

FILED Joyce H. Pearson
Register of Deeds Orange COUNTY, NC
BY: Deputy *Linda Perkins*

FOR MULTIPLE PIN SHEET
SEE BOOK 3481 PAGE 480

DECLARATION OF CONDOMINIUM
OF
VILLAGE OFFICE PARK CONDOMINIUM

Prepared by & Return to: Guido De Maere, P.A., P.O. Box 3591, Chapel Hill, NC 27515

This 7th day of June, 2004, F. Richard Matthews, Jr. and Venture Equities, Inc., a North Carolina corporation (hereinafter jointly called "Declarant") do hereby make, declare and establish this Declaration of Condominium as and for the plat of ownership of VILLAGE OFFICE PARK CONDOMINIUM, being the property and improvements hereinafter described.

1. ESTABLISHMENT OF CONDOMINIUM.

Declarant is the owner of the fee simple title to that certain real property situate in Chapel Hill Township, Orange County, North Carolina, and which property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and on which property there is located a 13,894 square foot office building containing nine (9) Units. Declarant does hereby submit the above-described property and improvements to condominium ownership under the provisions of Chapter 47C of the General Statutes of North Carolina (North Carolina Condominium Act) and hereby declares the same to be a condominium to be known as VILLAGE OFFICE PARK CONDOMINIUM (hereinafter called "Condominium").

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS.

Filed simultaneously herewith in Plat Book 94 at Page(s) 124 through 128 inclusive (herein "Unit Ownership File"), and expressly made a part hereof, is a survey of the land and graphic descriptions and plans of the improvements constituting the Condominium identifying the Units, Common Areas as said terms are hereinafter defined, and their respective locations and approximate dimensions. Each Unit is identified by specific designation in said Unit Ownership File, and no Unit bears the same description as any other Unit. For certification pursuant to NCGS 47C-2-101, see Exhibit B attached hereto and incorporated herein by reference.

3. DEFINITIONS.

The Condominium consists of Units, Common Areas as said terms are hereinafter

defined.

- A. "Association of Unit Owners" shall mean all of the Unit Owners acting as a group in accordance with this Declaration and the Bylaws, a copy of the initial Bylaws being attached hereto as Exhibit C.
- B. "Building" shall mean the building, containing nine (9) Units.
- C. "Common Areas" unless otherwise provided in this Declaration or lawful amendments thereto, means and includes:
- (1) The land on which the Building stands and such other land and improvements thereon as may be specifically included in this Declaration, except any portion thereof included in a Unit;
 - (2) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, elevator(s), fire escapes, and entrances and exits of the building, together with all walls which are part of design of the building as shown in the Unit Ownership File;
 - (3) The yards and parking areas;
 - (4) Installations of services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and sewer serving more than one Unit but excluding such services serving only one Unit;
 - (5) The tanks, pumps, motors, fans, compressors, ducts, and in general, all apparatus and installations existing for common use;
 - (6) Such community and commercial facilities as may be provided for in this Declaration; and
 - (7) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; including driveways and roads unless otherwise designated on the recorded plat.
 - (8) So-called "Limited Common Areas" which shall be those Common Areas defined in C(1) through C(7) above which benefit or exclusively serve some but not all Units.
- D. "Common Expenses," unless otherwise provided in this Declaration or lawful amendments thereto, means and includes:
- (1) All sums lawfully assessed against the Unit Owners by the Association (as defined in Section 11. below);
 - (2) Expenses of administration, maintenance, repair or replacement of the Common Areas;
 - (3) Expenses agreed upon as common expenses by the Association;
 - (4) Premiums for hazard and liability insurance for the condominium project and

fidelity bond coverage on the officers of the Association.

- E. "Common Profits" shall mean the balance of all income, rents, profits and revenues from the Common Areas remaining after the deductions of the common expenses.
- F. "Condominium" means the ownership of single units in a multi-unit structure with Common Areas.
- G. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the aggregate interest in the Common Areas as established by this Declaration assembled at a duly called meeting of the Unit Owners.
- H. "Person" shall mean individual, corporation, partnership, association, trustee or other legal entity.
- I. "Property" shall mean and includes the land, the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been or are intended to be submitted to the provisions of this Declaration.
- J. "Unit" or "Condominium Unit" shall mean an enclosed space consisting of one floor and shall include such accessory spaces and areas as may be described in this Declaration. Each unit is bounded by the walls, floors, and ceilings of each individual unit as designated on the plat or plats hereinafter referred to, and all lath, furring, wallboard, plasterboard, plaster, panelling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit; and all other portions of such walls, floors or ceilings are a part of the Common Areas set forth in Paragraph C above. Provided that, in the event that, at any time, there is no wall at the location where the plans filed herewith show a line dividing adjoining Units located on the same floor of the Building, the vertical plane represented by such line shall be the boundary between such adjoining Units; provided further that, in the event that, at any time, there is no floor or ceiling at the location where the plans filed herewith indicate such floor and ceiling separating adjoining Units located on different floors of the Building, the horizontal plane located equidistant between the floor and ceiling represented by such plans shall be the boundary between such adjoining Units. Any Unit Owner may install a back-up power generation system serving such Unit Owner's Unit(s), provided such system may be installed only with prior written approval of the Association of Unit Owners, which approval shall be only pursuant to an overall plan submitted by the Unit Owner to and approved by such association in its sole discretion and providing all the specifics for the possibility of providing such back-up power generation for all Units so that any Unit Owner can install such system for his respective Unit, if and when desirable, but pursuant to such uniform plan; any system so installed by a Unit Owner shall be considered part of the Unit it serves.
- K. "Unit Designation" shall mean the letter designating the Unit in this Declaration.
- L. "Unit Owner" shall mean a person, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a Unit within the building.

