

(3) Nature of Interest: Each of the unit owners shall own an undivided interest in the common elements and said undivided interest, stated as percentages of such ownership in the said common elements, is set forth in Exhibit "D" which is annexed to this Declaration and made a part hereof.

The fee title to each condominium unit shall include both the unit and the respective undivided interest in the common elements and the said undivided interest in the common elements is to be deemed to be conveyed or encumbered with its respective condominium unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the condominium unit.

Any attempt to sever or separate the fee title to a condominium unit from the undivided interest in the common elements appurtenant to each condominium unit shall be null and void.

E. AMENDMENT TO PLANS:

(1) The Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, so long as the Developer owns the units so altered. No such change shall increase the number of units nor alter the boundaries of the common elements which are not limited common areas and facilities serving the units so altered without amendment of this Declaration by approval of the Association and unit owners in the manner elsewhere provided. If the Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment to the Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements which are appurtenant to the units concerned. No unit, at any time, may contain less than 500 square feet; provided, however, a prorata share of the area within any limited common areas and facilities serving the unit shall be taken into account in determining the number of square feet which the unit contains.

(2) An amendment of this Declaration reflecting such alteration of condominium unit plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, unit owners or lienors or mortgagees of units or of the condominium, whether or not elsewhere required for an amendment. Each unit owner shall be deemed by its acceptance of the deed to a unit to have consented to the powers of amendment herein reserved by Declarant and to any amendments previously or thereafter executed by Declarant pursuant to this Article 3(E). Further, each unit owner and each lienor or mortgagee of a unit shall be deemed by the owner's acceptance of a deed to a unit to have appointed Declarant their Attorney-in-Fact to give, execute and record the consent of said unit owner, lienor and mortgagee to any and all amendments executed pursuant to this Article. Except as provided herein, the percentage of undivided interest or obligation of any unit for purposes of determining shares of the common elements of the condominium shall not be changed except in conformity with the then existing applicable law.

4. AMENDMENT OF RATIOS

As provided by this Declaration, the By-Laws of Providence Professional Center Owners' Association, Inc. (hereinafter called the "Association") and the terms of Chapter 47A of the General Statutes of North Carolina, the ratio of the undivided interest of each unit owner in the common areas and facilities as set forth on Exhibit "D" attached hereto may be altered by an amendment to this Declaration duly recorded.

5. NATURE OF INTEREST IN UNITS

Every condominium unit, together with its undivided interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute, a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his condominium unit subject only to the covenants,

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restrictions, easements, rules, regulations, resolutions, and decisions as may be contained or provided for herein and in the accompanying By-Laws and minutes of the Association and the Board of Directors.

#### 6. USE

The condominium and each of the condominium units shall be used for business or office purposes only. Any unit owner may delegate, in accordance with this Declaration and the By-Laws of the Association, his rights of possession, use, and enjoyment of his unit and the common area and facilities to guests, invitees, licensees and tenants.

#### 7. SERVICE OF PROCESS

J. Michael Adair is hereby designated to receive Service of Process in any action which may be brought against or in relation to this condominium development and/or Association. Said person's place of business is Suite 100A 727 Eastowne Drive, Chapel Hill, N.C. 27514, which is within the city and county in which the condominium development is located. The Board of Directors of Providence Professional Center Owners' Association, Inc., may revoke the appointment of any such agent and appoint a successor, all pursuant to the By-Laws. Notwithstanding anything in this Declaration to the contrary, such successor may be designated in an amendment to this Declaration, provided such successor was duly appointed pursuant to the By-Laws, and the Association files an amendment to this Declaration indicating the name and address of such successor, which amendment need only be executed in accordance with the provisions of Article 23(B).

#### 8. EASEMENTS

The following easements are covenants running with the land of the condominium:

(A) Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere in the building.

(B) The Association may hereafter grant easements, as approved by the Board of Directors, for utility purposes for the benefit of the condominium development, including the right to install, lay, maintain, repair and replace water lines, gas lines, pipes, sewer lines, television cables, telephone wires and equipment, and electrical conduits and wires over, under, along and on any portion of the common elements; and each unit owner hereby grants 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 or desirable to effectuate the foregoing.

(C) Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same from time to time may exist upon the common elements; and for vehicular traffic over, through and across such portions of the common elements as from time to time may be paved and intended for such purposes.

(D) Easements are reserved to the owners of units in the Providence Center for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes, and for the construction and maintenance of water, sewer and other utilities.

(E) If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion

of the common elements, as a result of the construction of any building; or if any such encroachment shall occur after recordation of this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of same. Any such easements shall exist only for so long as such encroachment exists.

(F) The Developer hereby reserves unto itself the right to grant easements over any of the common elements of this condominium to be used for, by or in connection with any other condominiums which may hereafter be erected on property owned by the Developer in the vicinity of the property covered hereby, to the same extent as if said common elements were common elements of said condominiums or as may become necessary for the purpose of the undersigned, its grantee, lessee, successors, or assigns, servicing its adjacent properties with utility services, drainage and easements for ingress and egress.

