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Declaration

PARENT - 9799-58-0455
of *UNITS - 9799-58-0455.001 thru .006*
MB

Cosgrove Hill Office Condominium

Dated March 9, 2011

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**Declaration
of
Cosgrove Hill Office Condominium**

This Declaration is made as of March 4, 2011, by **Crosland Cosgrove Hill Office, LLC**, a North Carolina limited liability company.

Declarant owns the Real Property defined in **Section 1.35** and desires to submit the Real Property to the Condominium Act. Accordingly, Declarant declares as follows:

Article 1

Definitions

The following words and terms have the following meanings:

Section 1.1 Annual Association Meeting. The annual meeting of the Members, as defined in the Bylaws.

Section 1.2 Articles of Incorporation. The Articles of Incorporation of the Association filed with the North Carolina Secretary of State, as they may be amended from time to time.

Section 1.3 Asphalt Parking Lot. The area intended for parking, as designated on the Plans, including the parking spaces and driveways.

Section 1.4 Assessments. Collectively, the Common Assessment, Special Assessment and Individual Unit Assessment, all as defined in Bylaws Section 8.1.

Section 1.5 Association. Cosgrove Hill Office Condominium Owners Association, Inc., a nonprofit corporation organized and existing under the North Carolina Nonprofit Corporation Act, and under this Declaration, the Bylaws and the Condominium Act.

Section 1.6 Building. The building on the Real Property that is depicted on the Plans.

Section 1.7 Bylaws. The Bylaws of the Association attached as **Exhibit E**, as they may be amended from time to time.

Section 1.8 Casualty. Event in which a Peril destroys or damages (i) an individual Unit; (ii) the Limited Common Elements allocated to a Unit; or (iii) the Common Elements.

Section 1.9 Common Assessment. Defined in Bylaws Section 8.1.

Section 1.10 Common Elements. All portions of the Condominium other than the Units, as further described in **Section 4.1**.



Section 1.11 Common Elements Interest. The undivided percentage interest in the Common Elements allocated to each Unit, as listed on **Exhibit B**.

Section 1.12 Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 1.13 Common Surplus. All receipts of the Association for a given time period from Assessments, rents, profits and revenues from whatever source, less the amount of Common Expenses for the same period, all as determined by the Executive Board.

Section 1.14 Condominium. Cosgrove Hill Office Condominium, as established by the submission of the Condominium Property to the Condominium Act by this Declaration.

Section 1.15 Condominium Act. The North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

Section 1.16 Condominium Documents. Collectively, this Declaration, the Articles of Incorporation, the Bylaws and the Rules, all as they may be amended.

Section 1.17 Condominium Property. The Real Property, together with any real property improvements and fixtures now or later installed on the Real Property by Declarant, an Owner or the Association.

Section 1.18 Declarant. Crosland Cosgrove Hill Office, LLC, a North Carolina limited liability company, and its successors, or any party to which it assigns its rights as Declarant under this Declaration by a writing executed by the assigning Declarant and the assignee Declarant recorded in the Registry.

Section 1.19 Declarant Control Period. The period beginning on the date of this Declaration and continuing until the earlier of: (i) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; or (ii) 120 days after Declarant has conveyed 75% of the maximum number of Units that Declarant may create on the Condominium Property.

Section 1.20 Declaration. This Declaration of Cosgrove Hill Office Condominium, as it may be amended.

Section 1.21 Executive Board. The governing body of the Association as it may change from time to time and as established and governed in accordance with the Condominium Act and the Condominium Documents.

Section 1.22 HVAC. Heating, ventilation and air conditioning system.

Section 1.23 Improvements. The Building and related improvements around the Building, including all Common Elements in Units and all improved portions of Common Elements, wherever located on the Real Property, but excluding (i) betterments and improvements installed by the Owners, (ii) personal property inside a Unit, and (iii) fixtures installed by Owners on the Condominium Property (e.g., the Owner-installed HVAC system



serving a Unit exclusively). Notwithstanding anything in this Section 1.23, the studs supporting the demising walls between the Units, even if installed by an Owner, will be considered Improvements.

Section 1.24 Independent Manager. Defined in Bylaws Section 5.14.

Section 1.25 Index. The then-prior 12 months increase in the Consumer Price Index, All Urban Consumers, U.S. City Average, as published by the U.S. Department of Labor, or the generally recognized successor to that Index if it is eliminated.

Section 1.26 Individual Unit Assessment. Defined in Bylaws Section 8.1.

Section 1.27 Limited Common Elements. Those portions of the Common Elements allocated by this Declaration or by N.C.G.S. § 47C-2-102(2) or (4), for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in **Section 4.2** and as may be depicted on the Plans.

Section 1.28 Member. Any person or entity entitled to membership in the Association under **Section 8.1**.

Section 1.29 Mortgage. A recorded deed of trust constituting a first priority lien on a Unit.

Section 1.30 Mortgagee. The owner and holder of the indebtedness secured by a Mortgage that has notified the Association in writing (i) of its name and address, and (ii) that it holds a Mortgage. The notice will be deemed to include a request that the Mortgagee receive the notices and other rights described in **Article 16**.

Section 1.31 Owner. The record owner, whether one or more persons or entities, of fee simple title to any Unit, but excluding deed of trust trustees having an interest in any Unit merely as security for a deed of trust.

Section 1.32 Peril. Any risk covered by an ISO Standard Causes of Loss-Special Form property insurance policy.

Section 1.33 Permittees. Tenants, subtenants, occupants, contractors, subcontractors, agents, employees, licensees and other invitees of an Owner or the Association who enter the Condominium Property, and their respective invitees.

Section 1.34 Plans. The plat, plans and specifications for the Condominium Property, recorded under the name of the Condominium in the Unit Ownership File in the Registry.

Section 1.35 Real Property. The real property described on **Exhibit A**.

Section 1.36 Registry. The Office of the Register of Deeds of Orange County, North Carolina.



Section 1.37 Rules. All rules adopted from time to time by the Executive Board to govern use of the Condominium Property.

Section 1.38 Special Assessment. Defined in Bylaws Section 8.1.

Section 1.39 Special Declarant Rights. The rights defined in Section 47C-1-103(23) of the Condominium Act and listed in **Section 12.1**.

Section 1.40 Unit. Each of the individual units defined in **Article 3**.

Section 1.41 Unit Area. The square footage of a Unit as listed on **Exhibit B** to this Declaration (generally, the Unit Area was calculated as if the Unit extended to the outside face of all exterior walls and to the centerline of all interior walls, but in the event of any discrepancies, the square footage listed on **Exhibit B** controls). The term "Unit Area" is used solely for computing the Common Elements Interest and does not reflect the actual square footage of a Unit as described in **Article 3**, since the boundaries of a Unit are as described in **Article 3, Section 3.2**, and do not actually extend to the outside face of exterior walls and the centerline of interior walls.

The definitions of terms in N.C.G.S. § 47C-1-103 are incorporated in this Declaration, unless those terms are expressly defined otherwise in this Declaration or unless it is plainly evident from the context of this Declaration that a different meaning is intended.

Article 2

Designation of Condominium

Section 2.1 Submission. Declarant declares that the Condominium Property shall be owned, transferred and used subject to this Declaration and the Condominium Act. This Declaration shall run with the land and the title to the Condominium Property, and shall burden and benefit Declarant, the Owners, any other person or entity acquiring or owning an interest in the Condominium Property, and their successors and assigns. The name of the Condominium is "Cosgrove Hill Office Condominium."

Section 2.2 Encumbrances. The liens and encumbrances affecting the Condominium Property are set out on **Exhibit C**.

Article 3

Description of the Units

Section 3.1 Units. The "Units" are the numbered units with the dimensions, locations and floor and ceiling elevations shown on the Plans, as those units are constructed, repaired or replaced by Declarant, the Association or an Owner. Each Unit includes the betterments and improvements installed in that Unit and any Owner-installed sign, even if outside the boundaries of the Unit. The Condominium shall consist of at least 2 Units and not more than 20 Units.



Section 3.2 Unit Boundaries. The boundaries of each Unit are as follows:

(a) Upper Boundary. The upper boundary is the horizontal plane of the lower surface of the concrete slab directly above a Unit. If the lower surface of the concrete slab directly above a Unit has different elevations, then the upper boundary of that Unit is not a single plane, but varies with the differing concrete slab elevations in different portions of the Unit.

(b) Lower Boundary. The lower boundary of a Unit is the horizontal plane of the top surface of the concrete slab directly below that Unit. If the upper surface of the concrete slab directly below a Unit has different elevations, then the lower boundary of that Unit is not a single plane, but varies with the differing concrete slab elevations in different portions of the Unit.

(c) Side Boundaries. The side boundaries (also referred to in the Condominium Act as the vertical boundaries) are the vertical planes formed by the back surface (i.e., the stud-side) of all wallboard (installed or to be installed) bounding the Unit, extended to intersections with the upper and lower boundaries.

Section 3.3 Additional Items Included in a Unit. The following are examples of “betterments and improvements” installed in a Unit:

(a) Any lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the interior finished surfaces of the perimeter walls, floors, and ceilings of a Unit are part of the Unit.

(b) Any interior walls (except load bearing walls), interior doors, partitions, and fixtures (including built-in cabinets, smoke detectors, carbon monoxide detectors, built-in appliances, utility and service lines, door and window weather stripping, mechanical, electrical, HVAC, plumbing and all other equipment and systems installed for the sole and exclusive use of the Unit and lying within the boundaries of the Unit) are part of the Unit.

(c) “Owner-installed betterments and improvements” are those improvements that are originally installed by an Owner. Although an Owner may from time to time replace certain betterments and improvements originally installed by Declarant, those improvements will not be deemed “Owner-installed betterments and improvements” because they were originally installed by Declarant.

Section 3.4 Items Not Included in a Unit. Load-bearing walls; fixtures; studs supporting (i) hallway walls or (ii) demising walls between Units; and other parts of the Building that are inside the boundaries of a Unit but that are necessary for the existence, support, maintenance, safety or comfort of any other part of the Condominium Property are not part of a Unit. Studs supporting demising walls between Units are not considered “Owner-installed fixtures” even if they are installed by an Owner.

Section 3.5 Alterations of Units. An Owner shall not make any structural addition, alteration, or improvement to (nor change the exterior appearance of) its Unit or any Common Element except (i) in accordance with N.C.G.S. § 47C-2-111 and this Declaration, or (ii) as allowed under **Section 7.12**. Likewise, an Owner shall not perform any maintenance,



repair, alteration or replacement of any Common Element without the prior written approval of the Executive Board; except that an Owner shall keep its Limited Common Elements neat and clean as required by **Section 5.2**. The Executive Board may condition its approval on, among other things, the plans for the proposed work, the contractor performing the work, the contractor's insurance coverage, and the manner and time periods in which the work is to be performed. The Executive Board shall not be responsible to an Owner requesting approval for faulty design, materials or workmanship or for other claims arising out of any Executive Board approval.

Section 3.6 Nature of Interest in Unit. Each Unit, together with its Common Elements Interest, constitutes a separate parcel of real property. Each Owner is entitled to the exclusive fee simple ownership, access to and possession of that Owner's Unit, subject only to the terms of the Condominium Documents and the liens and encumbrances listed on **Exhibit C**.

Article 4

Common Elements

Section 4.1 Common Elements. The Common Elements are all portions of the Condominium that are not part of the Units. The Common Elements include:

- (a) The Real Property.
- (b) All improvements now or later constructed, installed, repaired or replaced by Declarant or the Association on the Real Property outside the Units, including the Limited Common Elements, elevators, common lobbies, stairways, common hallways, sidewalks and walkways, common equipment and mechanical rooms, and common maintenance and storage closets.
- (c) The roof and foundation of the Building.
- (d) The concrete slabs located above and below the boundaries of the Units.
- (e) All structural elements of the Units, including columns, girders, beams, supports and exterior and interior load-bearing walls.
- (f) Studs supporting (i) common hallway walls and (ii) demising walls between Units (regardless of whether the studs are installed by an Owner, Declarant or the Association).
- (g) Any connections and facilities for utility services serving the Improvements and located on the Real Property that are not owned by the public utility or municipal agency providing those services.
- (h) All tangible personal property and fixtures owned by the Association and used for the operation and maintenance of the Condominium Property, including any portions of HVAC systems serving any Common Elements.



(i) Fixtures, utility lines, plumbing lines and other parts of the Building that are installed by Declarant or the Association inside the boundaries of a Unit but that are necessary for the existence, support, maintenance, safety, comfort or use of any other part of the Condominium Property.

(j) The outside surface of the Building (excluding the windows and doors described in **Section 4.2(b)**) and the wallboard on the exterior walls outside of a Unit.

(k) The Asphalt Parking Lot.

(l) Signs and any business directories installed by Declarant or the Association.

(m) The underground cistern and related facilities used for drainage and retention of stormwater on the Condominium Property.

(n) The restrooms adjacent to the common hallways on the first and second floors of the Building.

Section 4.2 Limited Common Elements. The Limited Common Elements consist of the following:

(a) Those portions of any chute, flue, duct, wire, pipe for water or sewer, conduit, or any other fixture lying partially inside and partially outside the Unit, and serving exclusively a Unit (and those portions and fixtures are Limited Common Elements allocated exclusively to that Unit).

(b) The windows, window frames and caulking, exterior and corridor doors, door frames, door hardware, and door locks and casings located in the side boundaries of a Unit and serving exclusively a Unit and any window or door screens installed by Declarant or allowed by the Executive Board (and those items are Limited Common Elements allocated exclusively to that Unit).

(c) Any areas shown as Limited Common Elements on the Plans.

Section 4.3 Undivided Interests of Owners in Common Elements. The Common Elements Interest of each Unit is listed on **Exhibit B**. The Common Elements Interest shall be used to determine each Unit's share of Common Expenses and to allocate the division of proceeds, if any, resulting from any casualty loss or condemnation proceedings. The Common Elements Interest allocated to each Unit shall not be changed except (i) with the unanimous consent of all Owners in good standing and (ii) if specifically authorized by the Condominium Act; but if a Unit is subdivided, then that Unit's Common Elements Interest shall be allocated among the subdivided portions based on each portion's Unit Area compared to the total Unit Area of the Unit being subdivided.

Section 4.4 Parking. Each Owner is entitled to the non-exclusive use, in the Asphalt Parking Lot, of the number of parking spaces listed on **Exhibit D**, which number is based on that Owner's Common Elements Interest. The "**Adjacent Parking Lot**" means the



vehicle parking areas on the property adjacent to the Condominium Property, which adjacent property is currently owned by Crosland Wilson Park, LLC. The Association may (a) enter into a shared parking and entry maintenance agreement similar to **Exhibit F** to this Declaration and (b) record the agreement in the Registry without the signature or consent of any Owner. If such an agreement is ever recorded, Declarant or the Association may allocate to one or more Unit Owners the right to use spaces in the Adjacent Parking Lot.

Section 4.5 Signs. The Association may, but is not required to, install exterior and interior signs on the Common Elements and a directory in the lobby of the Building, identifying the businesses occupying the Building. If the Association installs a sign or directory, then all Owners shall be entitled to equal signage area. The Association will maintain any signs that it installs, and the cost of installation and maintenance will be a Common Expense. Each Owner may attach a sign identifying the business in its Unit to the wall or door outside that Unit's primary entrance, at that Owner's expense; but the Executive Board must first approve the design and the location of the sign. Each Owner at its expense shall maintain its sign in good order, condition and repair, to a standard consistent with signs in similar first class office buildings.

Article 5

Maintenance and Alterations

Section 5.1 Common Elements. Subject to **Section 5.4(a)**, the Association shall keep neat and clean and maintain, repair and replace all of the Common Elements except for the Limited Common Elements (but the Association shall clean the exterior surfaces of all windows, even though some windows are Limited Common Elements) and except for any Owner-installed fixtures on the Common Elements (but, pursuant to **Section 1.23**, the Association shall be responsible for maintaining, repairing and replacing the studs supporting the demising walls between the Units, even if installed by an Owner). The Association, through the Executive Board, may make additions, alterations and improvements on the Common Elements to enhance and benefit the Condominium Property (including, for example, installing a controlled entry security gate, installing additional lighting on the Common Elements, installing demising wall(s) between the Units, or installing a security system inside the Building). The costs the Association incurs in its maintenance, repair and replacement obligations and in making the additions, alterations and improvements on the Common Elements will be Common Expenses. If any Unit or Limited Common Element allocated to a Unit is damaged due to the Association's maintenance, repair or replacement of the Common Elements, then the Association shall repair that Unit or Limited Common Element to its condition existing immediately prior to the damage, and the cost of the repair will be a Common Expense. If an Owner or its Permittee directly or indirectly damages the Common Elements, regardless of whether the damage results from an accident, negligence or intentional misconduct, then, if the Executive Board requires, that Owner shall pay all costs (including the cost of the Association's property insurance deductible) up to \$10,000 (as adjusted by the Index) to repair or replace the damaged Common Element, but only to the extent those costs are not required to be covered by insurance under **Section 10**. If the Association fails to carry the insurance required by **Section 10**, then the Executive Board may only require the Owner to pay the costs (up to \$10,000) that the Association would have incurred if it were insured as required.



Section 5.2 Limited Common Elements.

(a) Subject to **Section 5.4(a)**, each Owner shall keep neat and clean and maintain, repair and replace all Limited Common Elements allocated to that Owner's Unit, except the exterior surface of windows, which the Association maintains under **Section 5.1**. For example, the Owner shall maintain:

- (1) The exterior doors of the Owner's Unit.
- (2) The interior glass surfaces of the Owner's Unit.
- (3) Utility lines serving that Owner's Unit exclusively.

(b) If a Limited Common Element is allocated to more than one Unit, then the Owners of those Units will be jointly responsible for keeping neat and clean and maintaining, repairing and replacing that Limited Common Element and for any costs associated with those obligations.

Section 5.3 Units. Each Owner shall maintain and keep neat, clean and in good order and repair all portions of the Owner's Unit (including the betterments and improvements in its Unit) and any fixtures the Owner installs on the Condominium Property (including the Owner's HVAC system but excluding the studs supporting demising walls that an Owner installs between Units). Each Owner shall perform the Owner's responsibilities in a manner that does not unreasonably disturb persons in other Units, and shall promptly report to the Association any defect or need for repairs that is the Association's responsibility. If an Owner or its Permittee directly or indirectly damages another Owner's Unit, regardless of whether the damage results from an accident, negligence or intentional misconduct, then the damaging Owner shall pay all costs (including the cost of the Unit Owner's property insurance deductible) up to \$10,000 (as adjusted by the Index) to repair or replace the damaged Unit, but only to the extent those costs are not required to be covered by insurance under **Section 10**. If the damaged Owner fails to carry the insurance required by **Section 10**, then the damaging Owner is only required to pay the costs (up to \$10,000) that the damaged Owner would have incurred if it were insured as required. If a utility line exclusively benefitting an Owner but located in another Unit needs repair and threatens imminent damage to that burdened Unit, then the burdened Unit Owner shall repair the damaged utility line, and the Owner using the utility line shall reimburse the burdened Unit Owner for the reasonable costs incurred to repair that utility line (but not for the cost of resulting damage to the burdened Unit). If the burdened Unit Owner becomes aware that a utility line needs repair, and there is not a threat of imminent damage, then the burdened Unit Owner shall immediately notify the Owner using that utility line and that using Owner shall promptly repair it.

Section 5.4 Casualties.

(a) **Association Obligations.** Following a Casualty, the Executive Board shall promptly restore and replace any damaged or destroyed Improvements ("Improvements" by definition exclude Owner-installed betterments and improvements, personal property in Units and Owner-installed fixtures on the Condominium Property but include the studs supporting demising walls between Units, even if installed by an Owner), unless (i) the Condominium is



terminated under **Article 14**, (ii) repair or replacement would be illegal under any state or local governmental health or safety law, or (iii) the Owners in good standing decided not to rebuild by an 80% or greater vote, including 100% of the Owners of the Units not to be rebuilt and 100% of the Owners of the Units to which the Limited Common Elements not to be rebuilt are assigned. The Executive Board shall use the proceeds of all insurance policies to pay the contractors performing the repair and restoration in appropriate progress payments and shall disburse any remaining proceeds in accordance with **Section 10.6(c)**. Any payment for repair and restoration in excess of the insurance proceeds shall be a Common Expense. Any reconstruction or repair shall be in accordance with the Plans. If the Owners in good standing vote not to rebuild any Unit, then that Unit's allocated Common Elements Interests are automatically reallocated as of the time of the vote, as if the Unit had been condemned under N.C.G.S. § 47C-1-107(a).

(b) Owner Obligations. Following a Casualty, each Owner is responsible for repairing and replacing its Owner-installed betterments and improvements in its Unit, personal property in its Unit and its Owner-installed fixtures on the Condominium Property, including HVAC systems serving its Unit exclusively but excluding the studs supporting demising walls that an Owner installs between Units.

Section 5.5 Liability. The Association shall not be liable for injury or damage to persons, or to property other than the Improvements, caused by a Peril, or by any Owner or any other person, or resulting from any utility, rain, snow or ice that may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment that the Association is responsible for maintaining, except for injuries or damages arising after an Owner puts the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association fails to exercise due care in endeavoring to correct the leak or flow within a reasonable time; but the Association will be liable for that injury or damage to the extent that the Association was required, but failed, to insure that injury or damage. The Association shall not be liable to any Owner or its Permittees for loss or damage, by theft or otherwise, of any property that may be stored in or on any of the Common Elements. The Association shall not be liable to any Owner or its Permittees for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this **Article 5** if the damage or injury is not a foreseeable, natural result of the Association's failure to reasonably discharge its responsibilities. An Owner shall not claim or become entitled to diminution or abatement of Assessments by reason of any alleged failure of the Association to take some action or perform some function required of the Association under this Declaration, or for inconvenience or discomfort arising from the Association carrying out repairs or improvements that are the responsibility of the Association, or from any action by the Association to comply with any law, order or directive of any municipal or other governmental or judicial authority.