4. NATURE AND INCIDENTS OF UNIT OWNERSHIP.

Unit ownership as created and defined in this Declaration shall vest in the holder exclusive ownership and possession with all the incidents of real property. A Unit in the building may be individually conveyed, leased and encumbered and may be inherited or devised by will, as if it were solely and entirely independent of the other Units in the building of which it forms a part. Such a unit may be held and owned by more than one person either as tenants in common or tenants by the entirety or in any other manner recognized under the laws of this State.

5. UNDIVIDED INTERESTS IN COMMON AREAS.

- A. Each Unit Owner shall be entitled to an undivided interest in the Common Areas in the ratio expressed in this Declaration. Such ratio shall be in the approximate relation that the fair market value of the unit at the date of this Declaration bears to the then aggregate fair market value of all the units having an interest in said Common Areas.
- B. The ratio of the undivided interest of such Unit Owner in the Common Areas as expressed in this Declaration shall have a permanent character and shall not be altered except with the unanimous consent of all Unit Owners expressed in an amended declaration duly recorded.
- C. The undivided interest appurtenant to each unit in VILLAGE OFFICE PARK CONDOMINIUM shall be as follows:

<u>Unit Designation</u>	<u>Square Footage of Unit</u>	<u>% Undivided Interest</u>
BL-1	1,322	9.52%
BL-2	1,264	9.10%
A-1	1,433	10.31%
A-2	1,562	11.24%
B-1	2,659	19.13%
A-3	1,496	10.77%
A-4	1,241	8.93%
B-2	1,233	8.88%
B-3	1,684	12.12%

The undivided interest in the Common Area that is appurtenant to each unit has been determined by the ratio of the approximate fair market value of each unit to the aggregate approximate fair market value of all of the units having an undivided interest in the Common Area at the date of this Declaration (or of any supplements or amendments hereto which affect undivided interests in Common Areas).

6. RESTRICTIONS AGAINST FURTHER SUBDIVISION OF UNITS:
SEPARATE CONVEYANCE OF APPURTENANT COMMON AREAS
PROHIBITED.

No Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File nor shall any Unit or portion thereof be added to or incorporated into any other Unit. The undivided interest in the Common Areas declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and the undivided interest in Common Areas appurtenant to each Unit shall be deemed conveyed devised, encumbered or otherwise included with the Unit even though such undivided interest with the Unit is not expressly mentioned or described in the instrument

conveying, devising encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a Unit shall be null and void insofar as it purports to affect any interest in a Unit and its appurtenant undivided interest in Common Areas, unless it purports to convey, devise or encumber the entire Unit, except that easement(s) and/or lease(s) may be granted for part(s) of a Unit, provided any such easement(s) shall only be allowed if it is for the benefit of one or more other Unit(s) within the VILLAGE OFFICE PARK CONDOMINIUM. Any legal instrument which described a Unit by the designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Unit and its appurtenant undivided Common Areas, unless otherwise specifically stated. No limitation is placed on the ownership of any Unit by any person as tenants in common, joint tenants, tenants by the entirety, or by any other legal entity.

7. THE CONDOMINIUM SUBJECT TO RESTRICTIONS.

The Units and Common Areas are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said Units and Common Areas and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Areas, and said Units and Common Areas are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Property.

8. PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON AREAS.

The Common Areas are hereby declared to be subject to a perpetual non-exclusive easement in favor of all Unit Owners for their use and the use of their guests and invitees, for all proper purposes and for the furnishing of services and facilities for which they are intended, and for the enjoyment of the Unit Owners. Notwithstanding the foregoing, the Association hereinafter defined shall have the exclusive right to establish the rules and regulations pursuant to which any Unit Owner, his family, guest and invitees, may be entitled to use the Common Areas, including the right to assign parking spaces, and to establish the regulations concerning their use. The respective Unit Owners shall be responsible for all acts of their guests, invitees or lessees in connection with the provisions of this Declaration.

9. EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS.

In the event that any Unit or any of its appurtenant improvements shall encroach upon any Common Areas, or upon any other Unit, then an easement appurtenant to such encroaching Unit shall exist for the continuance of such encroachment upon the Common Areas or upon the other Unit for as long as such encroachment shall naturally exist; and, in the event that any portion of the Common Areas shall encroach upon any Unit, then an easement shall exist for the continuance of such encroachment of the Common Areas upon such Unit for so long as such encroachment shall naturally exist. If any Unit or Common Areas 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 and/or Common Areas in accordance with Paragraph 22 hereof, there exist encroachments of portions of the Common Areas upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Areas, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

10. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON

AREAS.

