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FILED Joyce H. Pearson  
Register of Deeds, Orange Co, NC  
Recording Fee: \$80.00  
NC Real Estate TX: \$0.00

PARENT = 9890-81-1981  
UNITS = 9890-81-1981.001 thru .003

**DECLARATION OF UNIT OWNERSHIP FOR EASTRIDGE OFFICE CONDOMINIUMS** MAB

Prepared By: David Rooks, Northen Blue, L.L.P.  
Return to: David Anna, P. O. Box 4040, Chapel Hill, NC 27515

PIN:

This Declaration is made on this the 1st day of March, 2010 by Anna Family Offices, LLC, 211 Cloister Court, Post Office Box 4040, Chapel Hill, North Carolina 27515, hereinafter referred to as the "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Orange County, North Carolina, which is more particularly described in the attached Exhibit A, and generally described as EastRidge Office Condominiums (the "Property"); and

WHEREAS, Declarant desires and intends to divide the building and certain improvements constructed or to be constructed upon said property into condominium units, or "Units" as those terms are defined under the provisions of the North Carolina Condominium Act, and to sell and convey the same to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed, and

WHEREAS, Declarant desires and intends by the filing of this Declaration, to submit the above described property and the building to be located thereon and all other improvements to be constructed, together with all appurtenances thereto, to the provisions of the North Carolina Condominium Act.

NOW THEREFORE, the Declarant does hereby publish and declare that all of the property as described in the attached Exhibit A below is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following covenants,



conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1 Definitions: To the extent applicable to this Declaration and not inconsistent herewith, all definitions contained and set forth in the North Carolina Condominium Act, as of this time being Chapter 47C of the General Statutes of North Carolina and as the same may be amended from time to time (herein referred to as “the Act”), are incorporated herein by reference and shall have the same force and effect as if set forth verbatim and made a part hereof.

2 Descriptions and Unit Designations:

- a. The description of the land on which the building and improvements are located is set forth in Exhibit A attached to this Declaration.
- b. The building located on the land described in Exhibit A is a two-story building of steel frame, masonry veneer and synthetic stucco construction, suspended over parking areas as more particularly described in the plans of filed at Book 106 Page 134 through 138 (the “Plans”). The building currently contains three condominium units. Declarant reserves the right to create a total of eleven condominium units from the units described as Units 311 and 321 herein for a total of twelve condominium units in the building. The current unit designation of each unit and the floor level on which said unit is to be located, subject to further amendment, are as follows:

i.	<u>Floor Level</u>	<u>Unit Numbers</u>
ii.	First Floor	311 and 317
iii.	Second Floor	321

- c. The Declarant has reserved to itself or its assigns the right to combine, recombine, subdivide or reconfigure any of the proposed units prior to the conveyance of such unit.
- d. The unit designation of each condominium unit, its location, its dimensions, approximate area, number of rooms and common facilities to which it has