Section 5.6 Mold and Mildew. Mold and mildew can grow in any portion of the Condominium Property that is exposed to elevated levels of moisture. The Association and each Owner shall, as to the parts of the Condominium Property that they respectively maintain, (i) regularly inspect those parts of the Condominium Property that are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew and water intrusion or damage; (ii) on discovery, immediately repair in a good and workmanlike manner the source of any water intrusion; (iii) remediate or replace any building material that has absorbed water or moisture as a result of water intrusion; and (iv) promptly and regularly



remediate any discovered mold and mildew in accordance with current industry-accepted methods. The Association shall notify the Owners, and each Owner shall notify the Association, of the discovery of mold, mildew and water intrusion or damage in the parts of the Condominium Property that they respectively maintain. Owners shall not block or cover any HVAC ducts located in or adjacent to a Unit.

Declarant has no obligation to perform any invasive testing or inspections, maintenance or repairs under this **Section 5.6**, and shall not be liable for any loss or damage caused by the failure of the Association or an Owner to perform its obligations.

If an Owner fails to meet any of the obligations in this **Article 5**, then the Executive Board may exercise its rights under **Section 7.15**.

Article 6

Easements

Section 6.1 Access by Declarant and Association. The Executive Board, or any person authorized by the Executive Board (including qualified contractors approved by the Executive Board), may access each Unit and the Common Elements as necessary or convenient for the (i) inspection, maintenance, repair, replacement or alteration of the Condominium Property; and (ii) satisfaction of any of the Executive Board's duties under this Declaration. Except as stated in **Section 6.4**, the Executive Board shall use good faith efforts to schedule any access to a Unit with the Unit Owner so as not to interfere with the Owner's use of the Unit.

Section 6.2 Encroachment Easements. If any portion of the Common Elements now encroaches on a Unit, or if a Unit now encroaches on another Unit or on any portion of the Common Elements, or if an encroachment occurs due to the settling or shifting of an Improvement, then an easement shall exist for the encroachment as long as the Improvement stands. If the Improvements are partially or totally destroyed by a Casualty, or as a result of condemnation proceedings, and subsequently are rebuilt in accordance with the Plans, then minor encroachments of parts of the Common Elements on a Unit, or of a Unit on any other Unit or parts of the Common Elements due to the rebuilding shall be permitted, and easements for the encroachments shall exist as long as the Improvements stand.

Section 6.3 Easements for Utilities. The Executive Board may grant easements for utility purposes for the benefit of the Condominium Property including the right to install, maintain, repair and replace satellite dishes; antennas; water lines; pipes; ducts; sewer lines; gas mains; telephone, internet and television or cable television wires, cables, fiber optic lines and equipment; electrical and other utility conduits; and wires over, under and on any portion of the Common Elements; and each Owner grants to the Executive Board an irrevocable power of attorney to execute and record in the name of each Owner instruments to effectuate those easements. Subject to the Executive Board's approval rights in **Section 3.5**, each Owner shall have an easement to penetrate the interior concrete slabs to install ceilings, utility lines and other betterments and improvements in that Owner's Unit. Each Unit shall have a non-exclusive easement through all other Units, to the extent necessary to (i) operate utility lines installed by Declarant for the benefit of that Unit and (ii) maintain and repair those utility lines.



In exercising the rights to operate and maintain utility lines inside other Units, Owners shall reasonably cooperate with other Owners in scheduling access and an Owner may not enter other Units without prior notice except during an emergency.

Section 6.4 Emergency Access. In case of any emergency originating in or threatening any Unit or the Common Elements, regardless of whether the Owner is present at the time of the emergency, the Executive Board or any other person authorized by the Executive Board may immediately enter any Unit or Limited Common Element to remedy or abate the cause of the emergency and make any imminently necessary repairs not performed by the Owners. The Association shall repair any damage caused to the entered Unit by the Association or authorized person, and the cost of the repair will be a Common Expense.

Section 6.5 Easement for HVAC Maintenance and Installation. Each Owner shall have an easement to install, operate and maintain an HVAC system to serve its Unit, subject to the requirements of this **Section 6.5**. Owners shall install their HVAC systems within the confined area on the roof of the Building labeled "HVAC Area" on page 4 of 4 of the Plans. Owners shall not go on the Building roof without the written consent of the Executive Board; but if an Owner obtains the Executive Board's approval for a particular HVAC contractor, then the Owner may appoint that contractor to perform all HVAC system maintenance on the roof for that Owner without obtaining specific Executive Board consent each time.

Section 6.6 Demising Walls. Declarant, the Executive Board, or anyone authorized by the Executive Board may access a Unit to install studs to support demising walls separating the Units in the locations depicted on the Plans. In addition, if permitted in the agreement for purchase and sale of a Unit between Declarant and an Owner, that Owner may access the Common Elements and other Units as necessary to construct the demising walls to that Owner's Unit in accordance with the Plans and the plans and specifications approved by Declarant or the Executive Board under **Section 7.9**.

Section 6.7 Subdivision; Partitioning.

(a) **Subdivision of Units.** An Owner may subdivide its Unit subject to Section 47C-2-113 of the Condominium Act.

(b) **Partitioning.** The Common Elements Interest allocated to each Unit shall not be conveyed, encumbered or otherwise dealt with separately from the Unit, and the Common Elements Interest allocated to each Unit will be deemed included with the Unit even though the Common Elements Interest is not expressly mentioned or described in an instrument dealing with the Unit.

Section 6.8 Conveyance or Encumbrance of Common Elements. While the Condominium Property remains subject to this Declaration and to the Condominium Act, no conveyances (except for easements that Declarant or the Executive Board may reserve or grant under this Declaration), security interests or liens shall be effective against the Common Elements without the prior written consent of the Owners in good standing and entitled to cast at least 80% of the votes in the Association, including at least 80% of the votes entitled to be cast by Owners other than Declarant. Every agreement for the performance of labor or the furnishing



of materials to the Common Elements, whether oral or in writing, must state that it is subject to this Declaration and that the right to file a mechanic's lien or other similar lien by reason of labor performed or material furnished is subordinated to this Declaration and to the lien of Assessments under **Section 8.2**. Nothing in this **Section 6.8** shall limit an Owner's right to convey or encumber the Owner's Common Elements Interest as an appurtenance to the Unit in connection with the conveyance or mortgaging of the Owner's Unit.

Article 7

Use Restrictions

The following restrictions shall bind each Owner and all Permittees:

Section 7.1 Nuisance. No noxious, offensive, hazardous or unlawful activity shall be conducted in any Unit or on the Common Elements. Nothing shall be done on the Condominium Property that is an unreasonable annoyance or a nuisance to the Owners, or that endangers the health or safety of any Owner or Permittee. Nothing shall be done or kept in any Unit or in the Common Elements that will result in the termination of, or an increase in the premium for, any policy of insurance for the Condominium Property.

Section 7.2 Prohibitions on Use of Condominium Property. The Condominium Property shall not be used (directly or indirectly) for any of the following activities:

- (a) Residential use.
- (b) Raising, breeding, treating, keeping or slaughtering of animals, livestock or poultry of any kind (including veterinary facilities, pet grooming facilities and pet boarding facilities or kennels).
- (c) Any activity that violates local, state, or federal laws or regulations.
- (d) Commercial storage of building or construction materials (except temporarily in connection with construction of betterments and improvements by Owners in their Units as permitted in this Declaration); the process of dry cleaners; smelting of iron, tin, zinc or other ores; refining of petroleum or of petroleum products; flea markets; open air stalls; rodeos; tattoo parlors; sales lots for prefabricated structures; tire recapping plants; farm and heavy construction equipment and implement sales, leasing, service, storage, and similar activities; truck terminals; lumber, planing or sawing mills; pulpwood yards; storage yards; taxidermy; cemeteries (public and private); junk yards; baling, storage or processing of scrap metal, glass, paper or rags, or storage or processing of wrecked or junked motor vehicles; quarries; truck stops; sanitary landfills or garbage disposal areas; trailer or mobile home parks; any type of outdoor storage; or massage parlor, cinema or bookstore selling or exhibiting material of a pornographic or adult nature.



Section 7.3 Hazardous Materials.

(a) For purposes of this **Section 7.3**, “**Environmental Law**” means any past, present or future laws and regulations, permits or orders relating to pollution or occupational health or safety or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including those relating to emissions, discharges, spills, releases or threatened releases into or impacting the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, recycling, storage, disposal, transport, sale, distribution or handling of Hazardous Materials (defined below).

(b) Each Owner and its Permittees shall conduct all activities in the Unit or at the Condominium Property in compliance with Environmental Law. No Owner or Permittee shall cause, permit or allow any substances, whether waste materials, raw materials, finished products, co-products, byproducts or any other materials or articles or constituents thereof that (from use, handling, processing, storage, emission, disposal, spill, release or for any other reason) are regulated by, form the basis of liability under, or are defined as a contaminant, pollutant, dangerous, designated or controlled substance product, solid or hazardous waste, hazardous substance, or toxic substance under any Environmental Law, including gasoline or any other petroleum product, asbestos, urea formaldehyde or polychlorinated biphenyls (collectively, “**Hazardous Materials**”), to be handled, dumped, released, manufactured, used, transported or located in, under or about that Owner’s Unit or the Condominium Property.

(c) Each Owner covenants and shall promptly remove and/or remediate at its sole cost any Hazardous Materials that Owner or its Permittees has placed, disposed or otherwise released at, on, in or under its Unit or the Condominium Property, in strict compliance with applicable Environmental Law.

(d) The Association shall have a license to access any Unit to remove any items the Association deems to be Hazardous Materials and to do anything the Association deems necessary to bring the Condominium Property into compliance with Environmental Law. The Owner of any such Unit shall immediately reimburse the Association for all costs associated with the Association’s exercise of its authority under this **Section 7.3(d)**.

(e) If any Owner fails to perform its obligations in this **Section 7.3**, then the Executive Board may exercise its remedies under **Section 7.15**, in addition to any other remedies available at law or in equity. If the Executive Board performs work or purchases materials on behalf of an Owner under this **Section 7.3**, then the Executive Board will be deemed to have contracted with the Owner for the work and materials and may file a mechanic’s lien against the Owner’s Unit for the cost of the work and materials, together with interest, in accordance with Chapter 44A of the North Carolina General Statutes.

(f) Each Owner shall defend, indemnify, and hold harmless Declarant, the Association and each other Owner from and against all damages, losses, costs (including removal or remediation costs), liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind (including attorneys fees and reasonable experts fees and disbursements) that may be imposed on, incurred by or asserted or awarded against Declarant, the Association or any other Owner, arising out of or connected with the presence of any Hazardous Materials on,



in, under or affecting any portion of another Owner's Unit or the Condominium Property related to the actions or inactions of the indemnifying Owner or its Permittees.

Section 7.4 Prohibitions on Use of Common Elements and Limited Common Elements. The Common Elements shall not be used for storage of personal property of any kind. Lobbies, hallways and sidewalks may be used only for their intended purposes. In general, Owners shall not conduct any activity or maintain any condition either in the Owner's Unit or on the Common Elements that detracts from the appearance of the Condominium Property or interferes with the quiet enjoyment by other Owners of their Units or the Common Elements.

Section 7.5 Garbage. Each Owner shall deposit its trash in the common trash dumpsters shown on the Plans. The trash dumpsters will be Common Elements. All trash and garbage shall be bagged and the bags closed and tied before being deposited in any trash chutes or dumpsters. Owners shall not keep trash or garbage in hallways, stairwells or other Common Elements except where expressly permitted by the Executive Board. Any Owner disposing of cardboard or other boxes shall first fold them flat, and then place them only in containers or areas designated by the Executive Board.

Section 7.6 Parking. Owners shall not block the entrances, access ramps or aisles in or leading to the Asphalt Parking Lot. The parking rights of Owners and their Permittees are described and further limited in **Section 4.4**. Motorcycles and bicycles may be parked only in the portions of the Asphalt Parking Lot, if any, designated by the Executive Board for those types of vehicles, and the Executive Board may declare that those areas are available on a reserved or first-come/as-available basis. No oil changes or other significant automobile maintenance or repair may be performed in the Asphalt Parking Lot. The Executive Board may tow any vehicle in violation of this **Section 7.6** at its owner's expense.

Section 7.7 Leases of Units. Any Unit lease must be in writing and require tenant to comply with all terms in the Condominium Documents applicable to Owners and concerning behavior, or concerning or restricting use of Units and Common Elements, including **Section 5.2** (Limited Common Elements) **Section 5.3** (Units), **Section 5.4(b)** (Owner Obligations) **Section 5.6** (Mold and Mildew), **Section 6.1** (Access by Declarant and Association), **Section 6.4** (Emergency Access), **Article 7** (Use Restrictions), **Article 11** (Units Subject to Condominium Documents) and **Article 18** (Enforcement), as these sections may be amended in the future.

Section 7.8 Floor Load. Owners shall not permit floor loads in excess of the stated design loads for the Building and shall not permit concentrated loads (e.g., safes, display facilities, filing systems or other heavy equipment) unless the Executive Board approves, and a structural engineer verifies, the adequacy of the structure to support those floor loads.

Section 7.9 Architectural Control. No building, landscaping, fence, wall or other structure (other than a satellite dish, to the extent permitted by **Section 7.10**) shall be commenced, erected or maintained on the Condominium Property, nor shall any exterior or structural addition or alteration to the Unit or the Common Elements be made, including the installation of the studs for the demising wall(s) between Units, except as allowed under **Section 7.12**, until the Executive Board has approved in writing the plans and specifications showing the



applicable dimensions, materials and location. No approval is required for any alteration inside a Unit as long as the alteration does not affect the structural integrity of the Building. No Owner, except Declarant during the Declarant Control Period, shall paint, decorate, landscape or adorn any portion of the Common Elements without the prior written consent of the Executive Board. Except as allowed by **Section 4.5**, no Owner other than Declarant may install advertising signs or billboards that are visible from outside the Building without the Executive Board's written approval.

Section 7.10 Antennas/Satellite Dishes. No exterior satellite dish or antenna may be placed by an Owner on any portion of the Common Elements without the prior written approval of the Executive Board. Subject to **Section 6.5**, each Unit Owner may install, maintain and replace on the roof of the Building a satellite dish and related equipment. Each Unit Owner shall install, maintain and replace its satellite dish and related equipment at its sole cost and in accordance with all laws and regulations. At the Executive Board's request, each Owner shall coordinate any roof installation with a roofing contractor chosen or approved by the Executive Board. The Executive Board may require that a satellite dish be screened from public view, so long as (i) the cost of screening is reasonable, (ii) the screening does not impair reception, and (iii) the screening requirements are similar to those for HVAC units or similar installations. The Owner shall also be responsible for any damage to the Limited Common Elements caused by the installation or removal of the satellite dish. Any Owner installing a satellite dish under this **Section 7.10** shall indemnify, defend and hold harmless the Association from and against any loss, damage, claim or other liability resulting from the installation, maintenance, repair, use or removal of the satellite dish.

Section 7.11 Nondiscrimination. No Owner (including Declarant) shall discriminate on the basis of sex, race, age, color, creed or national origin in the sale, lease or rental of any Unit or in the use of the Common Elements.

Section 7.12 Handicap Accessibility. Any Owner may, at the Owner's expense and in compliance with this **Section 7.12**, make modifications to its Unit and the Common Elements as necessary under applicable law to provide reasonable accommodation to physically disabled persons. Any modifications to the structural portions of a Unit and any modifications to the Common Elements (i) shall comply with the guidelines and regulations under the Americans with Disabilities Act and of the United States Equal Employment Opportunity Commission for buildings and facilities providing accessible facilities for physically disabled people, and (ii) shall be undertaken pursuant to contracts, plans and specifications approved by the Executive Board (and the Executive Board shall not unreasonably withhold or delay its approval). The Owner and the Owner's contractor for the work shall provide an adequate payment and performance bond benefitting the Association. The Executive Board shall modify any Rules as necessary under applicable law to reasonably accommodate any disabled person's opportunity to use and enjoy the Units and the Common Elements.

Section 7.13 Rules. The Owners and their Permittees shall comply with the Rules at all times. The Executive Board shall furnish copies of the Rules to any Owner on request.

Section 7.14 Environmental Toxins; Mitigation of Moisture.



(a) Radon.

(i) Radon is a naturally occurring radioactive gas that, when trapped in buildings, can be harmful to human health at elevated levels.

(ii) Declarant makes no representation or warranty as to the presence or absence of radon at, on, in or under the Condominium Property. Declarant further makes no representation or warranty as to the presence or absence of radon in any building materials used in construction of the Building.

(b) Mold.

(i) Mold, mildew, fungus or spores (collectively, “**Mold**”) is a naturally occurring substance that, in certain amounts and environments, may be harmful to human health. Water leaks, leaving exterior doors or windows open, wet flooring and moisture will contribute to and accelerate the growth of Mold, but there is no method for completely eliminating the development of Mold.

(ii) Declarant does not make any representations or warranties regarding the existence or development of Mold in the Units or the Building.

(iii) Each Owner shall (a) keep its Unit clean, dry and well-ventilated and (b) set the automatic thermostat to run the air conditioning system to maintain the Unit temperature, whether or not occupied, at no greater than 78°F, to minimize humidity in the Unit.

(iv) Each Owner shall, at its sole expense, remove or otherwise remediate any Mold in its Unit.

(v) If the Executive Board reasonably believes that a Unit is not in compliance with **Section 7.14(b)(iii)**, then the Executive Board may (but is not required to) enter the Unit (without the consent of the Unit Owner, its Permittees or any other party) to turn on the air conditioning in an effort to cause the temperature of the Unit to be maintained as required in this Section (with all utility consumption costs to be paid and assumed by the Unit Owner). If electric service is not then available to the Unit, then the Executive Board may (without the consent of the Unit Owner or any other party) connect and maintain electric service to the Unit at the Owner’s expense.

(vi) If any Owner fails to perform its obligations in **Section 7.14(b)(iv)**, then the Association shall have a license to access any Unit to remove any Mold and repair or replace any building materials or ventilation system component in the Unit associated with removal and other remediation of the Mold. The Owner of any such Unit shall immediately reimburse the Association for all costs associated with the Association’s exercise of its authority under this **Section 7.14(b)(vi)**.

(c) Release and Indemnity. Each Owner, by acquiring title to a Unit, assumes the risk of, releases, and shall hold Declarant harmless and indemnify Declarant from and against, any claims made by the Owner or its Permittees related to the presence of radon, Mold



or both, on, in or under the Condominium Property, or contained in the Building materials, including claims of any illness, allergic reactions, personal injury, death, decrease in property value, lost profits or any other contingent liability, inconvenience, relocation and moving expenses, lost time, lost earning power, hotel and other accommodation expenses for room and board, and attorneys fees and other legal and associated expenses.

Section 7.15 Compliance. Each Owner and its Permittees shall comply strictly with the Condominium Documents. A violation committed by an Owner's Permittee shall be attributed to that Owner.

If an Owner fails to comply with its obligations under the Condominium Documents, including failure to perform maintenance, repair or replacement as required by **Articles 5 and 7**, then the Executive Board may, at the cost of the defaulting Owner (and any costs will be an Individual Unit Assessment against that Owner's Unit): (i) abate and remove any thing or condition causing or contributing to the violation; (ii) perform maintenance, repair or replacement as necessary to remedy the violation; (iii) enjoin, abate or remedy the violation by appropriate legal proceedings; (iv) suspend privileges or services provided by the Association (except rights of access to Units) during any period that Assessments remain unpaid for 30 days or more (or any lesser time period permitted by law); and (v) after notice and opportunity for the Owner to be heard, levy against the Owner and the Owner's Unit fines not to exceed \$100.00 per day, beginning on the 6th day after the Executive Board's determination that a violation exists (and continuing until the violation ceases) or any higher amount permitted by law. Subject to **Section 6.1**, the Executive Board may enter the Unit in which a violation exists to exercise the rights in (i) and (ii).

In any case of a flagrant violation or repeated violations by an Owner, the Executive Board may require the Owner to give sufficient surety for the Owner's future compliance with the obligations and restrictions contained in the Condominium Documents.

Article 8

The Association

Section 8.1 Organization of Association. The Association has been organized to provide for the administration of the Condominium. The Association through the Executive Board shall administer the operation and maintenance of the Condominium Property and perform its duties in accordance with the Condominium Documents and the Condominium Act. A copy of the Bylaws is attached as **Exhibit E**. Each Owner must and shall automatically be a Member of the Association by virtue of the Owner's ownership interest in a Unit.

Section 8.2 Powers; Lien for Assessment. The Association, acting through the Executive Board, may enforce this Declaration, levy and collect Assessments under **Article 9** and Bylaws Article 8, and adopt and enforce Rules in accordance with the Bylaws. Any sum assessed by the Executive Board remaining unpaid for 30 days or longer will constitute a lien on the Unit on filing in accordance with N.C.G.S. § 47C-3-116, and will be enforceable by the Executive Board in accordance with N.C.G.S. § 47C-3-116 and Bylaws Article 8. Any Association lien established under this **Section 8.2** will be subordinate to the lien of any bona



vide first lien Mortgage recorded prior to the docketing of the Association lien. An Association lien will not be affected by the transfer of the Unit, except that a transfer as a result of the foreclosure of a first lien Mortgage under N.C.G.S. § 47C-3-116(f) will extinguish the Association lien for any Assessments that were payable prior to the foreclosure sale; however, the subsequent Owner must pay all future Assessments.