Recognizing that the proper use of a Unit by a Unit Owner or Owners is dependent upon the use and enjoyment of the Common Areas in common with all other Unit Owners and that it is in the interest of all Owners that the ownership of the Common Areas be retained in common by the Unit Owners, it is hereby declared that the proportional undivided interest in the Common Areas appurtenant to each Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division, unless and until the Condominium is terminated in accordance with North Carolina law.

11. ADMINISTRATION OF THE CONDOMINIUM BY VILLAGE OFFICE PARK CONDOMINIUM OWNERS ASSOCIATION.

To efficiently and effectively provide for the administration of the Condominium by the Unit Owners, a non-profit North Carolina corporation known and designated as VILLAGE OFFICE PARK CONDOMINIUM OWNERS ASSOCIATION, INC. (hereinafter called "Association") has been organized and said corporation shall administer the operation and management of the Property and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. Each Unit Owner shall automatically become a member of the Association upon acquiring an ownership interest in title to any Unit and its appurtenant undivided interest in Common Areas; such membership shall terminate automatically upon the Unit Owner or Owners being divested of such ownership interest in the title to such Unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage, or other encumbrance upon any Unit shall be entitled by virtue of such lien, mortgage, or other encumbrance, to membership in the Association or to any of the rights or privileges of such ownership. In the administration of the operation and management of the Property, the Association is hereby granted the authority and power to enforce the provisions of this Declaration; to levy and to collect assessments in the manner hereinafter provided; and to adopt, promulgate and enforce such rules and regulations governing the use of the Units and Common Areas, as the Board of Directors may deem to be in its best interest.

12. OFFICE USE RESTRICTIONS APPLICABLE TO UNITS.

Each Unit is hereby restricted to office use. Any lease agreement for a Unit or part thereof shall be in writing and must provide that it shall be subject to the provisions of this Declaration, and that any failure by the Lessee to comply with the terms hereof shall be a default under the Lease.

13. USE OF COMMON AREAS SUBJECT TO RULES OF ASSOCIATION.

The use of all Common Areas by the Unit Owners, and all other parties authorized to use the same, shall be subject to such rules and regulations as may be prescribed and established by the Association, which may be enforced by monetary fines in such amounts as the Association, in its sole discretion, decides.

14. THE PROPERTY TO BE USED FOR LAWFUL PURPOSES: RESTRICTIONS AGAINST NUISANCES.

No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Areas, and all laws, zoning ordinances and regulations of all governmental

authorities having jurisdiction of the Property shall be observed. No Unit Owner shall permit anything to be done or kept in his Unit, or on the Common Areas, which will increase the rate of insurance on the Property, or which will interfere with the rights of other occupants of the Property, or annoy them by unreasonable noises, nor shall any Unit Owner undertake any use which shall constitute a nuisance to any other Unit Owner, or which interferes with the peaceful possession and proper use of any other Unit or the Common Areas.

15. RIGHT OF ENTRY INTO UNITS IN EMERGENCIES AND FOR MAINTENANCE OF COMMON AREAS.

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

Whenever it may be necessary to enter any Unit in order to perform any maintenance, alteration or repair to any portion of the Common Areas, each Unit Owner shall permit representatives or agents of the Association to enter such Unit for such purposes, provided that the entry shall be made only at reasonable times and with reasonable advance notice.

16. LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY UNITS: NO RIGHT TO ALTER COMMON AREAS.

No Unit Owner shall permit any structural modifications or alterations to be made to such Unit without first obtaining the written consent of the Association which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Property in part or in its entirety. No Unit Owner shall cause any improvements or changes to be made on the exterior of the Property (including any improvements or changes which exist at the time of the filing of this Declaration, and also including painting or other decoration, or the installation of electrical wiring, television or radio antennae, including dish antennae, chimneys, solar devices or solar collection devices, or any other objects or machines which may protrude through the walls, windows or roof of the Property, or in any manner alter the appearance of the exterior portion of the building without the written consent of the Association being first obtained. No Unit Owner shall cause any object to be fixed to the Common Areas (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 Areas without the written consent of the Association being first obtained. No Unit Owner shall install any wood or coal burning stove.

17. RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON AREAS AND COLLECT ASSESSMENTS THEREFOR.

The Association shall have the right to make such alterations or improvements to the Common Areas which do not prejudice the rights of any Unit Owner in the use and enjoyment of his Unit, providing the making of such alterations or improvements are approved by the Board of Directors of the Association, and their costs shall be Common Expenses to be assessed and collected from all the Unit Owners. However, where any alterations or improvements are exclusively or substantially for the benefit of the Unit Owner or Owners requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Unit Owner or Owners exclusively or substantially benefited and the assessment shall be levied in such proportion as may be determined by the Board of

Directors of the Association.