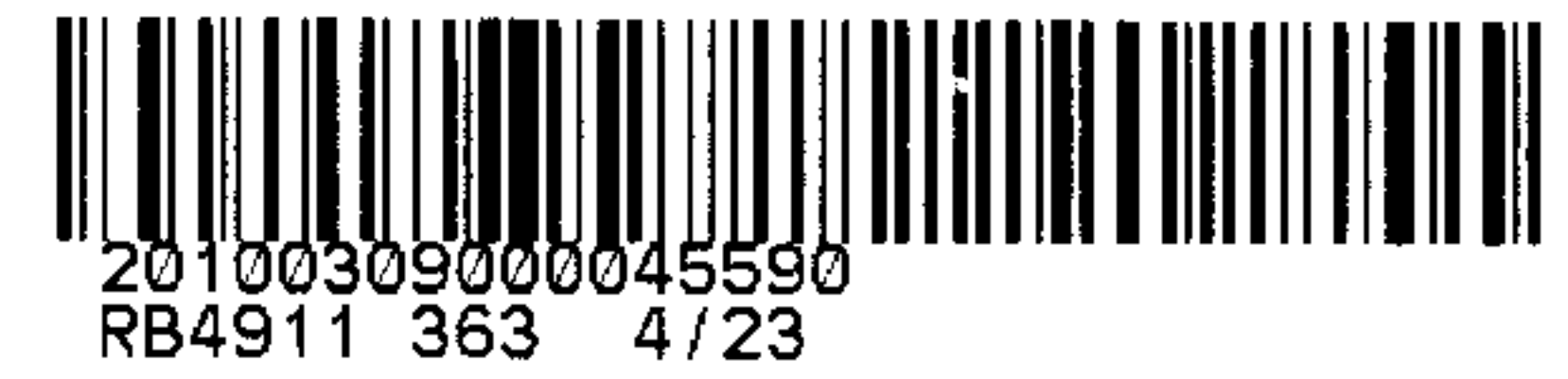


immediate access, and other data concerning its proper identification are set forth in the plans attached to this Declaration and made a part hereof as referred to hereinabove, or in plans to be subsequently recorded as and when the respective units are completed and to be conveyed.

- e. Each unit is to be bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, ceilings and floors which are shown on said plans, as provided in General Statutes Section 47C-2-102, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the building, or by permissible repairs, construction or alteration, as provided in General Statutes Section 47C-2-114.

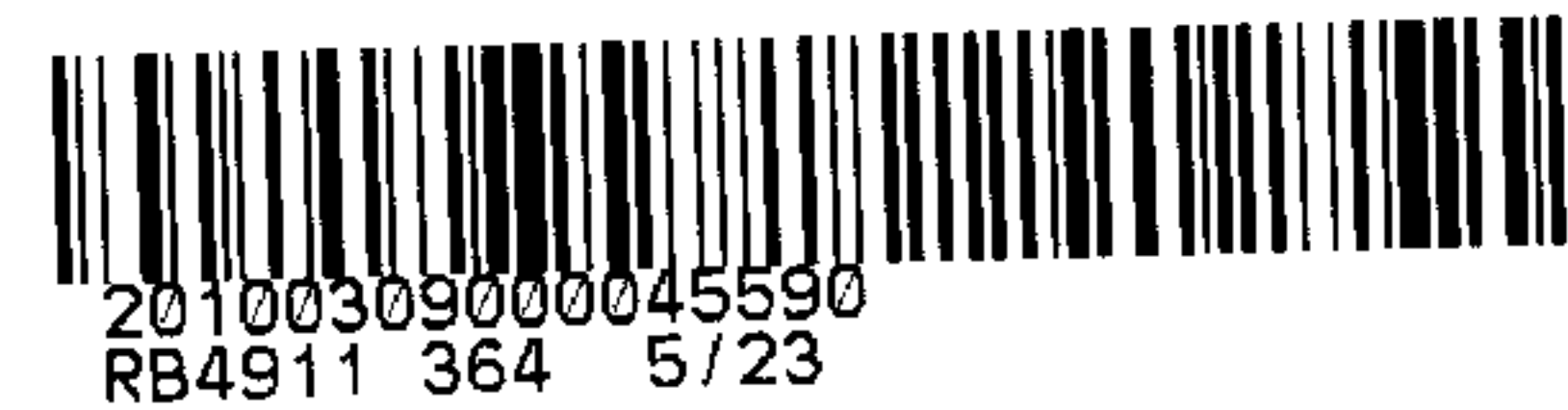
3 Common Elements: The common areas and facilities will consist of all parts of the building situated on the property described in Paragraph 2 hereinabove, other than the individual units therein, including the following (subject to the limitations expressed):

- a. The land on which the building is located and all lands surrounding the building as more fully described in Exhibit A to this Declaration.
- b. All foundations, columns, girders, beams, supports and other structural members.
- c. All exterior walls and interior walls except those partitioned walls wholly within a unit.
- d. Roofs, balconies, outside steps, walkways, parking lots, drives, bridge or bridges, and entrances to and exits from the building(s).
- e. All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration, air conditioning, sprinklers and all other mechanical equipment and systems existing for common use, and not separately metered for individual units.
- f. All sewer pipes.
- g. All other parts of the property and all apparatus and installations existing in the building or upon the property intended for common use or necessary for or convenient to the existence, maintenance or safety of the property, including any common or shared drives, refuse/recycle facilities, site lighting, or other jointly used amenities.