#### 9. PARTITIONING

The common areas and facilities shall not be divided nor shall any right to partition any portion thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a condominium unit by the entireties, jointly, or in common or in any other form by law permitted.

#### 10. PARKING SPACES

Parking spaces are located in the area shown on Exhibit "C" and are not identified by numbers. These parking spaces are available generally for owners, their tenants, guests, and invitees without reservation or restriction. The Association may adopt rules and regulations concerning parking spaces in accordance with the By-laws and Article 20(A).

#### 11. LIENS

While the property remains subject to this Declaration and to the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all the unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interests under the provisions of the North Carolina Unit Ownership Act. Every agreement for the performance of labor, or the furnishing of materials to the common areas and facilities, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and the right to file a mechanics liens or other similar lien by reason of labor performed or materials furnished is waived.

#### 12. OPERATING ENTITY

The operation of the condominium project shall be by an incorporated Association organized pursuant to Chapter 55 of the General Statutes of North Carolina.

A. Name: The name of the Association shall be:

THE PROVIDENCE CENTER OWNERS ASSOCIATION, INC.

B. Powers: The Association shall have all of the powers and duties set forth in the North Carolina Unit Ownership Act, except as limited by this Declaration and the By-Laws. The Association also shall have all of the powers and duties reasonably necessary to operate the condominium as set forth in this Declaration and the By-Laws as they now exist and as they may be amended from time to time. A copy of the Association's Charter is attached hereto as Exhibit "F", and a copy of the By-Laws is attached hereto as Exhibit "E", both of which are made a part hereof.

The Association's powers of maintenance, operation, administration, management, and care of the condominium property may be delegated to a Manager as provided for in Article 14 herein.

All other affairs of the Association shall be conducted by a Board of Directors who shall be designated in the manner provided in the By-Laws of the Association.

C. Members:

(1) Qualifications: The members of the Association shall consist of all of the record owners of units.

(2) Change of Membership: After receiving the approval of the Association where required, change of membership in the Association shall be established by recording in the public records of Orange County, North Carolina, a deed or other instrument establishing a record title to a unit or units in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be terminated thereby.

(3) Voting Rights: There shall be one person with respect to each unit ownership who shall be entitled to vote at any meeting of the unit owners. Such person shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of a group composed of all of the owners of a unit, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board of Directors of the death or judicially declared incompetence of any designator, or by written notice to the Board of Directors by the owner or owners. The total number of votes of all voting members shall be one hundred (100), and each owner or group of owners (including the Board of Directors, if said Board or its designee shall then hold title to one or more units) shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or their unit ownership as set forth in Exhibit "D" of this Declaration. The unit owner may vote on any matter by secret ballot upon motion duly made and seconded by any voting member.

(4) Approval or Disapproval of Matters: Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

(5) Designation of Voting Member: If a unit is owned by one person his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, or by a partnership, trust, or estate or is under lease, the person entitled to cast the vote for the unit shall be designated as the voting member of such unit by a certificate of appointment signed by all of the record owners of the unit or signed by the partnership, trustee, or other fiduciary and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated as the voting member of each unit by a certificate of appointment signed by the president, vice president or secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned.

(6) Restraint Upon Assignment of Shares in Assets: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

Any assessment for reserve or sinking funds for capital improvements or repairs shall be held by the Board of Directors for the purposes so designated and for no other purpose. In the event such purpose or contingency does not occur, said allocated funds shall be expended only for the general operation of the property and any excess assessments in any year shall be used to reduce the following year's assessments.

D. Indemnification of Directors: Every director and every officer of the Association who shall serve without compensation shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer at the time of the acts in question or at the time such expenses are incurred, except in such cases wherein the director or officer is guilty of willful misconduct or bad faith. The Board of Directors may obtain insurance covering individual directors and officers against personal loss to which this indemnity relates, and the cost of such insurance shall be a common expense. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

E. By-Laws: The By-Laws of the Association shall be in the form attached hereto as Exhibit "E" as amended from time to time.

F. Property in Trust: All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the By-Laws.

### 13. EXPENSES AND PROFITS

Expenses incurred by the Association on behalf of the Property shall be borne by the unit owners of the various units in the ratios specified in Exhibit "D". Common profits of the Property, if any, shall be distributed among the unit owners according to the ratios specified in Exhibit "D".

The common expenses and surpluses of the property shall be shared by the unit owners in the ratios specified in Exhibit "D" as amended from time to time.

### 14. MANAGEMENT AND MAINTENANCE

A. Manager: The Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the management company or manager by the Board of Directors, except such as are specifically required by this Declaration, the By-Laws, or the North Carolina Unit Ownership Act to have the approval of the Board of Directors or the Association. The management company or manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the Board of Directors, to make assessments for common expenses and to collect such assessments as provided in this Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Directors. The Association shall have no duty to maintain any common elements which are maintained by the Town of Chapel Hill, or any other governmental body or by any public utility company.