18. MAINTENANCE AND REPAIR BY OWNERS OF UNITS.

Every Unit Owner shall promptly perform all maintenance and repair work in and out of his Unit, which, if omitted, would affect the Property either in its entirety or in any part belonging to other Unit Owners, every Unit Owner being expressly responsible for the damages and liability which his failure to do so may engender. Each Unit Owner shall be liable and responsible for the maintenance, repair and replacement of heating and air-conditioning equipment, fans or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, back-up power, telephone, gas, sewage and sanitary service to his Unit. Such Unit Owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of all walls, ceilings and floors within his Unit including painting, decorating and furnishings and all other accessories which such Unit Owner may desire to plan or maintain in his Unit. Unit Owners shall be responsible for maintenance of any improvements in the Common Areas adjacent to their Unit, to include but not be limited to patios, porches, and fences. The Board of Directors shall set maintenance standards, and in the event any individual Unit Owner fails to properly maintain the improvements in accordance with such standards, the Board of Directors shall give the Unit Owner written notice of its maintenance requirements and thirty (30) days to meet these requirements. Upon a Unit Owner's failure to meet these requirements within the time allowed, the Board of Directors shall cause the maintenance to be done and shall add such costs to the Unit Owner's next monthly assessment after such maintenance is completed. The Association shall have all rights to collect these sums in accordance with Paragraph 24 of this Declaration. Whenever the maintenance, repair and replacement of any item which the Unit Owner 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 shall be used for the purpose of making such maintenance, repair or replacement except that such Unit Owner shall, in said instance, be required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. All doors, window frames, panes and screens are a part of the respective Units and shall be maintained by the respective Unit Owners, save and except exterior painting.

19. MAINTENANCE AND REPAIR OF COMMON AREAS BY THE ASSOCIATION.

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Areas, including those portions thereof which contribute to the access (including any access bridge) and/or support of the buildings and conduits, ducts, plumbing, gas, water lines outside the dedicated street right of way, wiring and other facilities located in the Common Areas for the furnishing of utilities and other services to the Units and said Common Areas, and should any incidental damage be caused to any Unit by virtue of any work which may be done by the Association in the maintenance, repair or replacement of any Common Areas, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair as its expense is occasioned by any act of a Unit Owner, his immediate family, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, then and in that event the proceeds from such insurance 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 family, guests or invitees) shall be required to pay such portion of the costs as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

20. INSURANCE AND AUTHORITY TO PURCHASE INSURANCE.

Insurance policies upon the Property (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association as Trustees for the Unit Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives his rights of subrogation as to any claims against Unit Owners, the Association and their respective servants, agents, and guests. In addition, each Unit Owner shall obtain insurance, at his own expense, affording coverage upon his Unit, his personal property including any built-in appliances not covered under the master policy maintained by the Association, 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 referred to above if available.

21. INSURANCE COVERAGE TO BE MAINTAINED: USE AND DISTRIBUTION OF INSURANCE PROCEEDS.

A. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Units and Common Areas;

- (1) Casualty Insurance, issued by a company having a Best Rating of "A+" and covering the buildings and all improvements upon the land and all personal property described in Exhibit "A" except such personal property as may be owned by the Unit Owners, shall be procured in an amount equal to the maximum insurance replacement value thereof (exclusive of excavation, foundations, streets and parking facilities), to be adjusted annually in accordance with increased construction costs in the local area. Such coverage shall afford protection against:
 - (a) The 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 vandalism and malicious mischief.

For the purpose of clarity, underground utilities and any system of utilities owned by owners will not be covered by insurance.

- (2) Public liability and property damage insurance in such amounts and of such forms as shall be required by the Association, including legal liability, hired automobile, non-owned automobile and off-premise employee coverage if appropriate. Said liability insurance must cover bodily injury and the property damage that results from the operation, maintenance, or use of the Common Areas; and any legal liability that results from lawsuits related to employment contracts in which the Association is a party. Said liability insurance shall

provide coverage of at least \$1,000,000 for bodily injury or property damage for any single occurrence.

- (3) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner.
 - (4) Blanket fidelity bond insurance coverage for anyone who either handles or is responsible for funds held or administered by the Association whether or not he or she receives compensation for services. These bonds should name the Association as the obligee and the premiums are paid as a Common Expense by the Association.
- B. In addition to the premiums for the bonds, premiums upon all other insurance policies purchased by the Association shall be paid by the Association as Common Expenses to be assessed and collected from all Unit Owners.
- C. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds received thereon shall be held in trust for the benefit of the Association, the Unit Owners and their respective mortgagees in the following shares:
- (1) Proceeds on account of damage to Common Areas: In undivided shares for each Unit Owner and his mortgagee, if any, which shares are as set out in Paragraph 5.C.
 - (2) Proceeds on account of damages to Units shall be held in the following undivided shares:
 - (a) Partial destruction when the Property is to be restored for the Owners of damaged Units in proportion to the costs of repairing the damage suffered by each damaged Unit;
 - (b) Total destruction of the Property or where the Property is not to be restored for all Unit Owners and their mortgagees, the share of each being set out in Paragraph 5.C.
- D. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held for the mortgagee and the Unit Owner as their interests may appear, but no mortgagee shall have the right to participate in the determination of reconstruction or repair.
- E. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Unit Owners in the following manner:
- (1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs of repair or reconstruction. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Unit Owners, all remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.