Section 8.3 Books and Records. The Executive Board shall maintain current copies of: (i) the Condominium Documents, as they may be amended from time to time, (ii) the Rules; and (iii) all financial records of the Association, as required by N.C.G.S. § 47C-3-118. These items shall be available for inspection during normal business hours and on reasonable prior notice, by any Owner, any Mortgagee, any prospective purchaser of a Unit and any insurer or guarantor of a loan secured by a Mortgage.

Article 9

Assessments

Section 9.1 Taxes. Every Unit, together with its Common Elements Interest, shall be separately assessed and taxed by each assessing authority for all types of taxes authorized by law. Each Owner shall be liable solely for the amount taxed against the Owner's Unit, but real property ad valorem property taxes shall not be separately assessed against the Units until the first full calendar year following recordation of this Declaration. Declarant shall pay ad valorem real property taxes for the calendar year during which this Declaration (or supplemental declaration, if applicable) is recorded (subject to reimbursement from each Unit purchaser for its pro rata share at the Unit sale closing).

Section 9.2 Common Expenses.

(a) Allocation of Common Expenses. Each Owner shall pay to the Association the Common Assessment as calculated under Bylaws Section 8.1.

(b) Commencement of Assessments. Assessments for all Units will begin as of the date of the first conveyance of a Unit to an Owner other than Declarant, or at any time within 60 days after that as determined by Declarant. At the closing of the purchase of any Unit from Declarant, the purchaser shall pay in advance a prorata portion of the Common Assessment applicable to the Unit being purchased, prorated from the date of the closing through the last day of the period for which the Common Assessments are assessed. Until the Executive Board levies a Common Assessment, Declarant shall be solely responsible for the Common Expenses in accordance with the Condominium Act. The Owners shall pay their Common Assessments quarterly or as otherwise directed by the Executive Board. The Bylaws allow the Executive Board to also impose Special Assessments and Individual Unit Assessments against the Owners and their Units. A Unit purchaser shall be jointly and severally liable with the Unit seller for the amount of Common Expenses assessed against the Unit prior to purchaser's acquisition of the Unit, without prejudice to the purchaser's right to recover that amount from the seller.

Section 9.3 Common Surplus. Subject to the rights of creditors and Mortgagees under the Condominium Act, and except for distribution of insurance proceeds



under **Section 10.6**, the Owners shall own the Common Surplus in proportion to their respective Units' Common Elements Interests. The Executive Board shall hold the Common Surplus and either: (i) deposit it in the Association's reserve fund; (ii) credit it toward Common Expenses for subsequent year(s); or (iii) distribute it to each Owner in proportion to the Common Elements Interest allocated to that Owner's Unit.

Section 9.4 Prohibition of Exemption. No Owner may exempt itself from liability for its share of the Common Expenses by waiving the use or enjoyment of any of the Common Elements, by abandoning its Unit, or otherwise.

Article 10

Insurance

Section 10.1 Property Insurance. The Executive Board shall obtain and maintain at all times a policy of property insurance (ISO Standard Causes of Loss-Special Form or its equivalent) on the Improvements covering the full replacement cost of the Improvements when the insurance is purchased and at the time of each renewal (excluding the cost of foundations and footings), with a deductible not to exceed \$10,000 (or a higher amount the Executive Board selects).

The insurance company issuing the policy must be properly licensed to do business in the State of North Carolina, with either (i) "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*; (ii) an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports - International Edition*; (iii) an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*, a "BBB" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurer Solvency Review*; or (iv) a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*.

The policy must provide that the Association is the "named insured," each Owner is a "loss payee" with respect to the Owner's Unit and the Owner's Common Elements Interest, and each Mortgagee that so requests is added as a "loss payee." The policy must contain an inflation guard endorsement, if available; an earthquake endorsement, if available; a building ordinance or law endorsement, if available; and a special condominium endorsement (or its equivalent) providing as follows: (i) for waiver of subrogation against any Owner and any Owner's Permittees; (ii) that no act or omission by any Owner or its Permittees will preclude recovery on the policy; and (iii) that if, at the time of a loss under the policy, there is other insurance in the name of an Owner or its Permittees covering the same risk covered by the policy, then the Association's policy provides primary insurance. The property insurance policy must provide that adjustment of loss shall be made by the Executive Board and all proceeds shall be payable to the Executive Board as insurance trustee. The Executive Board shall endeavor to have the property insurance policy or certificates state that the policy may not be canceled or substantially modified without at least 30 days prior written notice to the Association and all loss payees.

Section 10.2 Liability Insurance. The Executive Board shall obtain and maintain at least one commercial general liability insurance policy (current ISO CGL form or its



equivalent), initially with limits of at least \$5,000,000.00 per occurrence for death, bodily injury and property damage and then with any higher amount the Executive Board selects. The policy must be endorsed to preclude the insurer from denying coverage due to any act or omission of any Owner or Permittee. The policy must provide that if, at the time of a loss under the policy, there is other insurance in the name of an Owner or its Permittees covering the same risk covered by the policy, then the Association's policy provides primary insurance. The liability insurance policy must provide that adjustment of loss shall be made by the Executive Board and all proceeds shall be payable to the Executive Board as insurance trustee. The Executive Board may satisfy its liability insurance coverage requirements under this **Section 10.2** by means of a primary policy and one or more "umbrella" or excess liability policies sufficient to provide the total coverage (from the primary and umbrella policies combined).

The liability insurance must: cover each member of the Executive Board and the Independent Manager (if any); name each Owner as "additional insured;" and name each Mortgagee that so requests as "additional insured." The policy must insure these parties against liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and any streets, driveways, sidewalks and parking areas adjoining the Condominium Property. The Executive Board shall endeavor to have the liability insurance policies or certificates state that they will not be canceled or substantially modified without at least 30 days prior written notice to the Association and to all additional insureds.

The Executive Board shall review the insurance coverages required under **Section 10.1** and **Section 10.2** annually. If any required insurance coverage becomes impossible, impractical or unreasonably expensive to obtain, then the Executive Board shall endeavor to obtain insurance that approximates the required coverage or that is within the Executive Board's budget constraints.

Section 10.3 Fidelity Coverage. The Executive Board shall obtain fidelity coverage against dishonest acts by all persons handling or responsible for handling funds belonging to or administered by the Executive Board. The fidelity insurance policy must name Association as the named insured and cover an amount as the Executive Board selects (but not less than one-half the annual budgeted amount of Common Expenses plus the amount of any reserves maintained by the Association). The fidelity policy must cover losses caused by the dishonest acts of Directors and Officers and must contain a waiver of all defenses based on the exclusion of persons serving without compensation. The Executive Board shall endeavor to have the fidelity policy or certificate state that it will not be canceled or substantially modified without at least 30 days prior written notice to the Association. Any Independent Manager hired by the Executive Board shall purchase its own fidelity insurance policy with the same coverages and terms as required by this **Section 10.3**.

Section 10.4 Other Insurance Policies. The Executive Board shall obtain Workers' Compensation if required by law or as the Executive Board otherwise deems appropriate. The Executive Board shall obtain Directors and Officers Insurance in the amount it deems appropriate. The Executive Board may obtain any other insurance coverages as it deems appropriate, such as Employer's Liability Insurance.



Section 10.5 Premiums and Deductibles. The Executive Board shall pay all premiums for insurance policies purchased by the Executive Board and any deductible amounts, and charge those amounts as Common Expenses to pay the applicable deductible(s). Within three years after recordation of this Declaration, the Executive Board shall have established and shall continue to maintain funds in a reserve account sufficient to cover the cost of any deductible for the insurance policy maintained under **Sections 10.1** and **10.2**. If the reserve account falls below the required amount, then the Executive Board shall add the necessary funds to the reserve account within a reasonable time.

Section 10.6 Distribution of Insurance Proceeds.

(a) All insurance policies the Executive Board procures must provide that adjustments of loss shall be made by the Executive Board, and all proceeds shall be payable to the Executive Board, as insurance trustee. Each Owner irrevocably appoints the Executive Board as its attorney-in-fact for that purpose. The sole duty of the Executive Board as insurance trustee shall be to receive the proceeds when paid and deposit them with a bank or trust company to be held in trust until disbursed in accordance with this **Section 10.6**.

(b) Insurance proceeds shall be applied as follows:

(1) If the Executive Board elects under **Section 5.4** not to repair or reconstruct the damaged property for which the proceeds are paid, then:

(i) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium Property or to raze the damaged Improvement;

(ii) the proceeds attributable to Units shall be distributed to the affected Owners in proportion to each of their respective Common Elements Interests compared to the sum of all their Common Elements Interests; and the proceeds attributable to Limited Common Elements that are not rebuilt shall be distributed to the Owners of the Units to which those Limited Common Elements were allocated, in proportion to each of their respective Common Elements Interests compared to the sum of all their Common Elements Interests; and

(iii) any remaining proceeds shall be distributed pursuant to **Section 10.6(c)**.

(2) If the Executive Board elects to repair or reconstruct the damage for which the proceeds are paid, then the Executive Board shall use the proceeds to defray the repair or reconstruction costs. Any remaining proceeds shall be distributed pursuant to **Section 10.6(c)**.

(c) Any remaining proceeds shall be allocated and distributed for the benefit of the Owners and their Mortgagees as follows:

(1) If a Mortgagee is a loss payee with respect to a Unit, then any amount to be paid under this **Section 10.6** to the Owner shall be paid to the Owner and the Owner's Mortgagee as their respective interests may appear.



(2) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner, and each Owner's share shall be the same as the Common Elements Interest for that Owner's Unit.

Section 10.7 Insurance Obtained by Owners. Each Owner shall obtain, and keep continuously in force, property insurance (ISO Standard Causes of Loss-Special Form or its equivalent) on the Owner-installed betterments and improvements in the Unit (including signs installed outside the Unit under **Section 4.5**), any personal property in the Owner's Unit and any fixtures that Owner installs on the Condominium Property (except studs supporting demising walls that an Owner installs between Units), covering the full replacement cost of those categories of property when the insurance is purchased and at the time of each renewal. Each Owner shall also obtain and continuously maintain public liability insurance coverage of at least \$1,000,000.00 (or a higher amount the Executive Board selects) for bodily injury, including deaths of persons and property damage, arising out of a single occurrence. Each Owner shall file copies of the policies required by this Section with the Executive Board within 30 days after purchase of a Unit and on renewal or replacement of any of the policies. The deductible under any of the policies shall not exceed \$10,000 or other amount the Executive Board approves in writing. Any insurance an Owner obtains shall contain or allow the waiver required by **Section 10.8**.

Section 10.8 Mutual Release; Waiver of Subrogation. Subject to an Owner's obligation to contribute toward the Association's or another Owner's deductible under **Section 5.1** or **Section 5.3**, the Association and the Owners each waive all claims, rights of recovery and subrogation rights against each other for any property loss or damage if this Declaration required that loss or damage to be covered by insurance or if the loss or damage is otherwise covered by insurance benefiting the party incurring the loss or damage. This waiver shall apply regardless of the negligence of the parties, their Permittees, agents, employees and representatives, and shall apply without regard to the limits of the insurance that this Declaration requires the party to maintain or that is otherwise maintained by the party. If any insurance policy does not expressly allow the insured to waive rights of subrogation before loss, then the party obtaining the policy shall cause that policy to be endorsed to allow waiver of subrogation. Subject to **Section 5.1** and **Section 5.3**, this **Section 10.8** shall apply to the amounts of any self-insurance and deductibles maintained by a party as if the party were insured for those amounts by a third-party insurer as required under this Declaration.

Article 11

Units Subject to Condominium Documents

All present and future Owners and their Permittees shall be subject to and shall comply with the provisions of the Condominium Documents applicable to Owners. Acquiring title to a Unit, or entering into a lease or occupancy of a Unit, will constitute (i) an agreement that those provisions of the Condominium Documents are accepted and ratified by the Owner and its Permittees, and (ii) an agreement that those provisions are covenants running with the Condominium Property and shall bind any person having at any time any interest or estate in the Unit as though those provisions were made part of every instrument of conveyance or lease relating to the Unit.



Article 12

Special Declarant Rights

Section 12.1 Special Declarant Rights. Until expiration of the Declarant Control Period, Declarant will have the following Special Declarant Rights with respect to the Condominium Property (in addition to any rights defined in Section 47C-1-103(23) of the Condominium Act):

(a) Development Rights.

- (1) The right to complete any Improvements shown on the Plans.
- (2) The right to exercise any development right as defined in Section 47C-2-110 of the Condominium Act (including the right to subdivide a Unit or convert a Unit previously created into additional Units, Common Elements or both).

(b) Right to Elect Executive Board. The right to elect, appoint or remove members of the Executive Board during the Declarant Control Period, subject to Bylaws Section 5.2.

(c) Easement to Facilitate the Exercise of Special Declarant Rights. A non-exclusive easement on, in and under the Condominium Property as may be reasonably convenient for discharging Declarant's obligations or exercising Special Declarant Rights.

(d) Supplemental Provisions Regarding Declarant's Rights. The right to amend this Declaration and any Plans in connection with the exercise of any Development Rights or any other Special Declarant Rights to the extent not prohibited by the Condominium Act or the Condominium Documents.

Section 12.2 Transfer of Special Declarant Rights. Declarant may transfer any Special Declarant Rights to any person or entity by an instrument evidencing the transfer, and duly recorded in the Registry. The instrument shall be effective only if executed by the transferor and the transferee and duly recorded in the Registry. Following transfer of any Special Declarant Rights, the liability of the transferor and the transferee shall be as stated in N.C.G.S. § 47C-3-104.

Article 13

Condemnation

If any of the Condominium Property is taken by condemnation, then the condemnation award shall be applied and distributed in accordance with N.C.G.S. § 47C-1-107 and **Section 4.3**.

Article 14



Termination

The Condominium may be terminated and the Condominium Property removed from the provisions of the Condominium Act only by the vote of at least 60% of the Owners in good standing, cast in person or by proxy at an Association Meeting duly held under the Bylaws, and as evidenced by execution of a termination agreement by the requisite number of Owners. The termination shall otherwise comply with the requirements of N.C.G.S. § 47C-2-118, and must be recorded before it becomes effective. Following the recordation of the termination agreement, the interests of the Owners and Mortgagees in the Condominium Property shall be as provided in N.C.G.S. § 47C-2-118.

Article 15

Amendments

Section 15.1 General Amendment Provisions.

(a) Except in cases of amendment by Declarant under **Section 12.1(d)**, N.C.G.S. § 47C-2-109(d) or 47C-2-110, or by the Association under N.C.G.S. § 47C-1-107, 47C-2-112(a) or by certain Owners under N.C.G.S. § 47C-2-108(b), 47C-2-112(a), 47C-2-113(b) or 47C-2-118(b), and except as is otherwise specifically authorized in the Condominium Documents, this Declaration may be amended only by the vote or written agreement signed by the Owners of Units to which at least 67% of the votes in the Association are allocated.

(b) Except to the extent expressly permitted by the Condominium Act (including the Condominium Act sections referenced in **Section 15.1(a)**), any amendment that alters the percentage of allocated interests of any Unit in the Common Elements, increases the number of Units, changes the boundaries of any Unit, changes the use to which any Unit is restricted, or modifies this **Article 15**, requires the written approval of all Owners. Unless otherwise allowed under the Condominium Act, no amendment to this Declaration will be effective until executed on behalf of the Executive Board by a designated officer and recorded in the Registry.

(c) During the Declarant Control Period, this Declaration may be amended only with the written consent of Declarant. So long as Declarant owns one or more Units, no amendment may be made to this Declaration or the Bylaws without Declarant's written consent that could:

- Unit(s); (1) unreasonably interfere with Declarant's marketing or sale of
- Declarant; or (2) limit, modify or eliminate any right, or benefit reserved to
- (3) impose any discriminatory charge or fee against Declarant.



Section 15.2 Unilateral Amendment by Declarant.

(a) Declarant may amend this Declaration without obtaining the consent or approval of any other person or entity if the amendment is necessary to cause this Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other similar agency.

(b) Declarant reserves the unilateral right to make (i) amendments or modifications that are correctional in nature and do not involve a change that materially and adversely affects the substantive rights, duties or obligations created by the Condominium Documents; and (ii) any addition or amendment that Declarant is authorized to make under other Sections of this Declaration.

Article 16

Rights of Mortgagees

Section 16.1 General Provisions. This **Article 16** establishes certain standards and covenants for the benefit of Mortgagees. If this **Article 16** conflicts with any other provisions of the Condominium Documents, then this **Article 16** shall control.

Section 16.2 Right to Examine Books and Records. Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, during normal business hours and on reasonable prior notice, may examine the books and records of the Association, including copies of the Condominium Documents and the financial statements of the Association. The Association, on written request by a Mortgagee, insurer or guarantor of a loan secured by a Mortgage, shall furnish at least one copy of the Association's annual financial statement and report.

Section 16.3 Right to Notice. The Association shall send prompt written notice of any of the following to any Mortgagee (including, for purposes of this **Section 16.3**, any insurer or guarantor of a loan secured by a Mortgage that has notified the Executive Board in writing of its name and address, the address and Unit number of the Unit encumbered by the Mortgage, and that it insures or guarantees a Mortgage on the specified Unit):

(a) Default under the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by the Mortgagee, if the default remains uncured for a period of 60 days.

(b) Any Casualty loss or condemnation of the Common Elements or the Unit encumbered by the Mortgage held, insured or guaranteed by the Mortgagee.

(c) Any modification to the coverages under any insurance policy or fidelity bond maintained by the Association that materially deviates from the coverage requirements under the Condominium Documents for that policy or bond; or any lapse or cancellation of that policy or bond unless it is replaced prior to its termination with an equivalent policy or bond.



Section 16.4 Enforcement. This **Article 16** is for the benefit of all Mortgagees and their successors and assigns, and may be enforced by any of them by any available legal means.

Article 17

General Provisions

Section 17.1 Invalidity. The invalidity of any provision of this Declaration will not affect the validity and enforceability of the remaining provisions.

Section 17.2 Waiver. No provisions in this Declaration will be deemed waived due to any failure to enforce them, irrespective of the number of violations or breaches that may occur.

Section 17.3 Captions. The captions and headings in this Declaration are merely for convenience and do not define or limit any provisions of this Declaration.

Section 17.4 Controlling Law. North Carolina law governs the Condominium Documents.

Section 17.5 Construction. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership under the Condominium Act. The Executive Board may carry out any election, approval, disapproval, enforcement or other action in its sole discretion.

Section 17.6 Notice Address. Each Owner on acquisition of its Unit shall give to the Association a written notice specifying the Owner's name, Unit number, address and phone number (which need not be the address and phone number of the Unit). The Association may rely on an Owner's notice address for all correspondence or notices to that Owner until that Owner provides the Association with a subsequent written notice address amending the previous notice address.

Section 17.7 References. References to Articles, Sections or Exhibits mean to those included in or attached to this Declaration, unless another document is explicitly referenced.

Section 17.8 Stormwater Agreement. The Real Property is subject to the Easement, Construction and Maintenance Agreement recorded in Book RB4381, Page 398 and Book RB4381, Page 417 in the Registry ("**Stormwater Agreement**"). Declarant may (a) enter into an agreement, similar to **Exhibit G** to this Declaration, to remove the Real Property from the Stormwater Agreement, and (b) record the agreement in the Registry, without the signature or consent of any Owner.

Article 18



Enforcement

Section 18.1 Actions by Association. In addition to and not in lieu of the other remedies for default provided in the Condominium Documents, the Executive Board may bring a civil action against any Owner to enforce any obligation, covenant or restriction under the Condominium Documents.

Section 18.2 Actions by Owners; Modification of Statutes of Limitation and Repose. Any Owner may bring a civil action against another Owner, the Association, the Executive Board, or any one or more of them, to enforce any obligation, covenant or restriction under the Condominium Documents. A Permittee may not make any claim or bring any action under or with respect to this Declaration unless an Owner assigns its enforcement rights to that Permittee. Notwithstanding any provision of law (including any statute of limitations or repose) to the contrary, any claim against Declarant must be asserted no later than one year following the date that the essential facts giving rise to the claim were or reasonably should have been discovered. Further, a claim against Declarant shall be valid only if asserted within three years after the last act giving rise to the claim.



Declarant executes this Declaration as of the date written on the cover page.

Crosland Cosgrove Hill Office, LLC, (SEAL)
a North Carolina limited liability company

By: Crosland Manager, LLC
Title: Manager

By: James E. Merrifield
Name: James E. Merrifield
Title: Vice President

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Frances M. Ciotti, a Notary Public of Iredell County, State of N.C. do hereby certify that James E. Merrifield (the "Signatory"), Vice President of Crosland Manager, LLC, a North Carolina limited liability company, which is manager of Crosland Cosgrove Hill Office, LLC, a North Carolina limited liability company, personally appeared before me this day, by authority duly given, and acknowledged the due execution of the foregoing instrument on behalf of Crosland Manager, LLC as manager of the limited liability company.

I certify that the Signatory personally appeared before me this day, and
(check one of the following and mark through all blank lines or spaces in the certificate)

I have personal knowledge of the identity of the Signatory; **or**
 I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

a driver's license; **or**
 in the form of _____; **or**
 a credible witness has sworn to the identity of the Signatory.

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this 7th day of March, 2011.