- h. The undivided interest of each unit owner in the common elements above described is as set forth on the attached Exhibit B and is allocated to each unit based on the percentage of the total square footage that unit represents. The total square footage available to be divided among units is 13,659 square feet and each unit's building square footage will be the square footage of the unit as built, measured from the interior surface of perimeter walls.
- i. The undivided interest in the common elements for units created from Units 311 and 321 will be allocated from the remaining undivided interest assigned to Units 311 and 321 after the creation of the most recently created unit. The undivided interest in the common elements assigned to each unit other than Units 311 and 321 shall not be altered except:

  - i. By Declarant or its assigns in connection with the combination, recombination, subordination or reconfiguration of any unit prior to the initial conveyance thereof (subject to the limitation on the maximum number of units set forth herein),
  - ii. By the relocation of boundaries between adjoining units with the consent of the owners of such units, or
  - iii. By an amendment to this declaration, executed by the Association on behalf of and with the unanimous consent of all unit owners.
- j. The areas identified as limited common elements on the recorded plans and the heating and cooling equipment serving individual units shall be deemed limited common elements of the respective units served thereby, along with the ductwork, wires, and conduit associated therewith. Declarant further reserves the right (but shall not be obligated) to designate all or some specific portions of the areas identified as storage, balconies, decks, patios or similar areas on the recorded condominium plats as limited common elements of and for the respective units adjacent thereto. Any area so designated on the recorded plats or any amended plats shall be reserved for the exclusive use of the owners or occupants of the unit for which such area is so designated. Areas designated as limited common elements shall be improved, maintained, and repaired at the sole cost of the unit for which such area is designated, subject to approval by the Association of any



alterations, improvements, or repairs (which approval shall not be unreasonably withheld). The Association shall have the power to require the upkeep, maintenance, and repair of such limited common elements by the respective unit owners in the manner provided in Article III(7)(g) of the Bylaws.

4 Association of Unit Owners: The administration of the condominium project shall be vested in its association of unit owners to be known as EastRidge Office Condominiums Owners Association, Inc. (the "Association"). The membership of the Association shall consist of all of the unit owners of the project, including the Declarant so long as said Declarant retains ownership of one or more of the units. The owner of any unit, upon acquiring title thereto, shall automatically become a member of said Association, and shall be required to remain a member thereof until such time as his, her, or its ownership of such unit ceases for any reason, when his, her or its membership in said Association shall automatically cease. Operation of the project and the maintenance, repair, replacement and operation of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of the North Carolina Condominium Act, this Declaration, and the Articles and Bylaws of said Association.

5 Use. The building and each of the units shall be used for general business purposes only. No residential use shall be permitted, and any person purchasing or contracting to purchase a unit shall be conclusively deemed to have waived the applicability of Article 4 (Sec. 47C-4-101 *et seq.*) of the North Carolina Condominium Act. Any unit owner may delegate to tenants, in accordance with the Bylaws of the Association, his rights of possession, use and enjoyment of his unit and the common elements.

6 Person to Receive Service of Process: David F. Anna is hereby designated as registered agent for the Association to receive service of process in any action which may be brought against or in relation to this condominium. Said person's place of business is 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515, which is within the city or county where the condominium is located. The Association may designate replacement or substitute registered agents at any time.