- (2) If it is determined the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Unit Owners, remittance to the Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.
22. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE: DAMAGE TO COMMON AREAS: DAMAGE TO UNITS.
- A. If any part of the Common Areas shall be damaged by casualty, the determination of whether or not to reconstruct or repair it shall be made as follows:
- (1) Partial destruction shall be destruction which renders two-thirds (2/3) or less of the total combined square footage contained within the Units untenable. In the event of partial destruction, the Common Areas shall be reconstructed or repaired unless this Declaration is terminated by the affirmative vote of Unit Owners who are the owners of more than seventy-five percent (75%) of the aggregate interest in the Common Areas as established by this Declaration at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.
 - (2) Total destruction shall be destruction which renders more than two-thirds (2/3) of the total combined square footage contained within the Units untenable. In the event of total destruction, the Common Areas shall not be reconstructed or repaired if at a meeting which shall be called within thirty (30) days after such adjustment, Unit Owners who are the owners of more than seventy-five percent (75%) of the aggregate interest in the Common Areas as established by this Declaration vote against reconstruction or repair.
 - (3) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications of the original construction.
- B. If the damage is only to those parts of one or more Units for which the responsibility for the maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after the casualty. In all other instances, the responsibility or reconstruction and repair after casualty shall be that of the Association as follows:
- (1) Immediately after the casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems appropriate.
 - (2) When the damage is to both Common Areas and Units, the insurance proceeds shall be applied first to the costs of repairing the Common Areas and the balance to the costs of repairing the Units.
- C. Each Unit Owner irrevocably delegates to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association, except in any case where the damage is restricted to such Unit Owner's

own Unit.

23. ASSOCIATION TO MAINTAIN REGISTER OF UNIT OWNERS AND MORTGAGES.

The Association shall maintain a Register setting forth the names of all Unit Owners. In the event of the transfer of any Unit to a third party, the transferee shall notify the Association in writing, of his interest in such Unit, together with the recording information necessary to identify the instrument by which the transferee has acquired his interest. Each Unit Owner shall also notify the Association of the parties holding any mortgage on his Unit, the amount of such mortgage and recording information necessary to identify the mortgage. The holder of any mortgage upon any Unit may notify the Association of the existence of any mortgage and the Association shall register in its records all pertinent information relating thereto.

24. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT.

The Association is given the authority to administer the operation and management of the Property as being in the best interest of all Unit Owners. To properly administer the operation and management of the Property, the Association will incur for the mutual benefit of all the Unit Owners, costs and expenses (here "Common Expenses"). To provide the funds necessary for such property operation, management and capital improvements, the Association has been granted the right to make, levy, and collect assessments against the Unit Owners and the Units. In furtherance thereof, the following provisions shall be operative and binding upon all Unit Owners.

- A. All assessments levied against the Unit Owners and their Units shall be uniform and, unless specifically otherwise provided for herein, all assessments made by the Association shall be in such an amount that any assessments levied against a Unit Owner and his Unit shall bear the same ratio to the total assessment made against all Unit Owners and all Units as the undivided interest in Common Areas appurtenant to his Unit bears to the total undivided interest in Common Areas appurtenant to all Units. Should the Association be the Owner of a 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 assessment therefor levied ratable among the Owners of all Units which are not owned by the Association, based upon their proportionate interests in Common Areas exclusive of the interests therein appurtenant to any Unit or Units by the Association.
- B. Assessments provided for in Paragraph A above shall be payable in monthly installments, or in such other manner as the Board of Directors of the Association shall determine. Statutory assessments shall commence for each Unit on the first day of the first month following the recordation of this Declaration.
- C. 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). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Property, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with

Paragraph E hereof, items relating to operations and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies shall be delivered to each Unit Owner although the delivery of a copy of it to each Unit Owner shall not affect the liability of any Unit Owner for such assessment. Should the Board of Directors at any time determine that the assessments levied are insufficient to pay the costs of operation and management of the Property or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessments as they may deem necessary; provided, however, that the Board of Directors may not increase assessments by more than seven (7%) percent above the previous year's assessment without the affirmative vote, at a meeting of the Association where a quorum is present, of members of the Association who are the owners of more two-thirds (2/3) of the aggregate interest in the Common Areas as established by this Declaration. In the event the Association is faced with unexpected expenses of whatever nature, the Board of Directors may call for special assessments to pay for such expenses, provided, however, that no special assessment may be levied against the members without the affirmative vote, at a meeting of the Association where a quorum is present, of members of the Association who are the owners of more two-thirds (2/3) of the aggregate interest in the Common Areas as established by this Declaration.