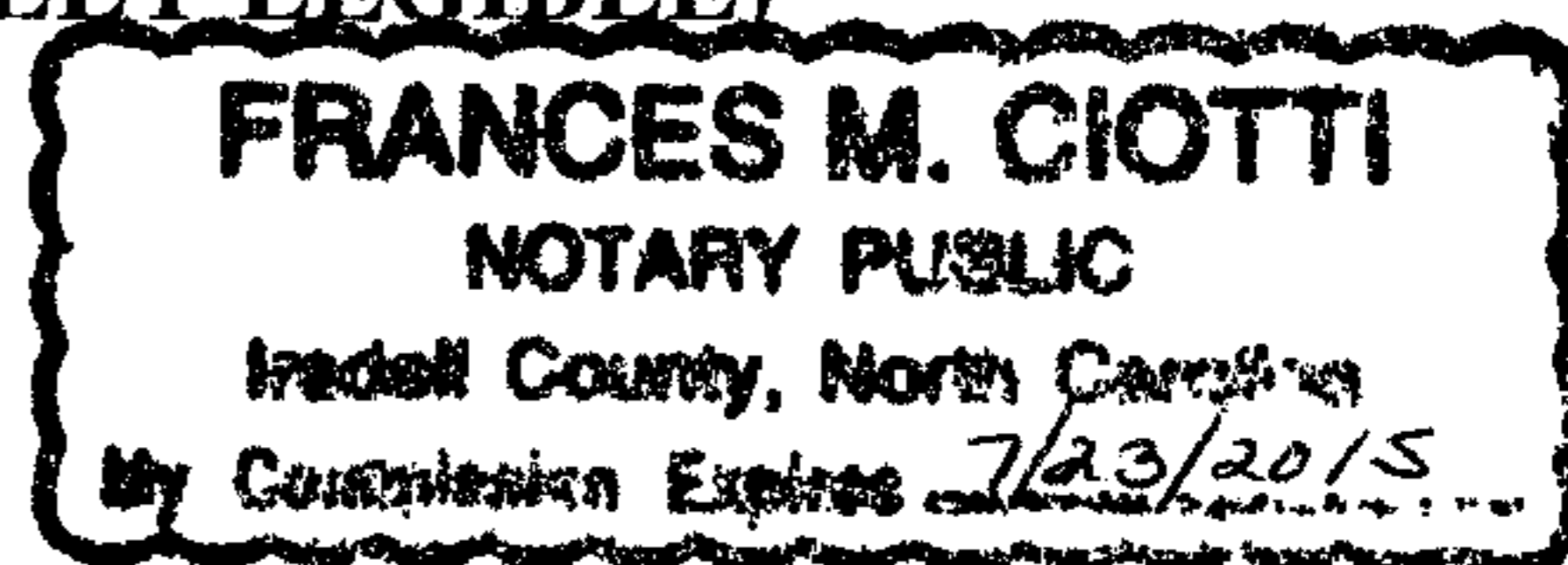
Frances M. Ciotti
Notary Public

Print Name: Frances M. Ciotti

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: July 23, 2015

[NOTARY SEAL] (MUST BE FULLY LEGIBLE)



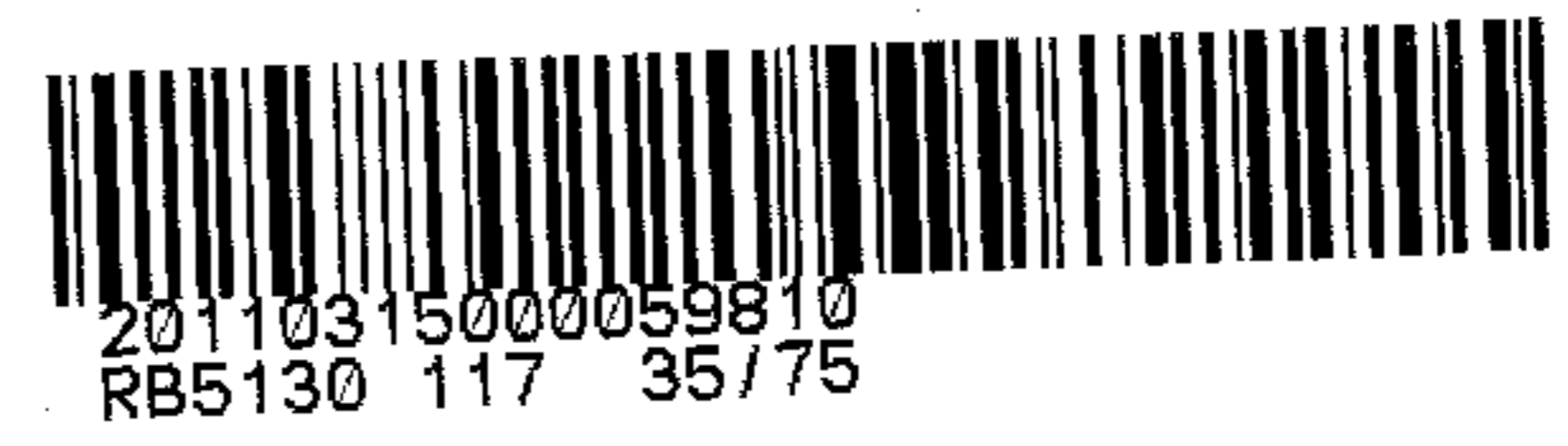


Exhibit A

Real Property

The parcel of land in Orange County, North Carolina described as follows:

All of Lot 3 containing approximately 1.872 acres as shown on "Final Plat, Cosgrove Hill, Recombination, Easement and R/W Dedication Plat" dated February 8, 2007 by Philip Post & Associates recorded in Book 102, Page 150, Orange County Registry.



Exhibit B

Common Elements Interest

<u>Unit</u>	<u>Unit Area</u>	<u>Common Elements Interest</u>
100	1,721 square feet	1,721/26,702
110	2,319 square feet	2,319/26,702
120	1,698 square feet	1,698/26,702
140	3,962 square feet	3,962/26,702
170	3,369 square feet	3,369/26,702
201	13,633 square feet	13,633/26,702
Total	26,702 square feet	26,702/26,702

The Common Elements Interest of a Unit is equal to the Unit Area of that Unit as a percentage of the total Unit Area of all Units. If Declarant subdivides any Unit, then the Common Elements Interest assigned to that Unit will be allocated among the Units created by the subdivision based on the Unit Area of each newly created Unit.



Exhibit C

Encumbrances

- A. All taxes and governmental assessments not yet due and payable.
- B. Restrictions, covenants, conditions, easements and plats of record, including the Special Use Permit recorded in Book 4381, Page 375, Orange County Registry.
- C. The Plans.



Exhibit D

Parking Spaces

<u>Unit</u>	<u>Number of Spaces</u>
100	5
110	7
120	5
140	12
170	11
201	43
Total	83

Exhibit E



**Bylaws of
Cosgrove Hill Office Condominium Owners Association, Inc.**



**Bylaws of
Cosgrove Hill Office Condominium Owners Association, Inc.**

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Article 1
Definitions

Capitalized words and phrases used but not defined in these Bylaws have the meanings given in the Declaration of Cosgrove Hill Office Condominium (“**Declaration**”), recorded in the Office of the Register of Deeds for Orange County, North Carolina. These Bylaws are attached as an Exhibit to the Declaration.

Article 2
Administration of Condominium

Section 2.1 Authority and Responsibility. Except as otherwise described in Declaration Article 5, the Association shall administer and maintain the Common Elements and manage the affairs of the Condominium.

Section 2.2 Official Action. Unless the Condominium Documents or the Condominium Act require approval by a vote of the Members for a particular type of matter (such as those matters listed in **Section 5.1**), actions by the Association will be valid if approved by the Executive Board or by the committee, person or entity to whom the Executive Board has delegated appropriate authority. The Association, Executive Board, Officers and Directors shall at all times act in conformity with the North Carolina Nonprofit Corporation Act (“**Nonprofit Act**”), the Condominium Documents and the North Carolina Condominium Act (“**Condominium Act**”).

Article 3
Offices; Seal; Fiscal Year

Section 3.1 Principal Office and Registered Office. The initial principal and registered office of the Association is located at 521 East Morehead Street, Suite 400, Charlotte, North Carolina 28202.

Section 3.2 Other Offices. The Association may have other offices in North Carolina as the Executive Board may determine or as the affairs of the Association may require.

Section 3.3 Seal. The seal of the Association shall contain the name of the Association, the word “Seal,” the year of incorporation and other words and figures as the Executive Board desires.

Section 3.4 Fiscal Year. The fiscal year of the Association is the calendar year.

Article 4
Membership

Section 4.1 Qualification. Membership in the Association is limited to the Owners, and every Owner shall automatically be a member (“**Member**”) of the Association. Membership in the Association inures automatically to an Owner on acquisition of fee simple title (whether encumbered or not) to a Unit. Membership in the Association is appurtenant to and may not be separated from Unit ownership. Unless otherwise stated in these Bylaws, if Declarant owns a Unit, then Declarant will be a Member of the Association.



If multiple Owners own a Unit, then all co-Owners will share the privileges of membership, subject to reasonable Board regulation and the voting restrictions in **Section 4.10**. As a general rule, each co-Owner of a Unit will be jointly and severally responsible for all obligations of Unit ownership for that Unit.

The date of recordation of the conveyance of a Unit governs the date of ownership of that Unit, but on the death of an Owner, the transfer of ownership shall occur on the (i) date of death in the case of intestacy or (ii) date of probate of the will in the case of testacy. Until a decedent's will is probated, the Association may presume that a deceased Owner died intestate.

Section 4.2 Place of Meetings. All Association meetings of Members shall occur at the principal office of the Association or another suitable place designated by the Executive Board and convenient for the Members.

Section 4.3 Annual Association Meetings. The first Association meeting, whether a regular or special meeting, shall occur within one year after the date the Association is incorporated. Each subsequent Annual Association Meeting shall occur, on proper notice, at a date, time and place reasonably set by the Executive Board. If the day for the Annual Association Meeting is a federal holiday, then the meeting shall be held at the same hour on the first succeeding day that is not a federal holiday. Each Annual Association Meeting shall be open to all Members. At the Annual Association Meetings, the Members shall elect the Executive Board in accordance with **Section 5.3**, and the Members shall transact any other business that may properly come before them.

Section 4.4 Substitute Annual Association Meetings. If an Annual Association Meeting is not held on the day designated by these Bylaws, then a "**Substitute Annual Association Meeting**" may be called under **Sections 4.5** and **4.6**, and it shall be designated and treated for all purposes as the Annual Association Meeting.

Section 4.5 Special Association Meetings. After the first Annual Association Meeting, special meetings of the Members ("**Special Association Meetings**") may be called at any time (on not less than 10 nor more than 50 days prior written notice) (i) by the Chair of the Executive Board; (ii) by the President; (iii) by not less than 20% of the voting power of all Members in good standing; or (iv) by not less than 51% of the Directors. On receipt of a request for a Special Association Meeting from either the Chair, the President, Members holding the required voting power or the required number of Directors, the President shall within 3 business days send written notice to all Members that the meeting will be held on a date not less than 10 nor more than 50 days after receipt of that request. If the President (or a person designated by the President) does not give written notice within 10 days after the delivery of the request, then the Members making the request may call the meeting and give written notice of it. Business to be acted on at all Special Association Meetings shall be confined to the subjects stated in the meeting notice.

Section 4.6 Notice of Meetings. Notice of any Association meeting, including Annual Association Meetings, shall be in writing and shall state the time and place of the meeting and items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a Director or Officer. Notice shall be delivered not less than 10 and not more than 50 days before the date of the meeting,



either personally or by mail, to each Member's last known address on file with the Association. Notices will be deemed received on: (i) the day of delivery or attempted delivery to the Member's last known address on file with the Association; or (ii) delivery to the Member.

Notice given to any tenant in common, tenant by the entirety or other joint Owner of a Unit will be deemed notice to all joint Owners of the Unit.

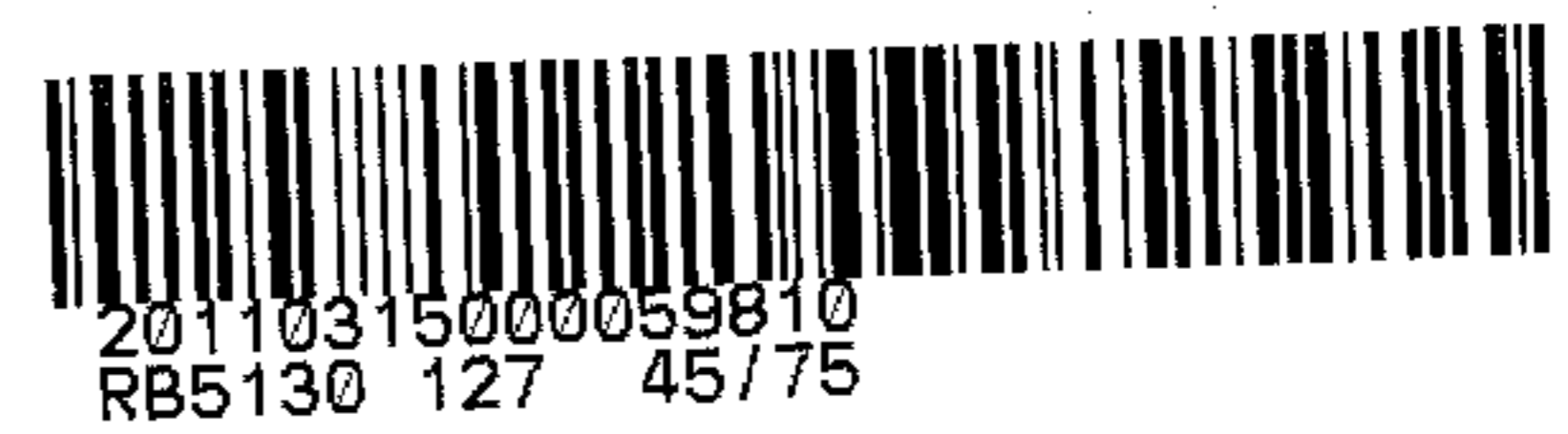
The meeting notice shall state the purposes for which the meeting is called. Any Member may waive notice of the date, time, place and purposes of any Association meeting, before or after the meeting, by a writing filed in the Association records. Attendance by a Member at a meeting will constitute a waiver of notice of that meeting, unless the Member (i) gives a written statement to the person presiding at the meeting objecting to the transaction of any business because the meeting was not lawfully called and (ii) gives that statement before the vote on any resolution.

Notwithstanding anything in this **Section 4.6**, under 55A-7-05 of the Nonprofit Act, if any Association meeting is adjourned to a different date, time or place, then no notice of the new date, time or place is required, so long as the new date, time or place is announced at the meeting before adjournment.

Section 4.7 Quorum. There will be a quorum at any Association meeting where Members in good standing and holding at least 30% of the votes entitled to be cast in the Association are present in person or by proxy. The Members at an Association meeting at which a quorum is present may continue to do business until adjournment, even if enough Members withdraw to leave less than a quorum. If a quorum is not present or represented at any Association meeting at the time roll is called, then a majority of the Members in good standing and entitled to vote at the meeting may adjourn the meeting to a day that is not more than one week after the day the original meeting was called. Notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the time of adjournment. When the meeting reconvenes, the quorum requirement will be that Members in good standing and holding at least 30% of the total voting power in the Association must be present in person or by proxy.

Section 4.8 Proxies. At all Association meetings, each Member in good standing may vote in person or by written proxy. Proxies will be counted in determining whether the quorum has been met at an Association meeting. The person designated a proxy need not be a Member. A proxy will be valid only for a particular meeting (which the Member must designate in the proxy), unless the Member executing it specifies the length of time for which the proxy is to continue in force, not to exceed 11 months after the date of the proxy's execution. Unless a Member specifies otherwise in a proxy, any proxy holder may appoint in writing a substitute to act in its place. Every proxy is revocable and automatically ceases when a Member transfers title to its Unit.

Section 4.9 Voting by Mail. Any Member in good standing may cast that Member's written vote in advance on any proposal to be voted on at any Association meeting by delivering the written vote to the Secretary of the Association at least 7 days before the meeting. The Secretary shall file advance written votes with the records of the Association. Members who



have voted by mail shall not be counted in determining whether the quorum has been met at an Association meeting.

Section 4.10 Voting.

(a) Members. Each Member's percentage voting power is equal to that Member's Common Elements Interest. Each Member may cast a number of votes equal to the percentage points of that Member's Common Elements Interest. If the Unit is owned by more than one person or entity, then all Owners of the Unit will constitute a single Member for voting purposes, and those Owners shall designate one person or entity to cast the votes appurtenant to their Unit.

(b) Good Standing. The following Members will be considered not in good standing and shall not vote during the existence of a default, violation or suspension as described in this **Section 4.10(b)**: (i) any Member that, after having received notice and an opportunity to be heard, the Executive Board has declared to be in default or violation under the Condominium Documents; and (ii) any Member whose right to use the Common Elements has been suspended by the Executive Board. The vote of a Member who is not in good standing will not be a vote entitled to be cast for purposes of the Condominium Documents.

Unless otherwise required by law or by the Condominium Documents, the affirmative vote of a majority of the votes entitled to be cast by the Members in good standing and voting on any matter at an Association meeting will be sufficient to determine that matter, so long as any quorum requirement is met when the vote is held.

Section 4.11 Order of Business. The order of business at all Association meetings shall be as follows: (1) call meeting to order; (2) call the roll and determine whether a quorum exists; (3) proof of notice of meeting or waiver of notice; (4) vote on approval of minutes of previous meeting; (5) Directors' report; (6) committee reports; (7) election of new Executive Board members (when appropriate); (8) unfinished and/or old business; (9) new business; and (10) adjournment.

Section 4.12 Action by Members Without a Meeting. Any matter to be decided at an Association meeting may be decided without a meeting if the majority of Members consent in writing. A written request for consent to any matter to be decided without a meeting shall be sent to all parties entitled to notice under these Bylaws and the Declaration.

Article 5
Executive Board

Section 5.1 General Powers. The Executive Board, or committees the Executive Board establishes under **Article 6**, shall manage the affairs of the Association. The Executive Board may not act on behalf of the Association to (i) amend the Declaration, (ii) terminate the Condominium, (iii) determine whether to rebuild Improvements destroyed by Casualty or taken by condemnation, (iv) approve the Association budget, (v) approve a Special Assessment (defined in **Section 8.1**), (vi) convey or encumber Common Elements, (vii) elect or remove any Director, or (viii) determine the qualifications, powers and duties or terms of office of Directors



(although the Executive Board may fill vacancies in its membership for the unexpired portion of any Director's term).

Section 5.2 Number, Term and Qualification. The Executive Board shall have 3 Directors. A Director appointed by Declarant need not be a Member. A Director elected by the Members shall be an Owner or the spouse of an Owner except that if an Owner is a corporation, partnership or other entity, or a group of co-tenants, then the Members may elect as a Director an officer, partner, co-tenant or like individual affiliated with that Owner. The size of the Executive Board may be increased or decreased from time to time by the affirmative vote of at least 75% of the Members in good standing and present and entitled to vote at any Association meeting at which a quorum is present; but the Executive Board may not vote to decrease the number of Directors below 3.

(a) Subject to **Section 5.2(b)**, during the Declarant Control Period Declarant may appoint and remove any Directors.

(b) Within 60 days after conveyance of 25% of the Units to Owners other than Declarant (including any Units that may be added pursuant to a Special Declarant Right), at least one Director and not less than 25% of the Directors shall be elected by Members other than Declarant. Within 60 days after conveyance of 50% of the Units to Owners other than Declarant, (including any Units that may be added pursuant to a Special Declarant Right), at least 33% of the Directors shall be elected by the Members other than Declarant. If the Members' election of a Director requires that a Declarant-appointed Director vacate its office, then Declarant may choose which of the Declarant-appointed Directors must vacate its office.

(c) Within 60 days after expiration of the Declarant Control Period, the President of the Association shall call a Special Association Meeting ("**Declarant Control Period Special Meeting**"). At the Declarant Control Period Special Meeting, the Members (including Declarant) shall elect a new Executive Board consisting of 3 Directors. These 3 Directors will be divided into 3 classes (by a vote of the Members), with each class consisting of one Director. The Director of the first class shall initially hold office for a 3-year term. The Director of the second class shall initially hold office for a 2-year term. The Director of the third class shall initially hold office for a one-year term. At subsequent Annual Association Meetings, the Members shall elect one Director to succeed the Director whose term expires at that Annual Association Meeting. Every Director elected in those subsequent Annual Association Meetings will hold office for a 3-year term.

Section 5.3 Election of Directors. The Members shall elect the Directors by ballot. The person receiving the highest number of votes (see **Section 4.10**) shall be elected. Cumulative voting is not permitted. Within 30 days after the election of a Director, the Executive Board shall deliver written notice of the name and address of the Director to all Members.

Section 5.4 Removal. Any Director, other than a Director appointed by Declarant, may be removed from the Board, with or without cause, only by a vote of at least 67% of the Members in good standing and present and entitled to vote at any Association meeting at which a quorum is present, so long as the notice of the meeting stated that the question of that Director's removal would be acted on at the meeting. If that Director is so removed, then the Members may



elect a successor Director at the same meeting to fill the unexpired term of the removed Director. If the Members do not elect a successor Director at that same meeting, then the Executive Board may fill the vacancy. Declarant's written consent is required to remove a Director appointed by Declarant.