#### B. Owner's Maintenance:

(1) Each unit owner agrees as follows:

(a) To maintain in good condition and repair his unit and all interior surfaces within his unit (such as walls, ceilings, and floors) which are not common elements or exterior surfaces the maintenance of which shall be the responsibility of the Association and assessable to all the unit owners as common expense.

(b) Not to make or cause to be made any structural addition to the common elements without the prior written consent of the Association.

(c) To make no alteration, repair, replacement, or change of the common elements, or to any outside or exterior portion of the building, whether the same shall be within a unit or shall be part of the common elements, without the prior written consent of the Association.

(d) To obtain written permission from the Association before installing or hanging window treatments of any sort which may be visible from the outside of the condominium, including without limitation drapes, shades, blinds, and thermal or reflective film.

(e) To permit the Board of Directors or the Manager, or the agents or employees of the Association, to enter with notice at any reasonable hour of the day, for the purpose of maintenance, inspection, repair, replacement, or improvements within his unit or the common elements, or to determine in the case of emergency, the circumstances threatening any unit(s) or the common elements, or to determine compliance with the provisions of this Declaration, the By-Laws, or the Rules and Regulations promulgated thereunder.

(2) In the event a unit owner fails to maintain the unit as required herein or makes any structural addition or alteration to the common elements without the required written consent of the Board of Directors, or fails to permit entrance to the Board of Directors, the manager or the managing company as required above, the managing company or the manager on behalf of the Board of Directors or Association, or the Board of Directors on its own behalf, shall have the right to proceed either at law or in equity for whatever appropriate remedy the circumstances require. In lieu thereof and/or in addition to this remedy, the Association, through the Board of Directors, shall have the right and power to levy an assessment against the owner of the unit and the unit itself for such necessary sums to remove any unauthorized structure or alteration and to restore the property to its former condition. The Association and/or the Board of Directors on the Association's behalf, shall have the further right and power to have its employees or agents, or any subcontractor appointed by it, enter the unit at any and all reasonable times, to do such work as is deemed necessary by the Board of Directors to enforce compliance with the provisions hereof.

#### C. Limitation of Liability:

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

#### 15. ASSESSMENTS

The common expenses shall be assessed against each unit owner as provided for in Paragraph 13 above. Assessments which are unpaid for over thirty (30) days after due date shall bear the maximum interest allowed by law, (but not to exceed the monthly rate of one and one-half percent (1-1/2%) from the due date until such unpaid assessment is paid in full.

Unit owners shall be subject to assessment by the Board of Directors beginning with the earlier of the date they acquire title or the date they take actual possession of their unit. However, the Declarant shall not be liable for assessments until all the units contemplated by this Declaration have been sold or leased.

A. Any sum assessed remaining unpaid for more than thirty (30) days shall constitute a lien upon the delinquent unit or units when filed of record in the Office of the Clerk of Superior Court of Orange County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the Manager or the Board of Directors incident to the collection of such assessment or the enforcement of such lien. Upon the same being duly filed, such lien shall be prior to all liens except the following:

(1) Special assessments, liens and charges for real estate taxes due and unpaid on the unit made by a lawful governmental authority.



(ii) Any sums unpaid on the first deed of trust, first mortgage and other encumbrances duly of record against the unit prior to the docketing of the aforesaid lien.

(iii) Other liens granted priority by statutory authority.

B. Provided the same is duly filed in accordance with the provisions contained in Article 15(A) above, a lien created by non-payment of a unit owner's pro rata share of the common expenses may be foreclosed by suit by the manager or Board of Directors, acting on behalf of the Association, in like manner as a deed of trust or mortgage of real property. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit, if owner shall be required to pay a reasonable rental for the unit, if so provided in the By-Laws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver on behalf of the unit owners, shall have the power, unless prohibited by the Declaration, to bid in the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. Reasonable attorney fees, not to exceed five percent (5%) of the sale price, as permitted by the Clerk of Superior Court shall be charged as a part of the cost of any such foreclosure.

C. Where the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage, such purchaser, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit for the period prior to such foreclosure. Such unpaid share of common expenses or assessment shall be deemed to be common expenses collectible from all of the unit owners including such purchaser, his successors and assigns.

D. The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or Board of Directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessment in excess of the amount therein set forth.

#### 16. INSURANCE

A. Ownership of Policies: All insurance policies upon the condominium property shall be purchased by the Association or Manager for the benefit of the Association, the unit owners and their mortgagees, as their interest may appear. Provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Unit owners may, at their option, obtain additional insurance coverage at their own expense upon their own personal property, for their personal liability, business interruption and such other coverage as they may desire.