- D. The Board of Directors of the Association, in establishing the Annual Budget for operation, management, and maintenance of the Property shall designate a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to, the Common Areas (herein "Capital Improvement Fund") which shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Areas, and the replacement of personal property constituting a portion of the Common Areas. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Areas. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association, and shall be used only to make capital improvements to Common Areas. Any interest earned on the Capital Improvement Fund may be expended for current operation and maintenance.
- E. All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Property or to the proper undertaking of all acts and duties imposed upon it by this Declaration and by the Articles of Incorporation Bylaws of the Association. 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 Areas, 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 Unit. When a Unit Owner of a Unit shall cease to be a member of the Association, the Association shall not be required to account to such Unit Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Unit Owner, as all funds which any Unit Owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Property.
- F. 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 its

due date. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest legal rate until paid in full by the Association.

- G. Each Unit Owner shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular, special, or contractual, which may be levied by the Association against such Unit while such party or parties are Unit Owner or Owners. In the event that any Unit Owner or Owners are in default in the payment of any assessment or installment owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorney fees, whether suit be brought or not.
- H. No Unit Owner may exempt himself from liability from any assessment levied against his or her Unit by waiver of the use or enjoyment of any of the Common Areas, or by abandonment of the Unit, or in any other way.
- I. Recognizing that proper operation and management of the Property requires the continuing payment of costs and expenses therefor, and that such proper operation and maintenance results in benefit to all Unit Owners, and that the payment of such common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Areas, which lien shall secure the funds due for all assessments now or hereafter levied against each Unit Owner, which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Unit. The lien granted to the Association may be enforced under Article 8, Chapter 44 or Article 2A of Chapter 45 of the North Carolina General Statutes and under N.C.G.S. 47C-3-116. The lien granted to the Association shall further secure such advances for taxes and payments on 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, including interest at the highest legal rate on any such advances so made. All persons who shall acquire any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien, or other encumbrances thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Unit expressly subject to such lien rights.
- J. The lien herein granted to the Association shall be enforceable from the time of recording a claim of lien in the Public Records of Orange County, North Carolina, which claim shall state the description of the Unit encumbered thereby, the name of the record owner, the amount due and the 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 the said lien 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, costs, attorney fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, it shall be satisfied of record.

The lien provided for herein shall be subordinate only to the lien of the first mortgage or deed of trust securing the Unit. Any person, firm or corporation acquiring title to

any Unit and its appurtenant undivided interest in Common Areas by any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Unit and its appurtenant undivided interest in Common Areas 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 Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment which the party so acquiring title shall not be liable shall be absorbed and paid by all Unit Owners as a part of the common expense, although nothing herein contained shall release the party liable for such delinquent assessment by means other than foreclosure.

- K. Whenever any Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owners, 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, purchaser, or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such a statement.

In the event that a Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the Unit Owner and such 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 the 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 Unit Owner who is responsible for payment of such delinquent assessment.

Institution of a lawsuit to attempt to collect the payment of any delinquent assessment shall not 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.

25. COMMON SURPLUS.

"Common Surplus", meaning all funds and other assets of the Association (including excess receipts of the Association, including but not limited to assessments, rents, profits, and revenues from whatever source over the amount of the common expense), shall be owned by all the Unit Owners in the same proportion that the undivided interest in Common Areas appurtenant to each Unit bears to the total of all undivided interest in Common Areas appurtenant to all 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 indemnity 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 then Unit Owners in accordance with their percentage interest in common surplus as declared herein.

26. TERMINATION.

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

- A. The termination of the Condominium may be effected only by the unanimous agreement of all Unit Owners expressed in an instrument duly recorded; and, provided that the holders of all liens affecting any of the Units consent thereunto, or agree, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Unit Owner in the property as provided in Paragraph C below. The termination shall become effective when such agreement has been recorded in the public records of Orange County, North Carolina.
- B. If it is determined, in the manner elsewhere provided, that the Property shall not be reconstructed after casualty, the Condominium ownership shall be terminated and this Declaration. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Orange County, North Carolina.
- C. After termination of the Condominium, the Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Units formerly owned by such Unit Owners shall have mortgages and liens upon the respective undivided shares of the Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Areas previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be held for the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.
- D. The members of the Board of Directors acting collectively as agent for all Unit Owners, shall continue to have such powers as granted herein, even though the Association may be dissolved upon a termination.

27. AMENDMENT OF DECLARATION OF CONDOMINIUM.

This Declaration of Condominium may be amended in the following manner:

- A. An amendment 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 Directors, or by the members of the Association owning more than one-half (1/2) of the aggregate interest in the Common Areas as established by this Declaration, whether meeting as members or by instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or members such proposed Amendment 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 twenty (20) days and not later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give each member written notice of such special meeting, stating the time and place, and reciting the proposed Amendment in reasonably detailed form, which notice, if mailed, shall be mailed not less than ten (10) 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 proposed must be approved by an affirmative vote of members of the Association owning more than one-half (1/2) of the aggregate interest in the Common Areas as established by this Declaration in order for such Amendment to become effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting. Thereupon such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of this Association as having been duly adopted. The original or an executed copy of such Amendment so certified and executed with the same formalities as a Deed, shall be recorded in the Orange County Public Registry within ten (10) days from the date on which the same became effective.