Section 5.5 Vacancies. Subject to **Section 5.4** and the remaining provisions of this **Section 5.5**, a vacancy occurring in the Executive Board may only be filled for the unexpired term by a majority of the remaining Directors, even if less than a quorum, or by the sole remaining Director; but a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an Annual, Substitute Annual or Special Association Meeting or by written ballots from a majority of the Members in the absence of a meeting. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 5.6 Chair. At the first Executive Board meeting, the Directors shall elect a Director as Chair of the Executive Board. The Chair shall preside at all Executive Board meetings and perform other duties as directed by the Executive Board. Prior to election of a Chair or if the Chair is not present at any Executive Board meeting, the President or highest ranking Officer of the Association shall preside.

Section 5.7 Compensation. Subject to the remaining provisions of this **Section 5.7**, Directors shall not receive any compensation from the Association for acting as Directors. The Executive Board may compensate a Director for unusual and extraordinary services rendered on the basis of quantum meruit. Each Director, by assuming office, waives the right to institute a claim against the Association for compensation based on quantum meruit. Directors shall be reimbursed for reasonable out-of-pocket expenses incurred or paid by any of them on behalf of the Association, so long as the Executive Board approves the expenses.

Section 5.8 Loans to Directors and Officers. The Association shall not make loans to its Directors or Officers.

Section 5.9 Indemnity of Directors. To the extent not covered by insurance proceeds actually paid, the Association shall indemnify a Director made party to a proceeding because of the Director's position for reasonable litigation or arbitration expenses if the Association determines that the Director (x) conducted himself in good faith; (y) reasonably believed that his conduct in his official capacity as Director was in the Association's best interest and (z) had no reason to believe his conduct was unlawful. Notwithstanding the previous sentence, if a Director successfully defends himself against a legal proceeding instituted against him because of his position, then the Association shall indemnify that Director for reasonable litigation or arbitration expenses, to the extent those expenses are not covered by insurance proceeds actually paid. The Association determination required by the first sentence of this **Section 5.9** shall be made by either (i) a majority vote of a quorum of the Directors, which quorum must be established by Directors who are not parties to the proceeding or (ii) a majority vote of the Members at a duly held Association meeting (excluding the vote of any Directors who are parties to the proceeding); and if a quorum of non-party Directors cannot be met, then the determination may be made by either a committee or special legal counsel designated pursuant to N.C.G.S § 55A-8-55. The Association shall not indemnify a Director if (i) the Director was adjudged liable because the Director received personal benefit or (ii) the Nonprofit Act otherwise prohibits indemnification. The Association may advance expenses a Director incurs in litigation or



arbitration instituted against the Director because of the Director's position, so long as the Director contractually agrees to repay the amount unless it is ultimately determined (by the other Directors, the Members or pursuant to a court or arbitration proceeding) that the Association must indemnify the Director.

Section 5.10 Executive Board Meetings.

(a) Regular Executive Board Meetings. Regular Executive Board meetings shall be held, without further notice once the regular meeting schedule and location are set, at the times and places set by the Executive Board. Declarant shall set the date, time and location for the first Executive Board meeting, which shall occur within one year after the date of incorporation of the Association. Should any regular Executive Board meeting fall on a federal holiday, then that meeting shall be held at the same time on the next day that is not a federal holiday.

(b) Special Executive Board Meetings. Special Executive Board meetings shall be held when called by the President of the Association, or by any Director, after not less than 20 or more than 30 days written notice to each Director.

(c) Notices of Special Executive Board Meetings. Except as otherwise required by law, the purpose of a special Executive Board meeting need not be stated in the notice. Notices will be deemed received on: (i) the day of delivery or attempted delivery to the Director's last known address on file with the Association; or (ii) delivery to the Director. The Directors who did not receive the notice for a special Executive Board meeting may waive notice by signing a written instrument. Attendance by a Director at an Executive Board meeting will constitute a waiver of notice of that meeting, unless the Director (a) gives a written statement to the person presiding at the meeting objecting to the transaction of any business because the meeting was not lawfully called and (b) gives that statement before the vote on any resolution.

(d) Quorum. A majority of the Directors then holding office will constitute a quorum for the transaction of business. Every act and decision by a majority of the Directors present at a duly held Executive Board meeting at which a quorum is present will be valid.

(e) Attendance by Members. At regular intervals, the Executive Board shall give Members an opportunity to attend a portion of an Executive Board meeting and to speak to the Executive Board. The Executive Board may place reasonable restrictions on the number of Members who may speak on each side of an issue and may place reasonable time restrictions on Members who speak.

Section 5.11 Action Without Meeting. The Executive Board may take any action in the absence of a meeting that it could take at a meeting by obtaining the written approval of all the Directors. Any action approved in this manner will have the same effect as though taken at an Executive Board meeting. The written approval shall be filed with the minutes of the proceedings of the Executive Board, whether the approval is granted before or after the action so taken.

Section 5.12 Presumption of Assent. A Director who is present at an Executive Board meeting at which any action is taken will be presumed to have assented to the action unless the



Director's contrary vote or dissent is entered in the minutes of the meeting or unless the Director (i) files a written dissent to the action with the person acting as the Secretary of the meeting before the meeting's adjournment or (ii) forwards the written dissent to the Secretary of the Association promptly after the meeting's adjournment. A Director who voted in favor of the action may not dissent in this manner.

Section 5.13 Powers and Duties. The Executive Board (and committees the Executive Board may establish under **Article 6**) shall have the exclusive authority to exercise all powers and duties of the Association, except for the powers and duties under the Condominium Act, the Bylaws or any other provisions of the Condominium Documents that Members may not delegate to the Executive Board (see **Section 5.1**). The Executive Board's powers and duties include the following:

- (a) Operating, maintaining, repairing and replacing the Common Elements to the extent not the obligation of an Owner under Declaration Section 5.2.
- (b) Determining the funds required for operation, maintenance and other affairs of the Condominium and collecting the Common Expenses from the Owners.
- (c) Engaging and dismissing personnel (including the Independent Manager) to operate, maintain, repair and replace the Common Elements.
- (d) Adopting Rules.
- (e) Opening bank accounts on behalf of the Association and designating the required signatories; but at least two Directors must sign any checks (or approve any transfers) from any Association reserve account.
- (f) Obtaining insurance under applicable provisions of the Declaration.
- (g) Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining annual audits of the financial records of the Association from the Association's public accountant; furnishing the annual reports; and furnishing current budgets. The Executive Board shall keep all Association books and records in accordance with generally accepted accounting practices and make them available for examination by all Members or their duly authorized agents or attorneys, at convenient hours on working days.
- (h) Keeping a complete record of the minutes of all Executive Board and Association meetings, and including in the minutes all actions taken by the Executive Board or the Members by consent without meeting.
- (i) Reviewing the performance of all officers, agents and employees of the Association.
- (j) Enforcing, on behalf of the Association, the rights, restrictions and Assessments under the Declaration and these Bylaws, including: instituting civil actions to enforce payment of the Assessments and to foreclose liens for the Assessments under N.C.G.S. §47C-3-116; imposing charges for late payment of Assessments; after notice and an opportunity to be heard, suspending privileges or services provided by the Association (except rights of



access to Units) during any period that Assessments remain unpaid for a period of time (as of 2009 under the Condominium Act, that period of time must be at least 30 days); and after notice and an opportunity to be heard, levying fines for violations of the Declaration, Bylaws or Rules (as of 2009, the Condominium Act limits those fines to \$100.00 per day, beginning on the 6th day after the Executive Board's determination that a violation exists and continuing until the violation ceases).

(k) Making repairs, additions, and improvements to or alterations or restoration of the Condominium Property in accordance with these Bylaws or the Declaration, after damage or destruction by Casualty, or as a result of a condemnation proceeding.

(l) Enforcing the Condominium Documents by any legal means or proceeding.

(m) Paying all taxes and assessments against any part of the Condominium Property other than the Units, and assessing those payments against the Owners in accordance with these Bylaws or the Declaration.

(n) Hiring attorneys, accountants, engineers, architects, surveyors and other professionals on behalf of the Association.

(o) Maintaining and repairing any Unit (i) if the maintenance or repair is required by the Declaration or is appropriate in the discretion of the Executive Board to protect the Common Elements or any other Unit; or (ii) if allowed under Declaration Section 7.15.

(p) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in the manner determined by the Executive Board. In the absence of such a determination by the Executive Board, those documents must be signed by either the Treasurer or the Assistant Treasurer of the Association and countersigned by any Director.

(q) Furnishing statements showing the amounts of unpaid Assessments that have been levied against a Unit to the Owner, Mortgagee, or a proposed purchaser or Mortgagee of the Unit, and imposing and collecting reasonable charges for those certificates.

(r) Exercising any other powers and duties reserved or granted to the Association or the Executive Board under the Condominium Documents, the Nonprofit Act or the Condominium Act.

Section 5.14 Independent Manager. The Executive Board may employ or enter into a management contract with any individual or entity it deems appropriate for the routine management of the Condominium. The Executive Board may delegate to that manager ("**Independent Manager**") duties and responsibilities as the Executive Board determines appropriate; but the Executive Board may not delegate to the Independent Manager any responsibilities of the Association that the Executive Board is not permitted to perform (such as those responsibilities listed in **Section 5.1**), and may not authorize the Independent Manager to draw checks on or transfer funds from any capital reserve account maintained by the Association. The Independent Manager's contract term shall not exceed 3 years, renewable by



agreement between the Executive Board and the Independent Manager for successive one-year terms; and the contract shall state that it is terminable by the Association, with or without cause, immediately on notice of termination and with a termination fee (but only if the termination is without cause), such fee not to exceed one month's prorated portion of the Manager's annual fee. The Executive Board may fix the reasonable compensation for the Independent Manager. The Independent Manager shall at all times answer to the Executive Board and be subject to its direction.

Article 6 Committees

Section 6.1 Creation. The Executive Board, by resolutions adopted by a majority of the Directors then holding office, may create any committees it determines appropriate to aid the Executive Board in carrying out its responsibilities. Each committee will have the authorities and responsibilities designated by the Executive Board, as stated in the resolutions creating the committee. The Executive Board may reconstitute or terminate a committee at any time. The Executive Board shall elect the members of each committee, and at least one member of each committee shall be a Director.

Section 6.2 Vacancy. Any vacancy occurring on a committee shall be filled by a majority vote of the Directors then holding office, at a regular or special Executive Board meeting.

Section 6.3 Removal. Any member of a committee may be removed at any time with or without cause by a majority of the Directors then holding office.

Section 6.4 Minutes. Each committee shall keep minutes of its proceedings and report regularly to the Executive Board.

Section 6.5 Responsibility of the Executive Board. Designating and delegating authority to committees will not relieve the Executive Board or any Director of any responsibility imposed by these Bylaws.

If action taken by a committee has not been formally considered by the Executive Board, then a Director may dissent from the action by filing a written objection with the Secretary promptly after learning of the action.

Article 7 Officers

Section 7.1 Enumeration of Officers. The Officers of the Association are a President, a Secretary and a Treasurer. In its discretion and from time to time, the Executive Board may elect Vice Presidents, Assistant Secretaries, Assistant Treasurers and other Officers it deems necessary. The President is the only Officer who must also be a Director.

Section 7.2 Election and Term. The Executive Board shall elect Officers annually. The elections shall be held at the first Executive Board meeting following the Annual or Substitute Annual Association Meeting. Each Officer shall hold office for one year or until that Officer's death, resignation or removal or until that Officer's successor is elected and qualified.



Within 30 days after the election of an Officer, the Executive Board shall deliver written notice of the name and address of the Officer to all Members.

Section 7.3 Resignation and Removal. The Executive Board may remove any Officer at any time, with or without cause, by a majority vote of the Directors. Any Officer may resign at any time by giving written notice to the Executive Board, the President or the Secretary. The resignation will take effect on the date of receipt of the notice or at any later time specified in the notice; unless specified in the notice, the resignation will be effective without acceptance by the Executive Board, the President or the Secretary.

Section 7.4 Vacancy. The Executive Board may fill a vacancy in any office by appointment of an interim Officer by a majority vote of the Directors then holding office, at a regular or special Executive Board meeting. The appointed interim Officer shall serve for the remainder of the replaced Officer's term.

Section 7.5 Multiple Offices. The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person. Any Officer may also be a Director.

Section 7.6 President. The President shall be the chief executive officer of the Association and shall preside at all Association meetings. In the absence of an elected Chair, the President shall also preside at all Executive Board meetings. The President shall see that the orders and resolutions of the Executive Board are carried out; shall sign all written instruments regarding the Common Elements and co-sign all promissory notes of the Association, if any.

Section 7.7 Vice Presidents. In the absence or disability of the President, the Vice Presidents in the order of their election, unless otherwise determined by the Executive Board, shall perform the duties and exercise the powers of President. In addition, they shall perform any other duties and have any other powers that the Executive Board prescribes.

Section 7.8 Secretary. The Secretary shall keep the minutes of all Association meetings and Executive Board meetings and shall maintain and authenticate Association books and records as the Executive Board may direct.

Section 7.9 Treasurer. The Treasurer shall be responsible for the Association's funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. The Treasurer shall co-sign promissory notes of the Association and shall prepare a proposed annual budget (to be approved by the Executive Board) and the other reports to be furnished to the Members as required in the Declaration.

Section 7.10 Assistant Secretaries and Treasurers. In the absence or disability of the Secretary or the Treasurer, the Assistant Secretaries and Treasurers, respectively, shall perform the duties and exercise the powers of those offices, and any other duties assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Executive Board.

Section 7.11 Compensation. Officers shall not be compensated on a regular basis for the usual and ordinary services rendered to the Association incident to the offices held by the



Officers. The Executive Board may, however, compensate any Officer who renders unusual and extraordinary services to the Association beyond what is required to be rendered by that Officer on a regular basis. Each Officer, by assuming office, waives his right to institute suit against or make claim on the Association for compensation based on quantum meruit. Officers shall be reimbursed for reasonable out-of-pocket expenses incurred or paid by any of them on behalf of the Association, so long as the Executive Board approves the expenses.

Section 7.12 Indemnity of Officers. To the extent not covered by insurance proceeds actually paid, the Association shall indemnify an Officer made party to a proceeding because of the Officer's position for reasonable litigation or arbitration expenses if the Association determines that the Officer (i) conducted himself in good faith; (ii) reasonably believed that his conduct in his official capacity as Officer was in the Association's best interest and (iii) had no reason to believe his conduct was unlawful. Notwithstanding the previous sentence, if an Officer successfully defends himself against a legal proceeding instituted against the Officer because of his position, then the Association shall indemnify that Officer for reasonable litigation or arbitration expenses, to the extent those expenses are not covered by insurance proceeds actually paid. The Association determination required by the first sentence of this **Section 7.12** shall be made by either (i) a majority vote of a quorum of the Directors, which quorum must be established by Directors who are not parties to the proceeding or (ii) a majority vote of the Members at a duly held Association meeting (excluding the vote of any Directors who are parties to the proceeding); and if a quorum of non-party Directors cannot be met, then the determination may be made by either a committee or special legal counsel designated pursuant to N.C.G.S § 55A-8-55. The Association shall not indemnify an Officer if (i) the Officer was adjudged liable because the Officer received personal benefit or (ii) the Nonprofit Act otherwise prohibits indemnification. The Association may advance expenses an Officer incurs in litigation or arbitration instituted against the Officer because of the Officer's position, so long as the Officer contractually agrees to repay the amount unless it is ultimately determined (by the Directors, the Members or pursuant to a court or arbitration proceeding) that the Association must indemnify the Officer.

Article 8

Operation of the Condominium Property

Section 8.1 Determination of Common Expenses; Types of Assessments. The Executive Board shall at least annually prepare and adopt a proposed budget for the Condominium, determine the amount of the Common Expenses payable by the Owners to meet the proposed budget, and allocate and assess the proposed Common Expenses among the Owners in accordance with this **Article 8**. The Common Expenses shall include the cost of insurance premiums on all policies the Executive Board is authorized to obtain under the Declaration and the costs of all common utilities (that are not individually metered with respect to a Unit). The Common Expenses shall also include the amounts the Executive Board determines appropriate for the operation and maintenance of the Condominium Property, including service, collection, consulting and administration fees; working capital; a general operating reserve; a reserve fund to cover insurance deductibles; a reserve fund for repair and replacement of the Common Elements; and amounts reasonably estimated to make up any deficit in the Common Expenses for any prior year. The Common Expenses shall also include any expenses for which the Association is responsible under any shared maintenance agreements, such as the Stormwater Agreement, and the Shared Parking and Entry Maintenance Agreement attached to the



Declaration (if it is recorded in the Registry). The Common Expenses will not include expenses that are the responsibility of the Owners individually. Within 30 days after adopting a proposed budget for the Condominium, and not later than October 15 of each year, the Executive Board shall (i) provide a summary of the budget to each Member, and (ii) set a date for an Association meeting for the Members to consider ratification of the budget (and that date shall be no less than 14 and no more than 30 days after the Executive Board mails or delivers the summary to the Members). A quorum need not be present at that meeting. The proposed budget will be ratified, unless at that meeting a majority of the Members present and entitled to vote reject the budget. If the proposed budget is rejected, then the budget last ratified shall continue until the Members ratify a subsequent budget that the Executive Board proposes. The Executive Board shall send written notice to each Owner by January 1 that the budget has been approved (and if the proposed budget has not been approved, then the notice shall state that the budget last ratified remains in effect). Each Owner shall pay to the Association an amount (“**Common Assessment**”) equal to the Common Expenses multiplied by the Common Elements Interest for the Owner’s Unit. The Common Assessments are payable in advance on a quarterly basis or as otherwise directed by the Executive Board. At the closing of the purchase of any Unit from Declarant, the purchaser shall pay in advance a prorated portion of the Common Assessment applicable to the Unit being purchased, prorated from the date of the closing through the last day of the period for which the Common Assessments are assessed.

The Executive Board also may levy a special assessment (“**Special Assessment**”) during any calendar year to defray the cost for any construction, reconstruction, repair or replacement of any capital improvement that comprises or will comprise a portion of the Common Elements, including fixtures and personal property; but any Special Assessment must be approved by a majority vote of the Members in good standing, cast in person or by proxy at a meeting duly held in accordance with these Bylaws. Special Assessments, if approved, shall be payable by each Owner of Units for which the assessments are applicable, in proportion to those Owners’ respective Common Elements Interest.

The Executive Board may also levy an assessment on any Unit (“**Individual Unit Assessment**”) for: (i) costs up to \$10,000 (as adjusted by the Index) that the Association incurs to repair Common Elements damaged by that Unit’s Owner or its Permittees, as further described in Declaration Section 5.1, (ii) any costs the Association incurs due to the Owner failing to maintain the Unit or the Limited Common Elements for that Unit as required under Declaration Sections 5.2, 5.3 and 5.6; (iii) failure of the Owner to comply with the Condominium Documents, including any costs the Association incurs for resulting maintenance, repair and reasonable attorneys fees under Declaration Section 7.15; and (iv) fines the Executive Board imposes against the Owner.

Section 8.2 Payment of Common Expenses. All Owners shall pay when due the assessments levied by the Executive Board under **Section 8.1**.

An Owner shall not be liable for the payment of any part of the Common Expenses assessed against the Owner’s Unit subsequent to that Owner’s transfer or conveyance (made in accordance with the Declaration and applicable restrictions of record) of its Unit. Subject to **Section 8.5**, a Unit purchaser shall be jointly and severally liable with the Unit seller for the amount of Common Expenses assessed against the Unit prior to the purchaser’s acquisition of its Unit, without prejudice to the purchaser’s right to recover that amount from the seller.



Section 8.3 Collection of Assessments. The Executive Board may take appropriate action to collect any Assessments past due for 30 days or more. As required under Declaration Section 16.3(a), the Executive Board shall notify any Mortgagee if any Assessments charged to the Mortgagee's Unit remain past due for more than 60 days and if the Owner is in default under any other obligation for more than 60 days.

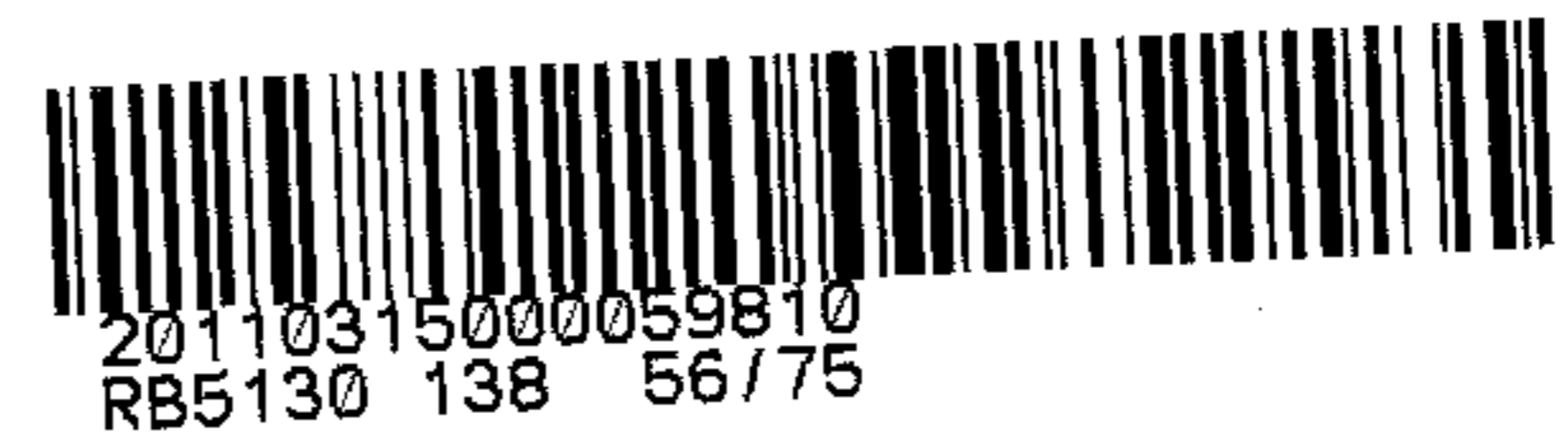
Section 8.4 Default in Payment of Assessments. If an Owner fails to pay an Assessment within 30 days after the due date, then the Owner shall also pay to the Association interest on the late Assessment from the due date until paid, at the rate of 18% per annum or another rate established by the Executive Board (subject to any limits imposed by law), together with all expenses, including collection fees and attorneys fees (if permitted by law), incurred by the Association in any proceeding it brings to collect the unpaid Assessments and interest. The Executive Board may also levy a late charge on any portion of an Assessment not paid within 15 days after its due date, equal to (i) the greater of 10% of the overdue Assessment or \$20.00 per month, or (ii) another rate established by the Executive Board (subject to any limits imposed by law).