B. Coverage: All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, or by 90% co-insurance blanket coverage or by such other form of policy as the Board of Directors annually determines will most reasonably provide the funds necessary to repair or reconstruct the insured improvements. Such coverage shall afford protection against (1) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, (2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including, but not limited to vandalism and malicious mischief and (3) workmen's compensation insurance, if and to the extent required by law. The Board of Directors may, if it so elects, include in its insurance coverage for the benefit of the unit owners any or all of those items owned by the unit owners which would normally be deemed real estate under the laws of North Carolina,

including, without limitation, such items as sheetrock, non-load bearing walls, doors and built-in appliances. If such items are included in the insurance coverage, the extra cost of such coverage shall be borne by the unit owners in the same ratio that applies to other assessments.

C. Public Liability Insurance: To the extent possible, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring: Each member of the Board of Directors; the manager, if any; and each unit owner against any liability to the public or to the unit owners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the common elements. The insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another insured. It shall be the responsibility of each unit owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of his unit, and the Board of Directors shall not be responsible for obtaining such insurance. There shall also be obtained such other insurance coverage as the Board of Directors shall determine from time to time to be desirable and necessary.

D. Premiums: Premiums upon insurance policies purchased by the Association or Manager shall be paid by the Association and chargeable to the Association as a common expense.

E. Proceeds: All insurance policies purchased by the Association or Manager shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The Board of Directors of the Association is hereby irrevocably appointed Agent for each unit owner and his mortgagee, as their interests may appear, for the purpose of compromising and settling claims arising under insurance policies purchased by the Manager or Board of Directors for the benefit of the Association and the unit owners. The Board of Directors or its designee is hereby further empowered to execute and deliver releases to the insurance carrier upon the payment of claims. The Board of Directors' duty or its designee's duty upon receipt of such proceeds shall be to hold the same in trust for the purposes elsewhere stated herein or in the By-Laws for the benefit of the Association, the unit owners and their mortgagees, as their interests may appear.

(1) Proceeds on account of damage to common elements: (a) when the common elements are to be restored - for all the unit owners and the Association for the cost of such restoration; (b) when the common elements are not to be restored - undivided share for each unit owner, such share being the same as each unit owner's ratio as set forth in Exhibit "D".

(2) Proceeds on account of damage to units shall be held in the following undivided shares: (a) when the building is to be restored - for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Directors; (b) when the building is not to be restored - an undivided share for each unit owner, such share being the same as each unit owner's ratio as set forth in Exhibit "D".

(3) In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner, as their interests may appear.

G. Additional Coverage: Each individual unit owner shall be responsible for purchasing, at his own expense, including but not limited to liability insurance to cover accidents occurring within his own unit, coverage upon his own personal property, business interruption, fire and other hazard, mortgage insurance, and such other insurance as the unit owner deems necessary or desirable.

#### 17. DISTRIBUTION OF INSURANCE PROCEEDS

Proceeds of insurance policies shall be payable to The Providence Center Owners' Association, Inc., as insurance trustee and shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the Trust: All expenses of the insurance trustee shall be first paid or provisions made therefor.

B. Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as determined in Article 16 hereof. Any proceeds remaining after defraying such cost shall be distributed as surpluses to the beneficial owners of the damaged units pursuant to Article 13 hereof.

C. Failure to Reconstruct or Repair: If it is determined, as provided in Article 18 hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed as surpluses to the beneficial owners of the damaged units thereof pursuant to Article 13 hereof.

D. Mortgagees: In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

#### 18. DAMAGE AND DESTRUCTION

A. Determination to Reconstruct or Repair: If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(1) Common Element: If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

(2) Condominium Units:

(a) Partial destruction: If the damaged improvement is a condominium unit, and if termination as provided in subparagraph (b) below does not take place, the damaged property shall be reconstructed or repaired.

(b) Total destruction: If more than two-thirds (2/3) of the building containing the condominium units is destroyed and the owners of three-fourths (3/4) of the units in the entire condominium should determine not to proceed with repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina Statutes, and any amendments thereto, shall take place.

B. Plans and Specifications: Any restoration or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association and by the owners of all damaged units therein, which approvals shall not be unreasonably withheld.

C. Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

D. Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or upon comple-

tion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the unit owner's ratio as set forth in Exhibit "D".

#### 19. TRANSFER OF UNITS

##### A. Sale or Lease of Units:

(1) In the event that any unit owner desires to sell or lease his unit or any interest therein, and receives a bona fide satisfactory offer therefor, he shall, before accepting said satisfactory offer, submit to the Board of Directors in writing by registered mail, return receipt requested, the terms of said offer, the name(s) and address(es) of the offeror(s), the proposed use of the unit by the offeror(s), and an offer to sell or lease the unit to the Board at the same price and on the same terms. The Board of Directors only with the unanimous consent of all unit owners other than the conveying unit owner may accept said offer. The Board of Directors shall have a period of thirty (30) days after receipt of said written notice within which to exercise its right to accept such offer (after unanimous approval of the unit owners) and shall have an additional period of not less than thirty (30) days within which to close the said transaction. The Board of Directors may elect to purchase or lease such unit on behalf of all of the remaining unit owners as a group or, if the remaining unit owners as a group do not wish to so acquire such unit, then said unit may be purchased or leased by the Board of Directors on behalf of any one or more individual unit owners. In the event the Board of Directors shall elect to accept the offer on behalf of the remaining unit owners, the cost thereof shall be shared by the remaining unit owners in the same proportion as common expenses; any profit or loss realized upon the sale or lease by the Board of a unit so acquired shall likewise be shared, pursuant to Article 13 hereof, by the remaining unit owners. In the event that the Board of Directors shall elect to acquire an offered unit on behalf of any one or more individual unit owners, then the cost thereof shall be shared by such acquiring unit owners in such proportion as they shall agree upon.