- B. No alteration in the percentage of ownership of Common Areas appurtenant to each Unit, or alteration of the basis for sharing Common Expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of the basis of ownership of Common Surplus or alteration of voting rights in the Association, shall be made without the prior written consent of all the Unit Owners and of all of the Lenders holding first mortgages or first deeds of trust on any Units.
- C. No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Lender shall be made without prior written consent of all Lenders holding mortgages on any Units being first had and obtained.

28. REMEDIES IN EVENT OF DEFAULT.

Each Unit Owner shall be governed by and shall comply with the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association as they may be amended from time to time. A default by a Unit Owner shall entitle the Association or the Unit Owners to the following relief:

- A. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or other rules which may be adopted pursuant thereto, shall be grounds for relief including, without limitation, an action to recover sum due for 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.
- B. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, invitees, clients, customers, patients, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.
- C. In any proceeding arising because of an alleged default by a Unit Owner, the

Association shall be entitled to recover the costs of the proceeding and reasonable attorney fees.

- D. The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.
- E. All rights, remedies and privileges granted to the Association or any Unit Owner pursuant to any terms, provisions, covenants or conditions of this Declaration or other above-mentioned documents, shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall 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.
- F. The failure of Declarant to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or other above-mentioned documents shall not constitute a waiver of right of the Declarant to thereafter enforce such right, provisions, covenant or condition in the future.
- G. The failure of a lender to enforce any right, provisions, privilege, covenant or condition which may be granted to it or them by this Declaration or other above-mentioned documents, shall not constitute a waiver of right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

29. RIGHTS RESERVED UNTO LENDERS AND FIRST MORTGAGE HOLDERS.

As long as any Lender or First Mortgage Holder shall hold any mortgage upon any Unit or Units, such Lender or First Mortgage Holder shall have the following rights:

- A. To examine upon request and 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, such Financial Statement and Report to be furnished by April of each calendar year.
- B. To be given written notice by the Association of the call of any meeting of the membership, which notice shall state the purpose of such meeting, and to designate a representative to attend.
- C. To be given written notice of default of any Unit Owner whose unit is encumbered by a mortgage held by such Lender or First Mortgage Holder, such notice to be sent to the place which it may designate in writing.
- D. To be given written notice of any loss to, or taking of, any Common Areas of the Property if such loss or taking exceeds \$10,000.00 or damage to a Unit encumbered by a mortgage or deed of trust held by such lender and the loss or taking is in excess of \$1,000.00.
- E. To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

Whenever any Lender or First Mortgage Holder desires the provisions of this Declaration to be applicable to it, it shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, identifying the Unit or Units upon which any such Lender or First Mortgage Holder holds any mortgage, together with sufficient facts to identify such mortgages and which notice shall designate the place to which the notices are to be given by the Association to such Lender or First Mortgage Holder.

30. VOTING RIGHTS OF UNIT OWNERS IN THE ASSOCIATION.

Members of the Association shall be entitled to vote in accordance with such members' percentage of undivided interests in the Common Areas, as described in Paragraph 5 above.

31. ADDITIONAL PROVISIONS.

- A. No tractor-trailer trucks or other unusually large or unsightly vehicles, equipment or machinery may be allowed to be parked for more than four (4) hours in any Common Area without the express written consent of the Board of Directors of the Association.
- B. No boats, watercraft, trailers, campers, recreational vehicles or unlicensed vehicles may be allowed within any Common Area without the express written consent of the Board of Directors of the Association.
- C. The Association is required to make available to Unit Owners and lenders and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the Project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- D. The Association, prior to passage of control from Declarant, is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control upon not more than ninety days' notice to the other party.
- E. The Association shall have the right to grant permits, licenses, and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance of operation of the Project.
- F. Notwithstanding any provision to the contrary hereinabove, the Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas which the Association may be obligated to maintain. The fund is maintained out of regular assessments for Common Expenses. In addition to said reserve fund, a Special Capital Fund is required equal to at least two months' assessment for each Unit. Each Unit's share of the Special Capital Fund shall be collected and transferred to the Association at the time of closing of any sale of a Unit and maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Board of Directors of the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advanced payments of regular assessments.

G. In addition to the lender's rights as set forth above, upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- (1) Any condemnation or casualty loss that effects either a material portion of the Project or the Units securing its mortgage;
- (2) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;
- (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (4) Any proposed action that requires the consent of a specified percentage of mortgage holders.

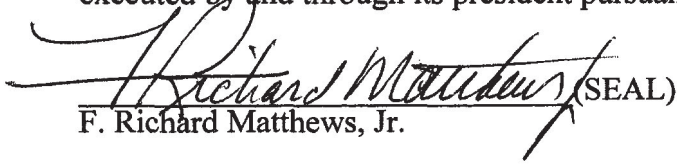
32. MISCELLANEOUS.