The Executive Board may attempt to recover any Assessment that remains unpaid, together with interest, expenses and attorneys fees (as permitted by law), in an action to recover a money judgment against the defaulting Owner, or by foreclosure of the lien on the Unit in like manner as a deed of trust or mortgage on real property under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes, except when the debt consists solely of fines imposed by the Association, interest on those fines and attorneys fees solely associated with those fines.

If an Owner fails to pay any Assessment, then in addition to the other remedies allowed by this **Section 8.4** and Declaration Section 7.15, and after giving that Owner 10 days prior written notice, the Executive Board may declare as immediately due and payable all other Assessments on the Owner's Unit that will become due during the Association's then-current fiscal year.

Section 8.5 Lien and Personal Obligations. All Assessments, together with interest, expenses and attorneys fees as permitted by law, will be a charge and continuing lien on the Unit against which the Assessment is made, prior to all other liens excepting only (i) assessments, liens and charges for real estate taxes due and unpaid on the Unit; and (ii) all sums unpaid on Mortgages and other liens and encumbrances duly recorded against the Unit before the Assessment lien is docketed. The Assessment lien will become effective when a claim of lien has been filed in the office of the Clerk of Superior Court for Orange County, North Carolina, but the claim of lien shall not be filed until the amounts remain unpaid for more than 30 days. If allowed under applicable law, the claim of lien shall also secure all Assessments against the Unit that later become due, until all past-due amounts have been paid.

Each Owner shall be personally liable for any Assessment against the Owner's Unit. Owners will not be exempt from personal liability by non-use or non-enjoyment of any portion of the Common Elements or by the abandonment or sale of the Unit. The lien for unpaid Assessments will not be affected by the sale or transfer of the Unit, except in the case of a foreclosure of a Mortgage. The purchaser at foreclosure shall not be liable for any Assessments against the Unit that became due prior to the purchaser's acquisition of the Unit, but those unpaid



Assessments will become Common Expenses collectible from all Owners, including the purchaser at foreclosure.

Section 8.6 Foreclosure of Liens for Unpaid Common Expenses. In any action to foreclose on a Unit to collect unpaid Assessments, the Owner shall pay to the Association a reasonable rental for the Owner's use of the Unit, and the Executive Board may appoint a receiver to collect the unpaid amount.

Section 8.7 Common Expenses for Utilities. The Executive Board may pay the utilities costs and assess them against the Units as a Common Expense. The Executive Board may levy a fixed additional monthly assessment, as an Individual Unit Assessment, against classes of Units that consume disproportionate shares of certain utilities. Alternatively, the Executive Board may elect to separately meter the Units for certain utilities and assess each Unit based on its usage of the utilities. Owners shall pay any charges for utilities when they are billed.

Section 8.8 Rules. The Executive Board may adopt and amend Rules as the Executive Board determines appropriate for the maintenance, conservation and beautification of the Condominium Property and for the health, comfort, safety and general welfare of the Owners and Permittees. The Executive Board shall endeavor to furnish each Owner with the Rules and any Rules amendments before they become effective.

Article 9 Amendment

Subject to Declaration Article 15 and the remainder of this **Article 9**, an amendment to these Bylaws must be approved by: (i) the Executive Board, or if the Executive Board refuses to act, in writing by the number or proportion of Members entitled under the Nonprofit Act to call a Special Association Meeting to consider such amendment (in 2011, this proportion is 10% of the Member votes entitled to be cast); and (ii) by the lesser of (a) a majority of the Member votes entitled to be cast or (b) 2/3 vote of the Member votes cast on the amendment. The amendment must be evidenced by a written instrument signed (with notary acknowledgement) on behalf of the Members, and the instrument will be effective only after recordation in the Registry. All Owners and Mortgagees shall abide by any amendment to these Bylaws that is duly passed, signed, acknowledged and recorded as required by these Bylaws. No amendment to these Bylaws may be adopted that will impair or prejudice the rights of Declarant under the Condominium Documents, without the consent of Declarant.

Article 10 Miscellaneous

Section 10.1 Severability. Invalidation of any provisions of the Declaration or these Bylaws will not invalidate the remaining portions; those portions will remain in full force and effect.

Section 10.2 Nonprofit Corporation. The Association's assets and net income will not inure to the benefit of any Member, Officer, Director or third party, except (i) as stated in **Section 5.7** (Compensation), (ii) as stated in Declaration Section 9.3 (Common Surplus),



Section 10.6 (Distribution of Insurance Proceeds) and Article 13 (Condemnation), (iii) for reasonable compensation paid to third parties for services and materials rendered to the Association and (iv) for liquidating distributions in compliance with the Nonprofit Act.

Section 10.3 Interpretation. References to Articles, Sections or Exhibits mean to those included in or attached to these Bylaws, unless another document is explicitly referenced.

Section 10.4 Notification to Mortgagees. Any Owner who mortgages its Unit shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain that information in its records. In addition to any other notification that the Declaration or these Bylaws require, the Association may report to a Unit's Mortgagee at that Mortgagee's request any unpaid assessments due from Owner of that Unit. Upon a Mortgagee's request, Association shall notify the Mortgagee of the name of each company insuring the Condominium Property under the Association's policy and the amounts of the coverage.



20110315000059810
RB5130 140 58/75

Exhibit F

Shared Parking and Entry Maintenance Agreement



Prepared by and Return to:
Alan G. Dexter
Parker Poe Adams & Bernstein LLP
401 S. Tryon Street, Suite 3000
Charlotte, NC 28202

Exhibit F

Shared Parking and Entry Maintenance Agreement

This Agreement is made as of _____, 2011 (“**Effective Date**”) between **Cosgrove Hill Office Condominium Owners Association, Inc.**, a North Carolina non-profit corporation (“**Cosgrove Hill**”), and **Crosland Wilson Park, LLC**, a North Carolina limited liability company (“**Wilson Park**”) (collectively, “**Parties**”).

A. Cosgrove Hill is the condominium property owners association for the property (“**Cosgrove Hill Parcel**”) shown as “Lot 3” on “Final Plat, Cosgrove Hill, Recombination, Easement and R/W Dedication Plat” recorded in Book 102, Page 150, Orange County Registry (“**Plat**”).

B. Wilson Park owns the property (“**Wilson Park Parcel**”) shown as “Lot 2B” on the Plat.

C. The parking area on the Wilson Park Parcel that is subject to this Agreement is depicted as “**Apartment Parking Lot**” on Exhibit C. Wilson Park or any future owner of the Apartment Parking Lot is called the “**Wilson Park Parcel Owner**”; but if a condominium is formed covering the Apartment Parking Lot, then the Wilson Park Parcel Owner will be deemed to be that condominium’s owners association.

D. The parking area on the Cosgrove Hill Parcel is depicted as “**Office Parking Lot**” on Exhibit B. Collectively, Cosgrove Hill and the Wilson Park Parcel Owner are the “**Owners**.”

E. The Owners share a common entrance at the intersection of Dobbins Drive and Cosgrove Avenue, shown with cross-hatching on Exhibit A (“**Entrance Area**”). Each side of the Entrance Area has, or shall have, generally symmetrical light fixtures, landscaping, sidewalks, signage, fencing and other hardscape improvements.

The Parties agree as follows:



1. **Office Parking Easement.** Cosgrove Hill grants to the Wilson Park Parcel Owner a non-exclusive easement for the Wilson Park Parcel Owner and its tenants, residents, guests and invitees (including condominium unit owners, if applicable) to park up to 27 passenger vehicles in “Spaces 1-27” of the Office Parking Lot, as designated on **Exhibit B**, subject to the following conditions:
 - (a) **Hours.** The Wilson Park Parcel Owner and its tenants, residents, guests and invitees may only use the Office Parking Lot from 6:00 p.m. until 8:00 a.m. Monday through Friday and all day Saturday and Sunday. If any vehicle remains in the Office Parking Lot outside of those permitted hours, then Cosgrove Hill may tow the vehicle at the at the vehicle owner’s expense.
 - (b) **Indemnity.** Subject to **Section 3**, the Wilson Park Parcel Owner shall indemnify and hold harmless Cosgrove Hill from any cost or liability due to property damage, theft or bodily injury caused by the Wilson Park Parcel Owner or its tenants, residents, guests and invitees exercising the rights granted under this **Section 1**. Cosgrove Hill has no duty to provide security for the Office Parking Lot.
 - (c) **Passenger vehicles.** The term “passenger vehicles” as used in **Section 1** and **Section 2** excludes buses, any truck with more than 4 wheels, trailers, campers, boats, recreational vehicles and other similar vehicles.

2. **Apartment Parking Easement.** Wilson Park grants to Cosgrove Hill a non-exclusive easement for Cosgrove Hill and its tenants, residents, guests, invitees and condominium unit owners to park up to 27 passenger vehicles in “Spaces 1-27” of the Apartment Parking Lot, as designated on **Exhibit C**, subject to the following conditions:
 - (a) **Hours.** Cosgrove Hill and its tenants, residents, guests, invitees and condominium unit owners may only use the Apartment Parking Lot from 8:00 a.m. until 6:00 p.m. Monday through Friday. If any vehicle remains in the Apartment Parking Lot outside of those permitted hours, then the Wilson Park Parcel Owner may tow the vehicle at the vehicle owner’s expense.
 - (b) **Indemnity.** Subject to **Section 3**, Cosgrove Hill shall indemnify and hold harmless the Wilson Park Parcel Owner from any cost or liability due to property damage, theft or bodily injury caused by Cosgrove Hill or its tenants, residents, guests, invitees and condominium unit owners exercising the rights granted under this **Section 2**. The Wilson Park Parcel Owner has no duty to provide security for the Apartment Parking Lot.

3. **Maintenance of Parking Lots.** Each Owner shall maintain and repair its own Parking Lot; but if an Owner damages the other Owner’s property while exercising its rights under the easements granted in **Section 1** or **Section 2**, then the damaging Owner shall promptly repair the damage at its expense. Any damage caused by an Owner’s tenant, resident, guest, invitee or condominium unit owner will be attributed to that Owner. If the damaging Owner fails to promptly repair the damaged property, then the damaged



Owner may repair the property and the damaging Owner shall reimburse the damaged Owner for the costs of repair, plus an administrative fee equal to 10% of those costs. The Owners will be deemed to have contracted for the repair, and the damaged Owner may file a mechanic's lien against the damaging Owner's Parcel for those costs, plus the administrative fee and interest, in accordance with Chapter 44A of the North Carolina General Statutes. Each Owner shall indemnify and hold harmless the other Owner from any cost or liability for bodily injury due to a failure to maintain or repair as required by this **Section 3**, but only to the extent the Owner responsible for the maintenance or repair had actual knowledge of the condition requiring maintenance or repair. When exercising its rights under **Section 1** or **Section 2**, an Owner shall keep the other Owner's Parking Lot in a neat and clean condition.

4. **Rights of Owners.** The non-exclusive easements granted in **Section 1** and **Section 2** do not limit the rights of the Owners to use their own Parking Lots; the Owners (and their respective tenants, residents, guests, invitees and condominium unit owners) may use their own Parking Lots at any time. The Owners do not guarantee availability of the 27 designated parking spaces in either of their respective Parking Lots; those parking spaces will be available only on a first-come, first-served basis. Tenants, residents, guests, invitees and condominium unit owners of an Owner may only use the easements granted to that Owner to the extent that Owner allows, and subject to all requirements in this Agreement.
5. **Entry Maintenance.** Within the Entrance Area:
 - (a) **Hardscape Improvements.** Each Owner shall maintain and repair (and replace in the event of a casualty) at its sole expense the hardscape improvements located on its respective Parcel (e.g., the signage, wall, sidewalks) to the extent those improvements have not been accepted for public maintenance. The Owners shall use reasonable efforts to maintain symmetry of their hardscape improvements, as depicted on **Exhibit A**. The Owners shall not construct additional improvements within the Entrance Area or remove the improvements depicted on **Exhibit A** without the written approval of the other Owner (and that other Owner shall not unreasonably withhold or delay its approval).
 - (b) **Landscaping.** Each Owner shall maintain the landscaping on its Parcel at its sole expense. The Owners shall use reasonable efforts to maintain symmetry of their landscaping, approximately as depicted on **Exhibit A-1**.
 - (c) **Lighting.** Each Owner at its sole expense shall maintain, repair and replace the lights at the Entrance Area on its Parcel and ensure that the lights remain lit. For so long as the utility provider bills the Wilson Park Parcel Owner for the total cost of the Entrance Area lighting on both Parcels, the Owners shall each pay half of those costs. Cosgrove Hill shall reimburse the Wilson Park Parcel Owner for 50% of the costs within 15 business days after the Wilson Park Parcel Owner notifies Cosgrove Hill in writing of the billed amount. An Owner shall not add or remove Entrance Area lighting without the prior written approval of the other



Owner (and that other Owner shall not unreasonably withhold or delay its approval).

- (d) **Self Help.** If either Owner fails to maintain the improvements on its Parcel as required by **Sections 4(a), (b) or (c)**, then the other Owner shall have an easement to conduct that maintenance. The Owner that fails to maintain shall reimburse the maintaining Owner for the costs of that maintenance, plus an administrative fee equal to 10% of those costs. The Owners will be deemed to have contracted for that maintenance, and the maintaining Owner may file a mechanic's lien against the non-maintaining Owner's Parcel for the cost of the maintenance, plus the administrative fee and interest, in accordance with Chapter 44A of the North Carolina General Statutes.
6. **Enforcement.** The rights and easements granted in this Agreement are intended to benefit the Parcels, but only the Owners may enforce this Agreement. Tenants, residents, guests, invitees and condominium unit owners may not enforce this Agreement unless an Owner assigns its enforcement rights to that tenant, resident, guest, invitee or condominium unit owner.
7. **Assignment.** If the Wilson Park Parcel Owner forms a condominium on its Parcel, then it may assign its rights and obligations under this Agreement to the condominium owners association without the consent of Cosgrove Hill. Otherwise, an Owner may not assign its rights under this Agreement without the other Owner's written consent. The assigning Owner will be released from all liability arising after the date of the assignment.
8. **Binding Effect.** The rights and obligations under this Agreement are appurtenant and run with title to the Cosgrove Hill Parcel and the Wilson Park Parcel, and this Agreement shall bind and benefit any future Owners of the Cosgrove Hill Parcel and the Wilson Park Parcel. After an Owner transfers title to its Parcel, that Owner will be released from all liability arising after the date of the transfer.
9. **Counterparts; Amendment.** If this Agreement is signed in counterparts, then all of them together constitute one instrument. The Owners may amend this Agreement only by a written amendment signed by both Owners and recorded in the Orange County Public Registry.



The Parties signed this Agreement as of the Effective Date.

Cosgrove Hill Office Condominium Owners Association, Inc., a North Carolina non-profit corporation

By: _____
Name: _____
Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____ County, State of North Carolina, certify that _____ (the "Signatory"), personally came before me this day and acknowledged that he or she is _____ of **Cosgrove Hill Office Condominium Owners Association, Inc.**, a North Carolina non-profit corporation, and that he or she, in such capacity and being authorized to do so, executed the foregoing on behalf of the non-profit corporation.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)
_____ (I have personal knowledge of the identity of the Signatory); or
_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
(check one of the following)
_____ a driver's license or
_____ in the form of _____); or
_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)



Crosland Wilson Park, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC, its Manager

By: _____
Name: _____
Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____
County, State of North Carolina, certify that _____ (the
"Signatory"), personally came before me this day and acknowledged that he or she is
_____ of Crosland Manager, LLC, manager of Crosland Wilson Park, LLC,
and that he or she, in such capacity and being authorized to do so, executed the foregoing on
behalf of Crosland Manager, LLC, manager of Crosland Wilson Park, LLC.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); or
_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state
or federal identification with the Signatory's photograph in the form of:
(check one of the following)

_____ a driver's license or
_____ in the form of _____); or
_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing
instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)

Exhibit A

(A)

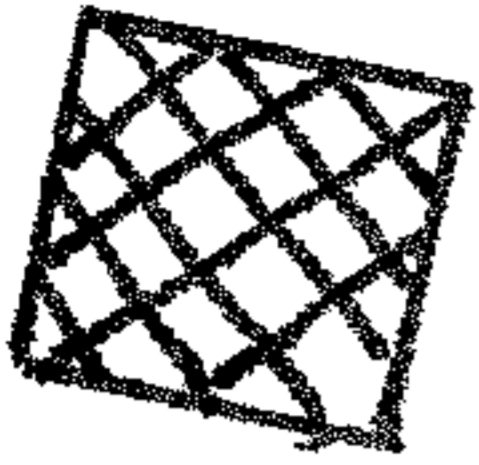


ILIC R/W

22' BLDG SETBACK

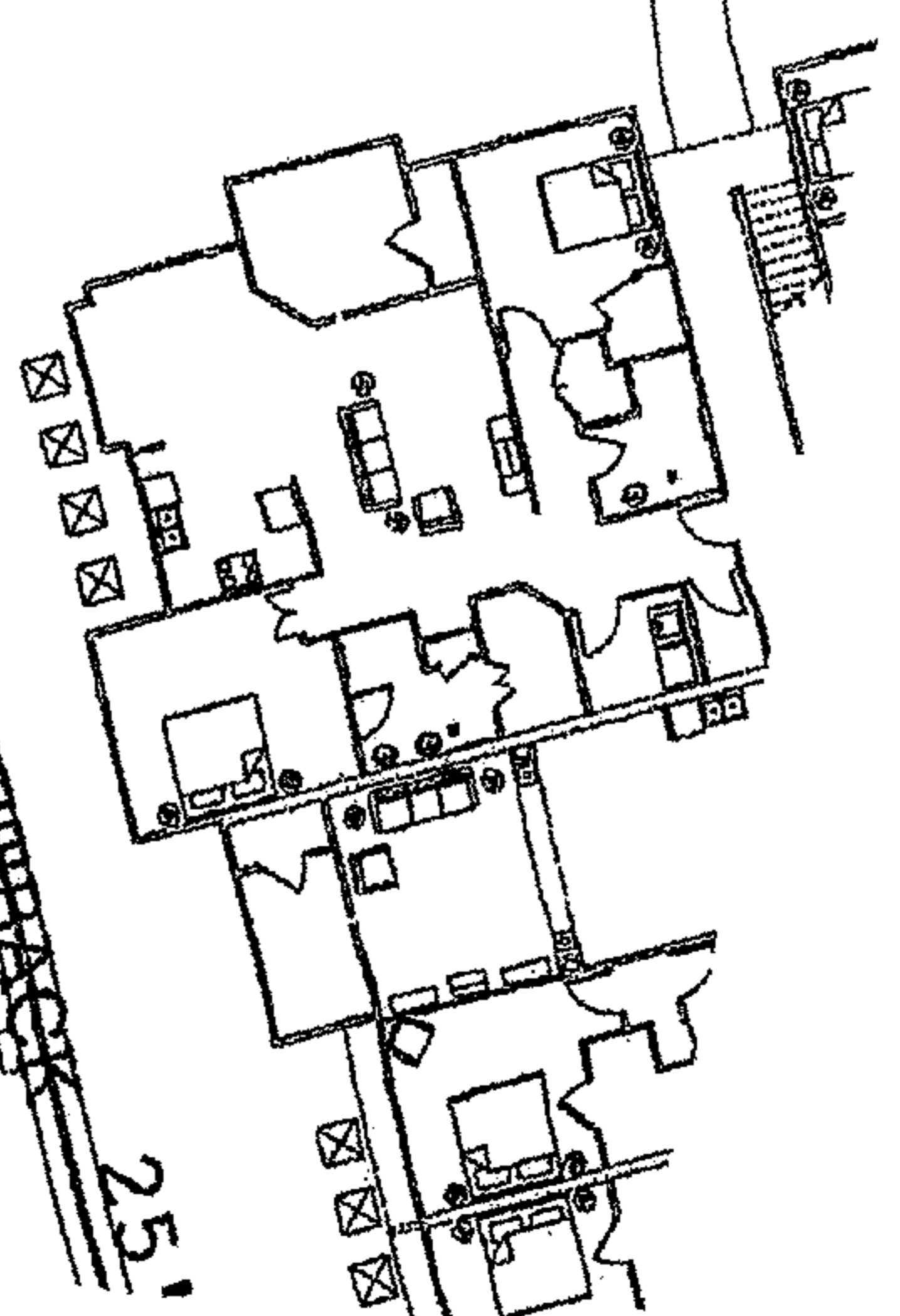
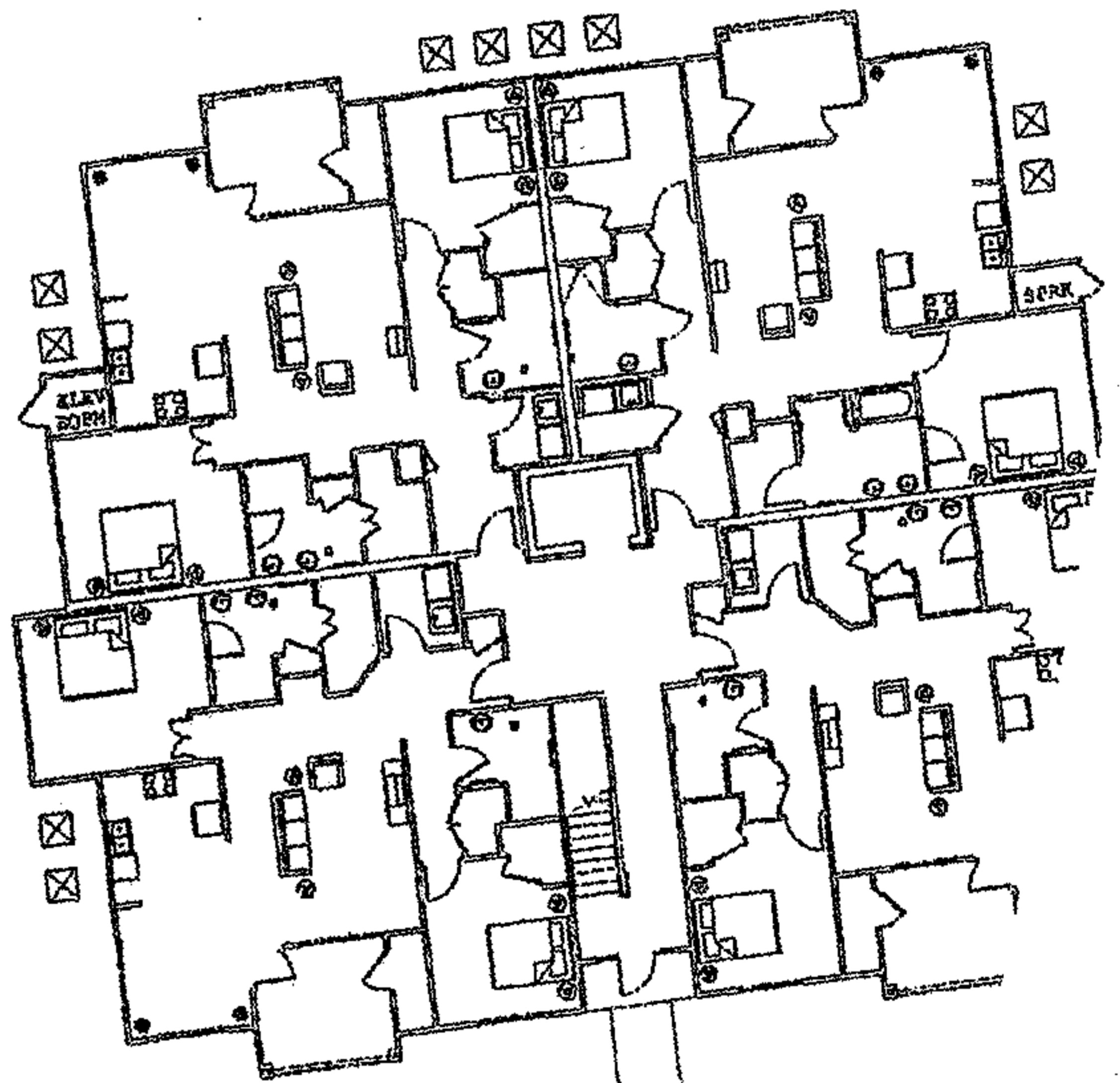
Wall Fence