(2) In the event that the Board of Directors fails to exercise its right to purchase or lease said unit, then the unit owner shall submit to the Declarant in writing by registered mail, return receipt requested, the terms of said bona fide satisfactory offer, the name(s) and address(es) of the offeror, the proposed use of the unit by the offeror(s), and an offer to convey or lease the unit to the Declarant at the same price and terms. The Declarant shall have a period of ten (10) days after receipt of said written notice within which to exercise its right to acquire or lease said unit and shall have an additional period of not less than twenty (20) days within which to close the transaction. Should the Declarant fail or refuse within the said ten (10) day period to exercise its option to acquire the unit at the offered price and terms, then the unit owner shall have the right to convey or lease said unit to the offeror whose identity was revealed to the Declarant in said written notice, provided, however, that any such conveyance or lease shall be subject to all the terms, covenants, limitations, and provisions of this Declaration and By-Laws of the Association. The right given to the Declarant in this subparagraph to purchase or lease a unit shall only continue for a period of five (5) years from the date of recordation of this agreement, in the Office of the Register of Deeds, of Orange County, North Carolina, at which time this right shall terminate and become null and void as to the Declarant.

(3) The Declarant and the Board of Directors upon the request of a conveying unit owner, shall, where applicable, execute in recordable form, instruments indicating compliance with the terms and provisions of this Declaration.

(4) No unit owner may mortgage his unit or any interest therein without the approval of the Board of Directors except as to a first mortgage lien made to a bank, life insurance company, or savings and loan association. The Board may, and it is hereby authorized to impose reasonable conditions upon which approval as to any other mortgage shall be given. Each unit owner who shall mortgage or otherwise encumber his unit or any interest therein shall furnish to the Board of Directors a copy of all such mortgages, deeds of trust, or other instruments creating such encumbrance.

B. Gift or Devise of Interest: Any owner may give, exchange, devise or bequeath his interest in his unit to his spouse, his parents, or to any lineal descendants, including adopted children, without the prior written consent of the Board or the Declarant. In the event that any owner of a unit or interest therein shall desire to give, devise, or bequeath any interest in a unit to a person other than the persons hereinabove specifically enumerated or should any person other than the above be entitled to take the property by gift, devise, inheritance, or by operation of law, then such transfer shall, for purposes of this Declaration, be treated as a sale and shall be subject to the provisions of subparagraphs A(1) through A(3) above. The price for which the interest in the unit shall be transferred, shall be such as shall be agreed upon by the transferring owner and the Board or the Declarant. In the event such owner and the Declarant or the Board are unable to agree upon a mutually satisfactory price, then the owner (or the personal representative of a deceased owner, as applicable) shall appoint one appraiser, the Board of Directors or the Declarant, whichever is acquiring an interest in the unit, shall appoint one appraiser, and each of these appraisers shall appoint a third; any decision of the majority of said appraisers as to the value of such property involved shall be conclusive and binding upon all parties for the purposes of this agreement. Transfer and payment for such property shall be made on such terms and conditions (including terms of payment) as the parties or their appraisers shall agree upon, but if they are unable to agree, then the transfer shall be made no later than ninety (90) days from receipt of the notice and payment shall be made by cash or certified check at that time.

C. Other Transfers and Unauthorized Transactions:

(1) If any unit owner shall acquire his title by any manner in contravention of the above or in any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his unit shall be subject to the right of purchase of said unit by the Board and/or the Declarant. Should the Board and/or the Declarant elect to purchase any unit so acquired, the purchase price shall be that as shall be agreed upon between the Board of Directors and/or the Declarant, and the unit owner. In the event the unit owner and the Board of Directors and/or the Declarant are unable to agree to a purchase price of the unit, the unit owner shall appoint one appraiser, the Board or the Declarant, whichever is acquiring an interest in the unit, one appraiser, and each of these appraisers shall appoint a third; any decision of the majority of said appraisers as to the value of said unit shall be conclusive and binding upon all parties for the purposes of this agreement. Transfer and payment for such property shall be made upon such terms and conditions, including terms of payment, as the parties or their appraisers shall agree, but if they are unable to agree, then the transfer shall be made no later than ninety (90) days from receipt of the notice and payment shall be made by cash or certified check at that time.

(2) Any sale, mortgage, or lease which is not authorized pursuant to the terms of this Declaration shall be voidable unless subsequently approved by the Board of Directors.