- A. In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable, such holding shall not affect, alter, modify or impair in any manner any of the other terms, provisions or covenants hereof or the remaining portions of any terms provisions or covenants held to be partially invalid or unenforceable. In the event of any conflict between any provisions of this Declaration and the North Carolina Condominium Act, the provisions of the North Carolina Condominium Act shall control.
- B. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration, whenever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter. The article headings are for convenience of reference only and shall not be considered terms of this Declaration.
- C. The restrictions and burdens imposed by the covenants of this Declaration shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit, and its appurtenant undivided interest in the Common Areas. This Declaration shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become Unit Owners and their respective heirs, legal representatives, successors and assigns.
- D. The following named individual is designated as the person to receive service of process of the Association:

Guido De Maere
Guido De Maere, P.A.
Post Office Box 3591
Chapel Hill, North Carolina 27515
-or-
100 Europa Drive, Suite 110
Chapel Hill, North Carolina 27517

IN TESTIMONY WHEREOF, F. Richard Matthews, Jr. Has executed these presents

and Venture Equities, Inc., a North Carolina corporation, has caused these presents to be executed by and through its president pursuant to authority duly given by said corporation.

 (SEAL)
F. Richard Matthews, Jr.

Venture Equities, Inc., a North Carolina corporation

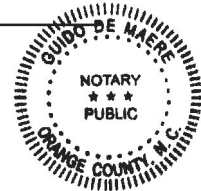
By:  (SEAL)
F. Richard Matthews, Jr., President

STATE OF NORTH CAROLINA - Orange County

I, Guido De Maere, a Notary Public for said County and State aforesaid, do hereby certify that F. Richard Matthews, Jr., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 29th day of June, 2004.


Notary Public



My commission expires: 08/24/2004

STATE OF NORTH CAROLINA - County of Orange

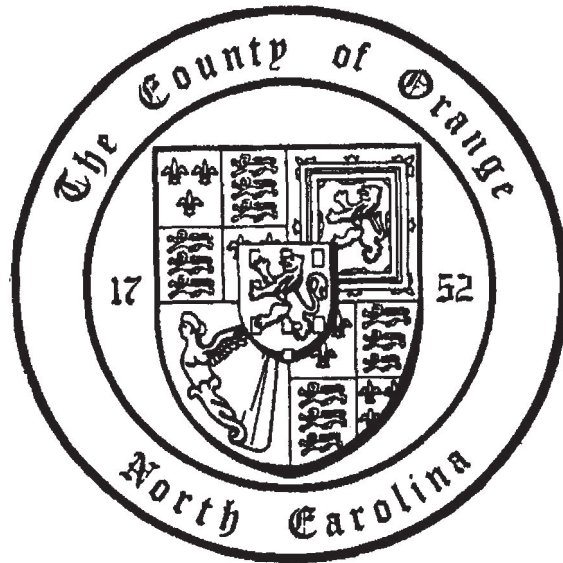
I, Guido De Maere, a Notary Public for said County and State, do hereby certify that F. Richard Matthews, Jr. personally appeared before me this day and acknowledged that he is President of Venture Equities, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by him as its President.

WITNESS my hand and official stamp or seal this the 29th day of June, 2004.


Notary Public



My Commission Expires: 08/24/2004



Joyce H. Pearson
Register of Deeds
Orange County
North Carolina

State of North Carolina, County of Orange

The foregoing certificate(s) of GUIDO DE MAERE, NOTARY PUBLIC for the Designated Governmental units is/are certified to be correct. See filing certificate herein.

This day June 30, 2004.

Joyce H. Pearson, Register of Deeds

BY: *Linda Perkins*
Deputy / Assistant Register of Deeds

EXHIBIT A

Legal description for Declaration of Condominium of Village Office Park Condominium:

Lying and being in Chapel Hill Township, Orange County, North Carolina , and BEGINNING at a stake, which is located in the southeast corner of the property of the Town of Chapel Hill, according to Plat Book 4, Page 213, Orange County Registry, and the northern margin of American Legion Road; running thence North 20°36'19" West 315.60 feet to an iron stake; running thence South 53°25'45" West 185.74 feet to an iron stake; running thence South 18°13'07" East 267.01 feet to an iron stake; thence South 36°34'15" East 50.00 feet to a stake in the northern margin of American Legion Road; thence with said road North 53°25'45" East 183.00 feet to the point and place of BEGINNING, containing 1.33 acres (by DMD) and shown on the plat and survey entitled "Final Plat, Village Office Park" dated March 19, 2004, by Dale D. Faulkner, PLS.

EXHIBIT B

CERTIFICATION

The undersigned David N. Ripperton, an architect duly licensed pursuant to Chapter 83[83A] of the North Carolina General Statutes, hereby certifies that all structural components and mechanical systems of all buildings containing or comprising any units created by the foregoing Declaration of Condominium and as shown in the Unit Ownership File (as defined in said Declaration are substantially completed in accordance with the plans contained in said Unit Ownership File.

In witness whereof the undersigned has hereunto set his hand and seal, this 7th day of June, 2004.

David N. Ripperton (SEAL)
David N. Ripperton