7 Easements. Declarant, the Association, and each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit, including but not limited to vertical chases within units for utilities and ductwork. Each



unit shall be subject to an easement in favor of the owners of all other units to use the pipes, lines, wires, ducts, cables, conduits, public utility lines and other common elements serving such other units and located in such other unit. The Board of Directors hereafter may grant rights of way; common drive, access, or parking agreements; or easements for utility purposes over and across the common areas and for the benefit of the property or adjacent tracts, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment, electrical conduits and wires, common drives, common refuse/recycle facilities, conservation easements, site lighting, shared buffers or landscaping under, upon, or within any portion of the common elements; and each unit owner hereby grants the Board of Directors an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.

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

9 Liens: While the property remains subject to this Declaration and the provisions of the North Carolina Condominium Act, no liens of any nature shall arise or be created against the common elements except with the consent in writing of at least eighty percent (80%) of the votes allocated to units, except such liens as may arise or be created against the several units and their respective common interests under the provisions of the North Carolina Condominium Act. Every agreement for the performance of labor, or the furnishing of materials to the common elements, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and the right to file a mechanic's lien or other similar lien by reason of labor performed or materials furnished is waived.

10 Nature of Interest in Units: Every condominium unit, together with its undivided interest in the common elements, for all purposes shall be and it hereby is declared to be a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of its condominium unit subject only to the covenants, restrictions and easements as may be contained herein and the Bylaws of the Association and any Rules and Regulations adopted pursuant thereto and the resolutions and decisions of the Board of Directors.



11 Insurance: Insurance coverage on the property shall be governed by the following provisions:

- a. Ownership of Policies: All insurance policies insuring the condominium property shall be purchased by the Board of Directors for the benefit of the Association, the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance to the mortgagees of unit owners' certificates of mortgagee endorsements. Unit owners may, at their option, obtain insurance coverage at their own expense upon their personal property and for their personal liability and such other coverage as they may desire.
- b. Coverage: The building and all improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage, and not less than one hundred percent (100%) of the replacement cost. Such coverage shall provide protection against:
  - i. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and
  - ii. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use.
- c. Liability Insurance: Public liability insurance shall be secured in such amount and with such coverage as shall be deemed necessary by the Board of Directors, but not less than \$1,000,000.00 per occurrence and \$2,000,000.00 per accident, including but not limited to an endorsement to cover liability of the unit owners as a group to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors from time to time shall determine to be desirable and necessary. Each unit owner shall obtain and maintain public liability insurance coverage in the amount of at least \$250,000 for bodily injury, including death, of persons and property damage, arising out of a single occurrence. All such insurance policies shall include, to the extent commercially available, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against unit owners and their employees and invitees, as well as



their tenants and such tenant's employees and invitees; and (ii) any right of the insurer to contribution or proration because of the Association's casualty and public liability policy. At the request of the Association, each owner shall certify at the closing of the purchase of a unit that such an individual policy has been obtained.

- d. Premiums: Premiums for insurance policies purchased by the Board of Directors shall be paid by the Association as a common expense, and shall be assessed in proportion to risk.
- e. Proceeds: All insurance policies purchased by the Board of Directors shall be for the benefit of the Association and the unit owners, and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors as insurance trustees under this Declaration. The sole duty of the Board of Directors as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the Bylaws and for the benefit of the unit owners and their mortgagees in the following shares:
  - i. Proceeds on account of damage to common elements shall be held as and in the nature of an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common elements as set forth herein.
  - ii. Proceeds on account of damage to units shall be held as follows:
    - (1) When the building is to be restored - for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Board of Directors, such proceeds to be held in undivided shares.
    - (2) When the building is not to be restored - an apportioned share for each unit owner of the damaged units with such apportionment to be a ratio identical to the ratio which each unit owner's undivided interest in the common areas and facilities bears to the total of such owners' interests.





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

12 Distribution of Insurance Proceeds: Proceeds of insurance policies received by the Board of Directors as insurance trustees shall be distributed to or for the benefit of the beneficial owners in the following manner:

- a. Expenses of the Trust: All expenses of the insurance trustees shall be first paid or provision made therefor.
- b. Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided by Paragraph 13 hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners.
- c. Failure to Reconstruct or Repair: If it is determined as provided herein that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof.