(3) Notwithstanding the foregoing to the contrary, the terms of this Article 19 shall not apply to the Declarant, nor to any sale, lease or transfer of a unit to another unit owner.

20. USE RESTRICTIONS

A. The Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and

enjoyment of the common elements. Such rules and regulations, along with all policy resolutions and decisions made by the Association, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the unit owners and available to them for inspection during normal business hours.

B. Use of Property. Each unit, with the common elements and the limited common areas and facilities shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the By-Laws:

(1) The building, each of the units and the limited common areas and facilities shall be used for general office and institutional purposes. Each unit shall be used as an office and for no other purpose, except that the Declarant may use one or more units for offices and/or model units for sales purposes. As used herein, the term "general office and institutional purposes" shall include, but not be specifically limited to the following specified uses: governmental agencies and subdivisions thereof, office and studios of professional and service occupations, including but not limited to, accountant, architect, artist, banker, broker, dentist, engineer, landscape architect, lawyer, physicians, osteopath, optometrist, secretarial agency, publicity or advertising agency, finance agency, insurance agency, investment agency, travel agency, bonding agency, mortgage agency, but excluding any use which includes chiropractics, veterinary medicine, acupuncture, abortion of human fetuses, or postal or package services.

(2) Nothing shall be kept and no activity shall be carried on in any building or unit or on the common elements which will increase the rate of insurance, applicable to general office and institutional use, for the Property or the contents thereof. No unit owner shall do or keep anything, or cause or allow anything to be done or kept, in his unit or on the common elements which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any law, ordinance or regulation. No waste shall be committed on any portion of the common elements.

(3) No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, order, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the unit owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(4) Nothing shall be done in or to any unit or in, to, or upon any of the common elements which will impair the structural integrity of any building, unit, or portion of the common elements or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this Declaration.

(5) No owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any unit, building, or any portion of the common elements, except as allowed by the Association pursuant to its By-Laws and as required by the Code of the Town of Chapel Hill; provided, however, that the Declarant, unit owner, builders, realtors and any mortgagee who may become the owner of any unit, or their respective agents, may place "For Sale" or "For Rent" signs on any unit. Provided, however, that during the development of the Property and the marketing of units, the Declarant, builders and realtors may maintain an office and may erect and display such signs as the Declarant deems appropriate as aids to such development and marketing, provided that such signs do not violate any applicable laws.

(6) Without the prior written permission of the Association, no owner shall install, hang or cause to be installed or hung, any window treatment of any sort which shall be visible from the outside of the condominium, including without limitation, drapes, blinds, shades, and thermal or reflective film. The purpose of this restriction is to promote an harmonious exterior appearance of the building.

(7) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the common elements except at the direction or with the express written consent of the Association, or unless permitted in this Declaration or the By-Laws.

(8) The units and common elements shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the units, subject to any rules or regulations that may be adopted by the Association pursuant to its Bylaws.

(9) In addition to the restrictions contained in subparagraph (5) above, the unit owners shall each be obligated to obtain and maintain at their expense, uniform signs for their exterior doors, which signs, and the criteria therefor, shall be adopted by the Association pursuant to its By-Laws.

(10) The units and the common elements are further subject to restrictions recorded in Book 361, Page 145, Orange County Registry, N.C.

C. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or may become a nuisance or annoyance to owners, their employees, agents and invitees within the Property.

D. Breach of Restrictions: In the event of a violation or breach of any of the restrictions contained in this Declaration or of any other covenants contained in this Declaration, the By-Laws or Rules and Regulations of the Association by any unit owner, tenant, or agent of such owner, or any of them, jointly or severally, the Association shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach of this Declaration, the By-Laws or Rules and Regulations of the Association. In addition to the foregoing, the Board of Directors shall have the right whenever there shall have been any violation of these restrictions, to enter upon the property where such violation exists, and summarily abate or remove the same at the expense of the unit owner, if after thirty (30) days' written notice of such violation it shall not have been corrected by the unit owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or conditions in this Declaration, the By-Laws, or Rules and Regulations however long continued, shall not be deemed a waiver of the right to do so thereafter, as to the same breach or as to breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. The invalidation by any court of any restrictions in this Declaration, the By-Laws or rules and regulations shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

#### 21. UTILITY CHARGES

Electricity shall be supplied to each unit through a separate meter serving only that unit, and the cost of such electricity shall be borne by the respective unit owners. Water may be supplied to all units and to the common areas and facilities through a master water meter, and the unit owners shall pay to the Association, as common expenses, all charges for sewer and water consumed on the property, including water and sewer charges applicable to the separate units. Provided, however, the Association shall have the right to place a meter on the water line serving any unit to measure the water consumed by such unit, and the Association may assess the respective unit owner for the cost of water and sewer in excess of the unit's proportionate usage. The cost of electricity, water and sewer for the common areas and facilities shall be paid by the unit owners as a common expense.