Entrance Light



= Entrance Area

27' B-B
COSGROVE AVENUE

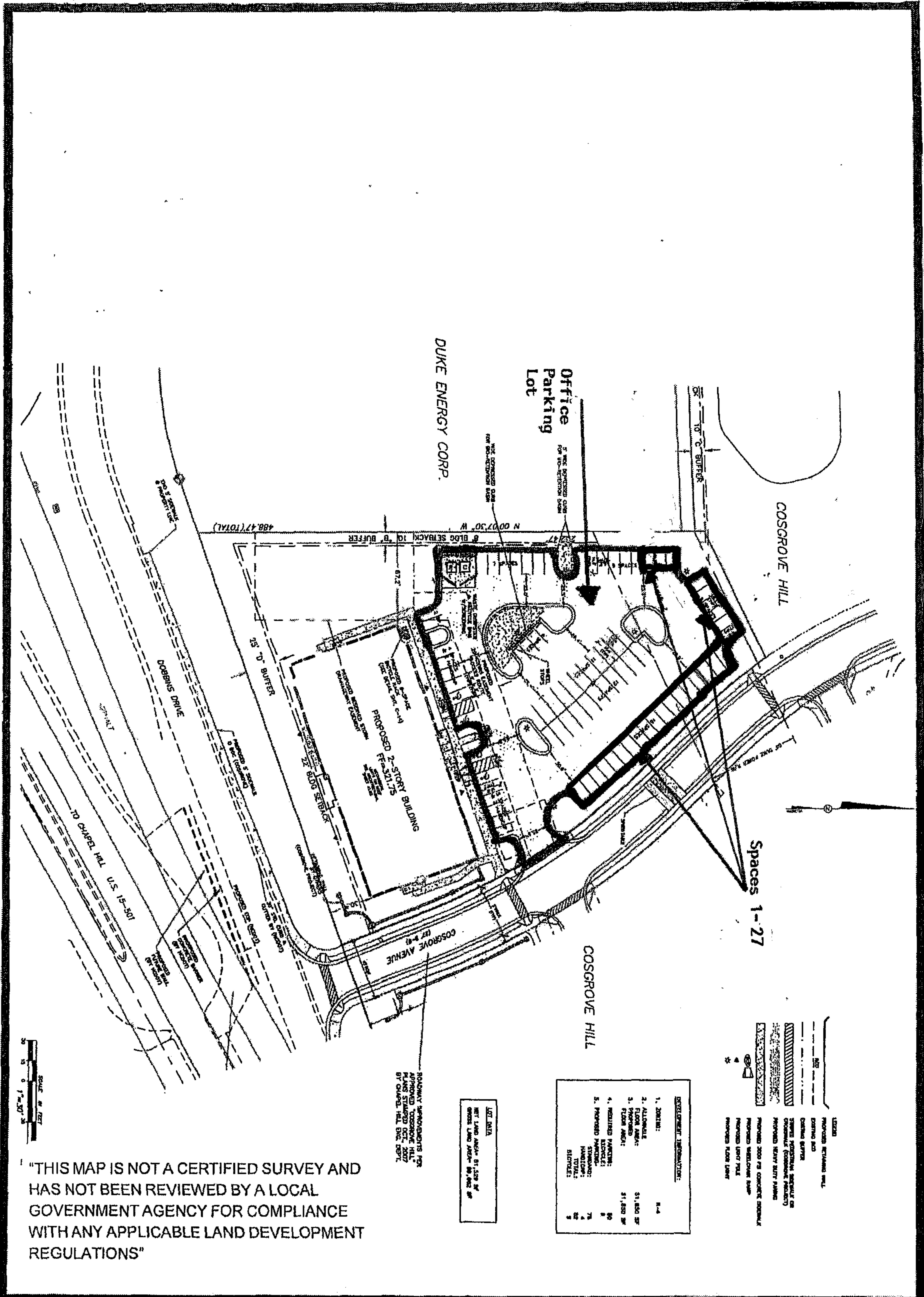


1" = 20'

"THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS"



20110315000059810
RB5130 149 67/75



"THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS"

LOT DATA
NET LAND AREA: 81,128 SQ. FT.
GROSS LAND AREA: 89,082 SQ. FT.

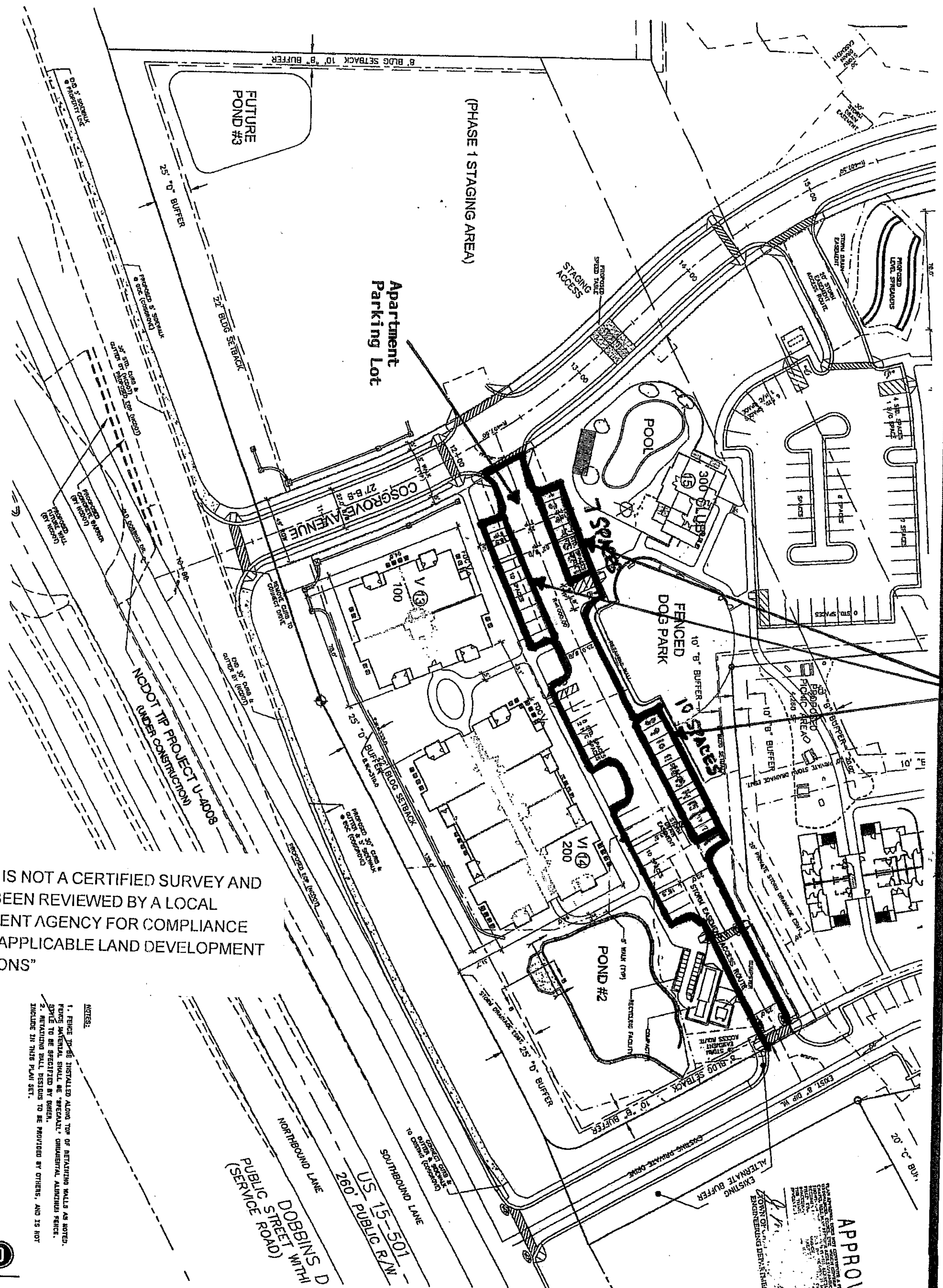
DEVELOPMENT INFORMATION:

1. ZONING:	R-4
2. ALLOWABLE DENSITY:	31,800 SF
3. PROPOSED DENSITY:	31,800 SF
4. IMBUILT PARKING:	50
5. PROPOSED PARKING:	74
6. TOTAL PARKING:	124
7. TOTAL STORIES:	2

LEGEND

- PROPOSED RETAINING WALL
- EXISTING AND PROPOSED DRIVEWAYS
- EXISTING AND PROPOSED SIDEWALKS
- PROPOSED 2000 PS CONCRETE OVERLAY
- PROPOSED UNDERGROUND UTILITIES
- PROPOSED FLOOD LINE

<p>REVISIONS</p> <p>1. 11/15/07</p> <p>2. 11/15/07</p> <p>3. 11/15/07</p>	<p>SCALE: 1"=50'</p> <p>DRAWN BY: JEM</p> <p>CHECKED BY: JEM</p> <p>DATE: 11/15/07</p> <p>PROJECT NO.: 050702</p> <p>DRAWING NO.: CH050702</p>	<p>SITE PLAN</p> <p>COGSGROVE HILL PHASE 4</p> <p>OFFICE BUILDING A</p> <p>CHAPEL HILL ORANGE COUNTY, N.C.</p>	<p>PHILIP POST & ASSOCIATES</p> <p>ENGINEERS PLANNERS SURVEYORS</p> <p>401 Franklin Rd. # 200 Chapel Hill, NC 27514 (919) 993-1223 1-800-850-9943</p> <p>Greensboro, NC (336) 752-3711</p>
---	--	--	---



Spaces 1-27



"THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS"

- NOTES:
1. FENCE TO BE INSTALLED ALONG TOP OF RETAINING WALLS AS NOTED. FENCE MATERIAL SHALL BE "PREGAL" CONCRETE ALUMINUM FENCE. SPICE TO BE SPECIFIED BY OWNER.
 2. RETAINING WALL DESIGN TO BE PROVIDED BY OTHERS, AND IS NOT INCLUDE IN THIS PLAN SET.

APPROVED
 PHILIP POST & ASSOCIATES
 ENGINEERS PLANNERS SURVEYORS
 DATE: 5.7.20

DAVISARCHITECTS

207 Raleigh, NC 27603 | Tel 919.833.1500 | Fax 919.833.1510

REVISIONS	DATE	BY	REASON
1.	3/20/2018	JAS	REVISED FROM COMMENTS
2.	5/16/2018	JAS	REVISED FROM COMMENTS
3.	7/24/2018	JAS	REVISED FROM COMMENTS
4.	8/13/2018	JAS	REVISED FROM COMMENTS
5.	8/28/2018	JAS	REVISED FROM COMMENTS
6.	8/27/2018	JAS	REVISED FROM COMMENTS

SCALE: 1"=30'
 DRAWN BY: JAS
 CHECKED BY: JAS
 DATE: 11/28/08
 PROJECT NO.: 520501
 DRAWING NO.: 01A(S)P1

SOUTH SITE PLAN
 COSGROVE HILL
 CHAPEL HILL, N.C.



PHILIP POST & ASSOCIATES
 ENGINEERS PLANNERS SURVEYORS
 401 Promenade Dr. # 200
 Chapel Hill, NC 27814
 (919) 929-1173
 919-2600 850-0882
 Greensboro, NC
 (336) 773-7711



Exhibit G

First Amendment to Easement, Construction and Maintenance Agreement



Prepared by and Return to:

Alan G. Dexter
Parker Poe Adams & Bernstein LLP
Three Wells Fargo Center, Suite 3000
401 South Tryon Street
Charlotte, North Carolina 28202-1935

Exhibit G

**First Amendment to
Easement, Construction and Maintenance Agreement**

This **First Amendment** is made as of _____, 2011 (“**Effective Date**”) by **Dobbins Hill II LLC; Dobbins Hill Apartments Limited Partnership; Crosland Wilson Park, LLC; and Crosland Cosgrove Hill Office, LLC (“Cosgrove Hill”)** (collectively, the “**Parties**”).

A. The Parties entered into an Easement, Construction and Maintenance Agreement dated August 2, 2007 and recorded September 26, 2007 in Book RB4381, Page 417, Orange County Registry (“**Agreement**”) under which the Parties granted reciprocal easements and imposed certain rights and obligations relating to construction, operation and maintenance of storm water drainage and retention facilities.

B. Cosgrove Hill installed an independent drainage system on its parcel (“**Cosgrove Hill Parcel**”), which parcel is described as Lot 3 on plat recorded in Book 102, Pages 149-150, Orange County Registry, and Cosgrove Hill will not require the use of the easements and facilities described in the Agreement.

C. The Parties desire to amend the Agreement to remove the Cosgrove Hill Parcel from the Agreement.

D. Any capitalized term not defined in this First Amendment shall have the meaning assigned to that term in the Agreement.



For valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. **Removal of Cosgrove Hill.** Cosgrove Hill and the Cosgrove Hill Parcel are released from all rights and obligations under the Agreement. The Cosgrove Hill Parcel is no longer burdened by or benefited from the easements in the Agreement.
2. **Counterparts.** The Parties may execute this First Amendment in multiple counterparts which, when assembled, will constitute one original.
3. **Full Force and Effect.** The Agreement shall remain in full force and effect as amended by this First Amendment. If the Agreement conflicts with this Amendment, then this First Amendment controls.

[Signature Pages Follow]



The Parties signed this First Amendment as of the Effective Date.

Crosland Cosgrove Hill Office, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC, its Manager

By: _____
Name: _____
Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____
County, State of North Carolina, certify that _____ (the
"Signatory"), personally came before me this day and acknowledged that he or she is
_____ of Crosland Manager, LLC, manager of Crosland Cosgrove Hill Office,
LLC, and that he or she, in such capacity and being authorized to do so, executed the foregoing
on behalf of Crosland Manager, LLC, manager of Crosland Cosgrove Hill Office, LLC.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); or

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state
or federal identification with the Signatory's photograph in the form of:

(check one of the following)

_____ a driver's license or

_____ in the form of _____); or

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing
instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)



Crosland Wilson Park, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC, its Manager

By: _____
Name: _____
Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____
County, State of North Carolina, certify that _____ (the
“**Signatory**”), personally came before me this day and acknowledged that he or she is
_____ of Crosland Manager, LLC, manager of Crosland Wilson Park, LLC,
and that he or she, in such capacity and being authorized to do so, executed the foregoing on
behalf of Crosland Manager, LLC, manager of Crosland Wilson Park, LLC.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**
_____ (I have seen satisfactory evidence of the Signatory’s identity, by a current state
or federal identification with the Signatory’s photograph in the form of:

(check one of the following)

_____ a driver’s license *or*
_____ in the form of _____); **or**
_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing
instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)



Dobbins Hill II LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC, its Manager

By: _____

Name: _____

Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____
County, State of North Carolina, certify that _____ (the
“**Signatory**”), personally came before me this day and acknowledged that he or she is
_____ of Crosland Manager, LLC, manager of Dobbins Hill II LLC, and that
he or she, in such capacity and being authorized to do so, executed the foregoing on behalf of
Crosland Manager, LLC, manager of Dobbins Hill II LLC.

I certify that the Signatory personally appeared before me this day, and

(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**

_____ (I have seen satisfactory evidence of the Signatory’s identity, by a current state
or federal identification with the Signatory’s photograph in the form of:

(check one of the following)

_____ a driver’s license *or*

_____ in the form of _____); **or**

_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing
instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)



Dobbins Hill Apartments Limited Partnership,
a North Carolina limited partnership

By: DHA, Inc., its General Partner

By: _____
Name: _____
Title: _____

State of North Carolina

County of _____

I, _____, a Notary Public of _____
County, State of North Carolina, certify that _____ (the
“**Signatory**”), personally came before me this day and acknowledged that he or she is
_____ of DHA, Inc., general partner of Dobbins Hill Apartments Limited
Partnership, and that he or she, in such capacity and being authorized to do so, executed the
foregoing on behalf of DHA, Inc., general partner of Dobbins Hill Apartments Limited
Partnership.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

_____ (I have personal knowledge of the identity of the Signatory); **or**
_____ (I have seen satisfactory evidence of the Signatory’s identity, by a current state
or federal identification with the Signatory’s photograph in the form of:
(check one of the following)

_____ a driver’s license *or*
_____ in the form of _____); **or**
_____ (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing
instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this _____ day of _____, 2011.

Notary Public

Print Name: _____
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: _____

☞ [Notary Seal] (Must Be Fully Legible)



AP

20130213000036830 S/INS
Bk:RB5545 Pg:146
02/13/2013 12:13:36 PM 1/4

FILED Deborah B. Brooks
Register of Deeds, Orange Co., NC
Recording Fee: \$26.00
NC Real Estate TX: \$.00

500

PARENT = 9799580455.006
NEW UNIT 201 = 9799580455.007
NEW UNIT 220 = 9799580455.008
EXISTING UNITS = 9799580455.001 thru .005
JMN

First Amendment to Declaration of Cosgrove Hill Office Condominium

This First Amendment is made as of February 6, 2013 ("Effective Date") by **Crosland Cosgrove Hill Office, LLC**, a North Carolina limited liability company ("Declarant").

A. Declarant recorded the Declaration of Cosgrove Hill Office Condominium ("Declaration") on March 15, 2011 in Book RB5130, Page 83 and the plat recorded in Book 108, Pages 69-71 in the Orange County Registry ("Registry") to create Cosgrove Hill Office Condominium. Any capitalized term used but not defined in this First Amendment has the meaning given in the Declaration.

B. Section 47C-2-113 of the North Carolina Condominium Act ("Act") authorizes subdivision of a Unit if the Declaration expressly permits subdivision. Under Section 12.1(a)(2) of the Declaration, Declarant may subdivide a Unit. On or about the recording of this First Amendment, Declarant has filed a plat in the Registry ("New Plat") to subdivide Unit 201 into two Units, creating new Unit 201 and new Unit 220.

C. As required by Section 47C-2-110 of the Act, Declarant files this First Amendment to (i) assign identifying numbers to the newly created Units and (ii) reallocate among the new Units the Common Elements Interest and the number of parking spaces previously allocated to old Unit 201.