#### 22. UNITS SUBJECT TO DECLARATION

All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the By-Laws and any Rules and Regulations of the Providence Center Owners Association, Inc., as said Declaration, By-Laws, Rules and Regulations may be amended from time to time. The acceptance of a deed, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-Laws, and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken

to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed or conveyance or lease.

### 23. AMENDMENT OF DECLARATION

A. This Declaration may be amended by the vote of at least 66-2/3% of the undivided interests of all unit owners in the common elements as set forth in Exhibit "D", cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. Such amendment shall be executed in the name of the Association named in the By-Laws attached hereto by the President (or Vice-President) and by the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Orange County. No such amendment shall be effective until recorded in the Office of the Register of Deeds for the county wherein the property, the subject of this Declaration, is located.

B. The Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend this Declaration without the consent of the owners:

(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 Property or to qualify the Property 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 government corporation or agency regarding purchase or mortgage interests in units by such agency.

(3) To designate a new agent to receive service of process.

### 24. WAIVER

No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

### 25. CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

### 26. LIMITATION OF LIABILITY

A. Limitation upon Liability of Association: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or by the elements or other owners or persons.

B. Property in Trust: All funds and the titles of all properties acquired by the Association and the net proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the By-Laws of the Association.

### 27. EMINENT DOMAIN

In the event of a taking by eminent domain (or condemnation or a conveyance in lieu of condemnation) or part or all of the common elements, the award for such taking shall be payable to the Association, which shall represent the owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement or improvement of the remaining common elements, if only part are taken. If all or more than two-thirds (2/3) of all of the general common elements are taken, it shall be deemed a destruction of more than two-thirds (2/3) of all of the general common elements and the condominium regime shall be ter-



minated as hereinbefore provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In the event of a taking of all or part of a unit, the award shall be made payable to the owner of such unit and his mortgagee, if any, as their interests may appear.

#### 28. MISCELLANEOUS

A. Encroachments: The owners of the respective condominium units agree that if any portion of a condominium unit or common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed and then re-built, the owners of the condominium units agree that encroachments on parts of the common elements or limited common elements or condominium units, as described herein, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

B. Exemption from Liability: No owner of a condominium unit may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his condominium unit.

C. Merger of Units: Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the Board of Directors of the Association from removing or authorizing the removal of any party wall between any condominium units in order that the said units might be used together as one condominium unit. In such event, all assessments, voting rights, and the share of common elements shall be calculated as if such units were originally designated on the Exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such combined units shall be treated as the unit owner of as many units as have been so combined. No unit at any time may contain less than 500 square feet; provided, however, a prorata share of the area within any limited common areas and facilities serving the unit shall be taken into account in determining the square footage which the unit contains.

D. Construction: Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of condominium property.

E. Warranties and Representations: The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

F. Controlling: This Declaration and Exhibits attached hereto and Amendments hereof, shall be construed and controlled by and under the laws of the State of North Carolina.

G. Covenants: All provisions of this Declaration and Exhibits attached hereto and amendments hereof, shall be construed to be covenants running with the land, and of every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto, including the common elements and every unit owner and claimant of the property or any part thereof, or of any interest therein, and his heirs, executors, administrators, tenant, successors, and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and Amendments thereof.

H. Invalidation: If any provision of this Declaration, By-Laws and the Exhibits attached hereto, the Amendments hereof, or of the Unit Ownership Act Chapter 47(A) of the General Statutes, or any section,

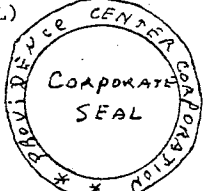
sentence, clause, phrase, or word, or the application thereof, in any circumstances is held invalid, the validity of the remainder of this Declaration, By-Laws, the Exhibits attached hereto, the Amendments hereof, or the Unit Ownership Act, shall not be affected thereby.

I. Consent to Declaration. Central Carolina Bank and Trust Company, National Association, and Guaranty State Bank, Trustee, join in the execution of the Declaration for the purposes of consenting to the covenants contained herein and of subordinating to this Declaration their right, title and interest under that certain deed of trust recorded in Book 486, Page 474, Orange County Registry, N.C.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be signed in their corporate names by their duly authorized officers and their corporate seals to be hereunto affixed and attested by authority of their respective Board of Directors, the day and year first above written.

ATTEST: Bryan Adams  
Secretary

(CORPORATE SEAL)



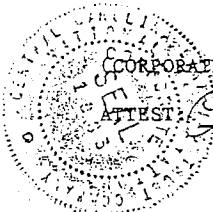
PROVIDENCE CENTER CORPORATION,  
a North Carolina corporation

By: Michael Adams  
President

CENTRAL CAROLINA BANK AND TRUST  
COMPANY, NATIONAL ASSOCIATION

ATTEST: Jean R Chamberlain  
Asst. Secretary

(CORPORATE SEAL)



By: Jean R Chamberlain  
Asst. Vice President

GUARANTY STATE BANK, Trustee

ATTEST: J. E. Curran  
Secretary

(CORPORATE SEAL)



By: J. E. Curran  
President

NORTH CAROLINA, Orange County

I, the undersigned Notary Public, do hereby certify that Bryan D. Adams, personally appeared before me this day and acknowledged that she is Asst Secretary of PROVIDENCE CENTER CORPORATION, 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 her as its Secretary.

WITNESS my hand and notarial seal, this 2nd day of August, 1985.

My commission expires: 10/19/87

B. M. Michael Pyle  
Notary Public

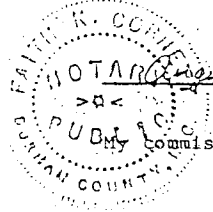
NORTH CAROLINA, Durham County

I, the undersigned Notary Public, do hereby certify that Louanna R. Chamberlain, personally appeared before me this day and acknowledged that she is Asst Secretary of CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its Asst. Vice President, sealed with its corporate seal and attested by herself as its Asst. Secretary.

WITNESS my hand and notarial seal, this 2nd day of August, 1985.

My commission expires: 4-12-86

Faith K. Cornett  
Notary Public

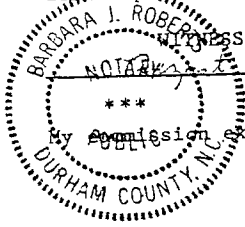


NORTH CAROLINA

BOOK 528 PAGE 288

Durham COUNTY

I, the undersigned Notary Public, do hereby certify that D.G. Ford, personally appeared before me this day and acknowledged that he is Asst. Secretary of GUARANTY STATE BANK, a corporation, Trustee, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by D.G. Ford as its Asst. Secretary.



WITNESS my hand and notarial seal, this 2<sup>nd</sup> day of \_\_\_\_\_, 1985.

Barbara Roberts  
Notary Public

NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate(s) of R. Michael Pipkin, Faith K. Cornett and Barbara J. Roberts,

~~Notary~~ (Notaries) Public of the designated Governmental units ~~are~~ certified to be correct. Filed for registration this the 6th day of August, 1985, at 10:43 o'clock, A.M.

in Record Book 528 Page 268

Return: \_\_\_\_\_

Betty June Hayes, Register of Deeds  
By: Geraldine H. Weather  
Assistant ~~Notary~~  
Register of Deeds

EXHIBIT A

PROVIDENCE CENTER CONDOMINIUMS  
LEGAL DESCRIPTION

That certain parcel or tract of land lying near the Town of Chapel Hill, Orange County, North Carolina, and more particularly described as follows:

BEING all of Lot 13, Eastowne Hills Subdivision as shown on a map prepared by Al Prince & Associates, P.A., dated March, 1981 and recorded in Book of Maps 33, Page 113, Orange County Registry, North Carolina, also as shown in Book of Maps 37, Page 163, Orange County Registry, North Carolina.

EXHIBIT B

PROVIDENCE CENTER CONDOMINIUM  
DESCRIPTION OF BUILDING

The Providence Center Condominium consists of a 12,000 square foot multi-story building located in Eastowne Office Park in the Town of Chapel Hill, Orange County, North Carolina. The building contains two modules, one being three stories in height and the other being two stories in height. The building consists of a base floor wall of brick and masonry units with structural steel columns and beams. The upper floors are of 24" deep wood trusses supported by the base walls. The upper floors exteriors are of 2" x 4" studs with 6" of rigid insulation with an exterior finish of synthetic plaster. The roof is a heavy fiberglass shingle of the "wood shake" look over 3/4" tongue and groove plywood. Windows are of bronze metal thermally-broken frames with insulating tinted glass. The building is served by a stair at each end of a connecting court as well as by a ramp design to allow handicapped access. The parking is in close proximity to the building and provides above average number of spaces. The site is heavily landscaped and well lit. Architecturally, the building is a contemporary high-tech design situated to take advantage of its corner lot location.

EXHIBIT CPROVIDENCE CENTER CONDOMINIUM  
ARCHITECTURAL PLANS

The Architectural Plans are entitled "As Built Plan, The Providence Center Condominium, Town of Chapel Hill, Orange Co., N.C." dated July 30, 1985 and prepared by Philip Post & Associates, and are filed pursuant to North Carolina General Statutes § 47A-15 in the Orange County Registry, which plans as filed are incorporated herein by reference. Such Architectural Plans consist of the following:

<u>SHEET NO.</u>	<u>DESCRIPTION</u>
1	Site Plan
2	Floor Plan
3	Exterior Elevations

EXHIBIT D

PROVIDENCE CENTER CONDOMINIUM  
PERCENTAGE UNDIVIDED INTERESTS

Each unit shall have the percentage undivided interest in the common areas and facilities as set forth below:

<u>UNIT NO.</u>	<u>PERCENTAGE UNDIVIDED INTEREST</u>
100 A	9.22%
100 B	10.09%
200 A	10.81%
200 B	8.86%
200 C	8.88%
200 D	8.92%
300 A	5.20%
300 B	17.40%
300 C	4.74%
300 D	<u>15.88%</u>
	100.00%