Declarant amends the Declaration as follows:

1. Declarant assigns the newly created Units the numbers "201" and "220", as shown on the New Plat.
2. **Exhibit B** to the Declaration is deleted and replaced with **Exhibit B** to this First Amendment.
3. **Exhibit D** to the Declaration is deleted and replaced with **Exhibit D** to this First Amendment.

Prepared by and mail to:
Parker Poe Adams & Bernstein LLP (LSB)
Three Wells Fargo Center
401 South Tryon Street, Suite 3000
Charlotte, NC 28202



Declarant executes this First Amendment as of the Effective Date.

Crosland Cosgrove Hill Office, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC,
a North Carolina limited liability company,
Manager

By: [Signature]

Name: Adam Ford

Title: General Manager

State of North Carolina

County of Mecklenburg

I, Cynthia Peoples, a Notary Public of Mecklenburg County, State of NC
do hereby certify that Adam Ford (the "Signatory"), General Manager
of Crosland Manager, LLC, personally appeared before me this day, by authority duly
given, and acknowledged the due execution of the foregoing instrument in the capacity indicated.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

- I have personal knowledge of the identity of the Signatory; or
- I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

- (check one of the following)
- a driver's license; or
 - in the form of _____; or
 - a credible witness has sworn to the identity of the Signatory.

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this 6th day of February, 2013.

[Signature]
Notary Public

Print Name: Cynthia Peoples

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: October 17, 2013

[Notary Seal] (must be fully legible)

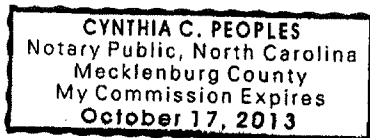




Exhibit B

Common Elements Interests

<u>Unit</u>	<u>Unit Area</u>	<u>Common Elements Interest</u>
100	1,721 square feet	1,721/26,702
110	2,319 square feet	2,319/26,702
120	1,698 square feet	1,698/26,702
140	3,962 square feet	3,962/26,702
170	3,369 square feet	3,369/26,702
201	11,537 square feet	11,537/26,702
220	2,096 square feet	2,096/26,702
Total	26,702 square feet	26,702/26,702

The Common Elements Interest of a Unit is equal to the Unit Area of that Unit as a percentage of the total Unit Area of all Units. If Declarant subdivides any Unit, then the Common Elements Interest assigned to that Unit will be allocated among the Units created by the subdivision based on the Unit Area of each newly created Unit.



Exhibit D

Parking Spaces

<u>Unit</u>	<u>Number of Spaces</u>
100	5
110	7
120	5
140	12
170	11
201	36
220	7
Total	83

3/3 4



2013121000291510 S/INS
Bk:RB5730 Pg:120
12/10/2013 04:01:09 PM 1/4

DML

FILED Deborah B. Brooks
Register of Deeds, Orange Co, NC
Recording Fee: \$26.00
NC Real Estate TX: \$.00

12/12/13
mab .005 + .008

EXISTING = 9799580455.001 thru ~~206~~
PLAT = 9799580455.007
NEW = 9799580455.009 thru 011
mab

Prepared by and return to:
Bagwell Holt Smith P.A.
111 Cloister Court, Ste. 200, Chapel Hill, NC 27514

Declarant's Address:
c/o Merrifield Partners, 521 E. Morehead Street, Suite 400, Charlotte, NC 28209

SECOND AMENDMENT TO DECLARATION OF COSGROVE HILL OFFICE CONDOMINIUM

This Second Amendment to Declaration of Cosgrove Hill Office Condominium ("Second Amendment") is made as of December 9th, 2013 ("Effective Date") by **Crosland Cosgrove Hill Office, LLC**, a North Carolina limited liability company ("Declarant").

A. Declarant recorded the Declaration of Cosgrove Hill Office Condominium on March 15, 2011 in Book RB5130, Page 83, Orange County Registry ("Registry"), and the plat recorded in Plat Book 108, Pages 68 through 71, inclusive, in the Registry to create Cosgrove Hill Office Condominium.

B. The above referenced Declaration of Cosgrove Hill Office Condominium was subsequently amended by Declarant by the First Amendment to Declaration of Cosgrove Hill Office Condominium recorded on February 13, 2013 in Book RB5545 Page 146 in the Registry ("First Amendment"), and the above referenced plat was subsequently revised by Declarant by the plat recorded in Plat Book 111, Pages 7 and 8 in the Registry. The Declaration of Cosgrove Hill Office Condominium, as amended by the First Amendment, is hereinafter referred to as the "Declaration".

C. Section 47C-2-113 of the North Carolina Condominium Act ("Act") authorizes subdivision of a Unit if the Declaration expressly permits subdivision. Under Section 12.1(a)(2) of the Declaration, Declarant may subdivide a Unit. On or about the recording of this Second Amendment, Declarant has filed a plat in the Registry ("New Plat") to subdivide Unit 201 into three (3) Units, creating new Unit 200, new Unit 240 and new Unit 260, **AS**

KDA SHOWN ON PLAT BOOK 112 PAGES 25-26 OR.

D. As required by Section 47C-2-110 of the Act, Declarant files this Second Amendment to (i) assign identifying numbers to the newly created Units and (ii) reallocate among the new Units the Common Elements Interest and the number of parking spaces previously allocated to old Unit 201.

Declarant amends the Declaration as follows:

1. Declarant assigns the newly created Units the numbers "200", "240" and "260", as shown on the New Plat.
2. **Exhibit B** to the Declaration is deleted and replaced with **Exhibit B** to this Second Amendment.
3. **Exhibit D** to the Declaration is deleted and replaced with **Exhibit D** to this Second Amendment.



Declarant executes this Second Amendment as of the Effective Date.

Crosland Cosgrove Hill Office, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC,
a North Carolina limited liability company,
Manager

By: [Signature]

Name: Adam Ford

Title: General Manager

STATE OF North Carolina
COUNTY OF Mecklenburg

I, Cynthia Peoples, a Notary Public of Mecklenburg County, State of North Carolina
do hereby certify that Adam Ford (the "Signatory"), General Manager of Crosland Manager,
LLC, the Manager of Crosland Cosgrove Hill Office, LLC, personally appeared before me this day, by authority
duly given, and acknowledged the due execution of the foregoing instrument in the capacity indicated.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

- I have personal knowledge of the identity of the Signatory; or
- I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
(check one of the following)
 - a driver's license; or
 - in the form of _____; or
 - a credible witness has sworn to the identity of the Signatory.

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this 9th day of December, 2013.

[Signature]
Notary Public

Print Name: Cynthia Peoples
My Commission Expires: October 17, 2018

(Notary Seal)

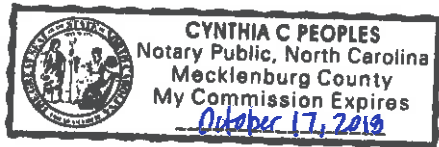




Exhibit B

Common Elements Interests

<u>Unit</u>	<u>Unit Area</u>	<u>Common Elements Interest</u>
100	1,721 square feet	1,721/26,702
110	2,319 square feet	2,319/26,702
120	1,698 square feet	1,698/26,702
140	3,962 square feet	3,962/26,702
170	3,369 square feet	3,369/26,702
200	4,166 square feet	4,166/26,702
220	2,096 square feet	2,096/26,702
240	5,026 square feet	5,026/26,702
260	2,345 square feet	2,345/26,702
Total	26,702 square feet	26,702/26,702

The Common Elements Interest of a Unit is equal to the Unit Area of that Unit as a percentage of the total Unit Area of all Units. If Declarant subdivides any Unit, then the Common Element Interest assigned to that Unit will be allocated among the Units created by the subdivision based on the Unit Area of each newly created Unit.



Exhibit D
Parking Spaces

<u>Unit</u>	<u>Number of Spaces</u>
100	5
110	7
120	5
140	12
170	11
200	13
220	7
240	16
260	7
Total	83



DML

20140407000054960 S/INS
Bk:RB5773 Pg:2
04/07/2014 11:12:00 AM 1/4

FILED Deborah B. Brooks
Register of Deeds, Orange Co., NC
Recording Fee: \$26.00
NC Real Estate TX: \$.00

NO

EXISTING = 9799580455.001 thru .003 + .005 + .008 thru .011

PARENT = 9799580455.004
NEW 130 = 9799580455.012
NEW 140 = 9799580455.013
mab

Prepared by and return to:
Bagwell Holt Smith P.A.
111 Cloister Court, Ste. 200, Chapel Hill, NC 27514

Declarant's Address:
c/o Merrifield Partners, 521 E. Morehead Street, Suite 400, Charlotte, NC 28209

**THIRD AMENDMENT TO
DECLARATION OF COSGROVE HILL OFFICE CONDOMINIUM**

This Third Amendment to Declaration of Cosgrove Hill Office Condominium ("Third Amendment") is made as of March 31st, 2014 ("Effective Date") by **Crosland Cosgrove Hill Office, LLC**, a North Carolina limited liability company ("Declarant").

A. Declarant recorded the Declaration of Cosgrove Hill Office Condominium on March 15, 2011 in Book RB5130, Page 83, Orange County Registry ("Registry"), and the plat recorded in Plat Book 108, Pages 68 through 71, inclusive, in the Registry to create Cosgrove Hill Office Condominium.

B. The above referenced Declaration of Cosgrove Hill Office Condominium was subsequently amended by Declarant by the First Amendment to Declaration of Cosgrove Hill Office Condominium recorded on February 13, 2013 in Book RB5545 Page 146 in the Registry ("First Amendment") and the Second Amendment to Declaration of Cosgrove Hill Office Condominium recorded on December 10, 2013 in Book RB5730 Page 120 in the Registry ("Second Amendment"), and the above referenced plat was subsequently revised by Declarant by the plats recorded in Plat Book 111, Pages 7 and 8 and Plat Book 112 Pages 25 and 26 in the Registry. The Declaration of Cosgrove Hill Office Condominium, as amended by the First Amendment and the Second Amendment, is hereinafter referred to as the "Declaration".

C. Section 47C-2-113 of the North Carolina Condominium Act ("Act") authorizes subdivision of a Unit if the Declaration expressly permits subdivision. Under Section 12.1(a)(2) of the Declaration, Declarant may subdivide a Unit. On or about the recording of this Third Amendment, Declarant has filed a plat in the Registry ("New Plat") to subdivide Unit 140 into two (2) Units, creating new Unit 130 and new Unit 140, as shown on Plat Book 112, Pages 135+16 in the Registry.

D. As required by Section 47C-2-110 of the Act, Declarant files this Third Amendment to (i) assign identifying numbers to the newly created Units and (ii) reallocate among the new Units the Common Elements Interest and the number of parking spaces previously allocated to old Unit 140.

Declarant amends the Declaration as follows:

1. Declarant assigns the newly created Units the numbers "130" and "140", as shown on the New Plat.



- 2. **Exhibit B** to the Declaration is deleted and replaced with **Exhibit B** to this Third Amendment.
- 3. **Exhibit D** to the Declaration is deleted and replaced with **Exhibit D** to this Third Amendment.

Declarant executes this Third Amendment as of the Effective Date.

Crosland Cosgrove Hill Office, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC,
a North Carolina limited liability company,
Manager
By: [Signature]
Name: James E Merrifield
Title: Vice President

STATE OF North Carolina
COUNTY OF Mecklenburg

I, Kimberly Byburg a Notary Public of Mecklenburg County, State of North Carolina do hereby certify that James E Merrifield (the "Signatory"), Vice President of Crosland Manager, LLC, the Manager of Crosland Cosgrove Hill Office, LLC, personally appeared before me this day, by authority duly given, and acknowledged the due execution of the foregoing instrument in the capacity indicated.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

- I have personal knowledge of the identity of the Signatory; or
- I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
(check one of the following)
- a driver's license; or
- in the form of _____; or
- a credible witness has sworn to the identity of the Signatory.

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this 31 day of March, 2014.

[Signature]
Notary Public

Print Name: Kimberly Byburg
My Commission Expires: 12/1/18

(Notary Seal)

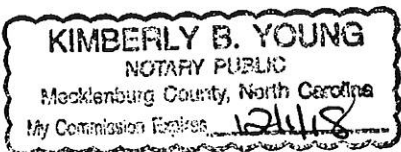




Exhibit B

Common Elements Interests

<u>Unit</u>	<u>Unit Area</u>	<u>Common Elements Interest</u>
100	1,721 square feet	1,721/26,702
110	2,319 square feet	2,319/26,702
120	1,698 square feet	1,698/26,702
130	1,878 square feet	1,878/26,702
140	2,084 square feet	2,084/26,702
170	3,369 square feet	3,369/26,702
200	4,166 square feet	4,166/26,702
220	2,096 square feet	2,096/26,702
240	5,026 square feet	5,026/26,702
260	2,345 square feet	2,345/26,702
Total	26,702 square feet	26,702/26,702

The Common Elements Interest of a Unit is equal to the Unit Area of that Unit as a percentage of the total Unit Area of all Units. If Declarant subdivides any Unit, then the Common Element Interest assigned to that Unit will be allocated among the Units created by the subdivision based on the Unit Area of each newly created Unit.



Exhibit D

Parking Spaces

<u>Unit</u>	<u>Number of Spaces</u>
100	5
110	7
120	5
130	6
140	6
170	11
200	13
220	7
240	16
260	7
Total	83



20140909000164910 S/INS
Bk:RB5844 Pg:62
09/09/2014 01:08:28 PM 1/4

FILED Deborah B. Brooks
Register of Deeds, Orange Co., NC
Recording Fee: \$26.00
NC Real Estate TX: \$.00

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AR

DML

M

Prepared by and return to:
Bagwell Holt Smith P.A.
111 Cloister Court, Ste. 200, Chapel Hill, NC 27514

Declarant's Address:
c/o Merrifield Partners, 521 E. Morehead Street, Suite 400, Charlotte, NC 28209

Parent: 9799580455.010
New 240: 9799580455.014
New 250: 9799580455.015
Existing: 9799580455.001-.003
9799580455.005
9799580455.008-.009
9799580455.011-.012
9799580455.013 ^{mab} ^{RKB}
9/9/14

**FOURTH AMENDMENT TO
DECLARATION OF COSGROVE HILL OFFICE CONDOMINIUM**

This Fourth Amendment to Declaration of Cosgrove Hill Office Condominium ("Fourth Amendment") is made as of August 27, 2014 ("Effective Date") by **Crosland Cosgrove Hill Office, LLC**, a North Carolina limited liability company ("Declarant").

A. Declarant recorded the Declaration of Cosgrove Hill Office Condominium on March 15, 2011 in Book RB5130, Page 83, Orange County Registry ("Registry"), and the plat recorded in Plat Book 108, Pages 68 through 71, inclusive, in the Registry to create Cosgrove Hill Office Condominium.

B. The above referenced Declaration of Cosgrove Hill Office Condominium was subsequently amended by Declarant by the First Amendment to Declaration of Cosgrove Hill Office Condominium recorded on February 13, 2013 in Book RB5545 Page 146 in the Registry ("First Amendment"), the Second Amendment to Declaration of Cosgrove Hill Office Condominium recorded on December 10, 2013 in Book RB5730 Page 120 in the Registry ("Second Amendment") and the Third Amendment to Declaration of Cosgrove Hill Office Condominium recorded on April 7, 2014 in Book RB5773 Page 2 in the Registry ("Third Amendment"), and the above referenced plat was subsequently revised by Declarant by the plats recorded in Plat Book 111, Pages 7 and 8, Plat Book 112 Pages 25 and 26 and Plat Book 112 Pages 135 and 136 in the Registry. The Declaration of Cosgrove Hill Office Condominium, as amended by the First Amendment, the Second Amendment and the Third Amendment, is hereinafter referred to as the "Declaration".

C. Section 47C-2-113 of the North Carolina Condominium Act ("Act") authorizes subdivision of a Unit if the Declaration expressly permits subdivision. Under Section 12.1(a)(2) of the Declaration, Declarant may subdivide a Unit. On or about the recording of this Fourth Amendment, Declarant has filed a plat in the Registry ("New Plat") to subdivide Unit 240 into two (2) Units, creating new Unit 240 and new Unit 250, as shown on Plat Book 113, Pages 79-80 in the Registry.

D. As required by Section 47C-2-110 of the Act, Declarant files this Fourth Amendment to (i) assign identifying numbers to the newly created Units and (ii) reallocate among the new Units the Common Elements Interest and the number of parking spaces previously allocated to old Unit 240.

Declarant amends the Declaration as follows:

1. Declarant assigns the newly created Units the numbers "240" and "250", as shown on the New Plat.



- 2. **Exhibit B** to the Declaration is deleted and replaced with **Exhibit B** to this Fourth Amendment.
- 3. **Exhibit D** to the Declaration is deleted and replaced with **Exhibit D** to this Fourth Amendment.

Declarant executes this Fourth Amendment as of the Effective Date.

Crosland Cosgrove Hill Office, LLC,
a North Carolina limited liability company

By: Crosland Manager, LLC,
a North Carolina limited liability company,
Manager

By: James E Merrifield
Name: James E Merrifield
Title: Vice President

STATE OF North Carolina
COUNTY OF Mecklenburg

I, Kimberly B Young a Notary Public of Mecklenburg County, State of North Carolina do hereby certify that James E Merrifield (the "Signatory"), Vice President of Crosland Manager, LLC, the Manager of Crosland Cosgrove Hill Office, LLC, personally appeared before me this day, by authority duly given, and acknowledged the due execution of the foregoing instrument in the capacity indicated.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

- I have personal knowledge of the identity of the Signatory; or
- I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
(check one of the following)
- a driver's license; or
- in the form of _____; or
- a credible witness has sworn to the identity of the Signatory.

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.

Witness my hand and official stamp or seal this 3 day of September 2014.

Kimberly B Young
Notary Public

Print Name: Kimberly B Young
My Commission Expires: 12/1/18

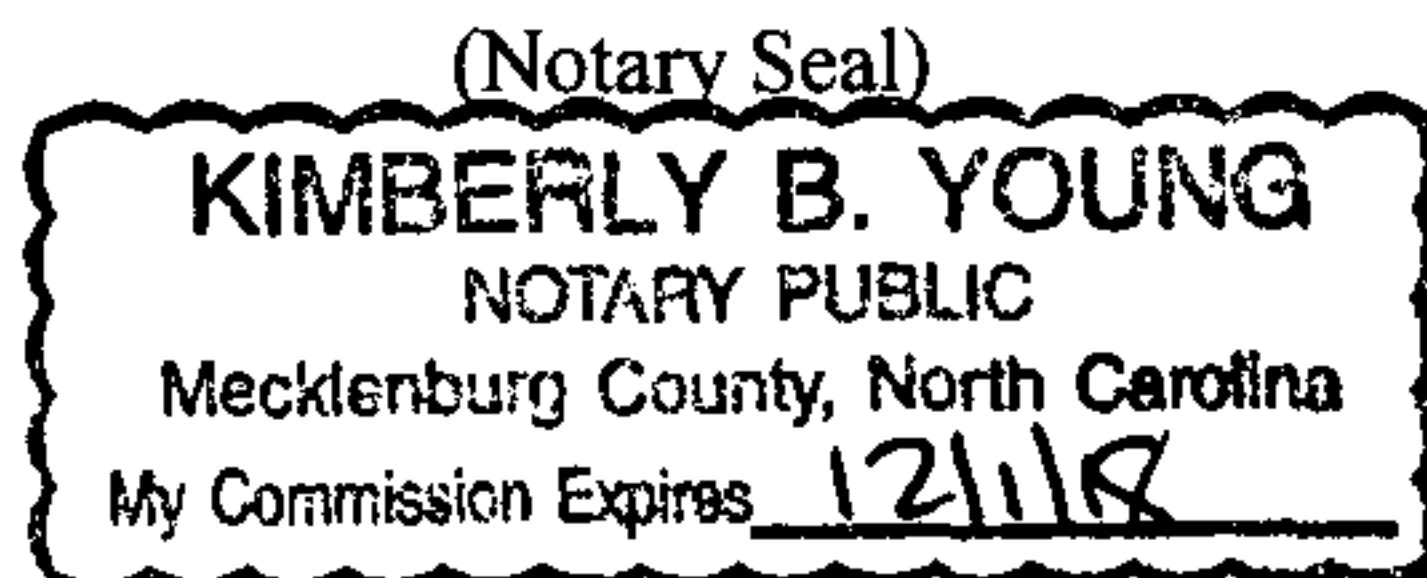




Exhibit B

Common Elements Interests

<u>Unit</u>	<u>Unit Area</u>	<u>Common Elements Interest</u>
100	1,721 square feet	1,721/26,702
110	2,319 square feet	2,319/26,702
120	1,698 square feet	1,698/26,702
130	1,878 square feet	1,878/26,702
140	2,084 square feet	2,084/26,702
170	3,369 square feet	3,369/26,702
200	4,166 square feet	4,166/26,702
220	2,096 square feet	2,096/26,702
240	2,532 square feet	5,026/26,702
250	2,494 square feet	2,494/26,702
260	2,345 square feet	2,345/26,702
Total	26,702 square feet	26,702/26,702

The Common Elements Interest of a Unit is equal to the Unit Area of that Unit as a percentage of the total Unit Area of all Units. If Declarant subdivides any Unit, then the Common Element Interest assigned to that Unit will be allocated among the Units created by the subdivision based on the Unit Area of each newly created Unit.



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RB5844 65 474

Exhibit D

Parking Spaces

<u>Unit</u>	<u>Number of Spaces</u>
100	5
110	7
120	5
130	6
140	6
170	11
200	13
220	7
240	8
250	8
260	7
Total	83