13 Damage and Destruction: Except as hereinafter provided, damage to or destruction of the building shall be promptly repaired and restored by the Board of Directors using the proceeds of insurance on the building for that purpose and unit owners shall be liable for assessment of any deficiency; provided, however, if the building (or if more than one, the entire group of buildings) be more than two-thirds destroyed by fire or other casualty and the owners of the units to which at least eighty percent (80%) of the votes in the Association are allocated resolve not to proceed with reconstruction or restoration, then in that event the property shall either be (a) sold or otherwise transferred as provided in General Statutes Section 47C-2-118, or (b) deemed to be owned as tenants in common by the unit owners of the destroyed building(s) and subject to the provisions of General Statutes Section 47C-2-118 as the same exists at the date hereof or as amended hereafter. The determination of whether to sell the property or to make the property subject to the provisions of General Statutes Section 47C-2-118 shall be by affirmative vote of the owners of the units to which at least eighty percent (80%) of the votes in the Association are allocated. Any reconstruction or repair shall be in accordance with the plans of the original building, portions of which are attached hereto as exhibits; and if not, then according to the plans and specifications approved by the Board of Directors.



14 Reservation of Special Declarant Rights: For so long as Declarant owns any part of Units 311 and 321, it may further subdivide that those units until the total number of units in the Condominium reaches 12 units. For a period not exceeding 120 days after conveyance of seventy-five percent (75%) of the aggregate square footage of the units (including units which may be created pursuant to special declarant rights) to unit owners other than Declarant or its assigns, two (2) years after all declarants have ceased to offer units for sale in the ordinary course of business, or two (2) years after any development right to add new units was last exercised, whichever should first occur, Declarant reserves the following special rights:

- a. The right to complete improvements indicated on plats and plans filed with the Declaration, as provided in General Statutes Section 47C-2-109.
- b. The right to exercise any development right reserved herein as provided in General Statutes Section 47C-2-105(a)(8) and Section 47C-2-110.
- c. The right to maintain sales offices, management offices, signs advertising the condominium, and models in units or on common elements as provided in General Statutes Section 47C-2-115, provided that no more than one unit shall be used for such purposes at any one time.
- d. The right to use easements through the common elements for the purpose of making improvements within the condominium as provided in General Statutes Section 47C-2-116.
- e. The right to appoint or remove any officer of the Association or any member of the Board of Directors, subject to the limitations herein contained and those set forth in General Statutes Section 47C-3-103(d) and (e).

15 Subordination: Nothing contained in this Declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but the title to any unit or any interest therein is subject to this Declaration.

16 Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a deed of trust encumbering a unit, such acquirer of title, his or its heirs, successors, assigns or grantees, shall not be liable for assessments by the Association which became due prior to the acquisition of title by such acquirer, it being understood however, that the above shall not be construed to prevent the Association from filing and claiming liens for such unpaid assessments and enforcing



the same as provided by law, and provided that such assessments shall be subordinate to such deed of trust. Any sale or transfer of a unit pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit so sold or transferred from, any assessments thereafter becoming due to the Association.

17 Restrictions:

- a. It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of any unclean, unsightly, or unkempt conditions of the building or grounds on such property, which shall tend to decrease the beauty of the condominium as a whole or the specific area. During any period of construction or up fit of any Unit, the owner of such Unit shall proceed with due diligence to complete such construction as expeditiously as possible, shall keep all common areas free of construction materials or equipment except as may be permitted by the Association, and shall provide window coverings at all times.
- b. No noxious or offensive activity shall be carried on, in, or upon any unit, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to the condominium or to other unit owners. There shall not be maintained in or upon any unit any plants, animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the condominium by the other unit owners thereof.
- c. No commercial signs (including "For Rent," "For Sale," and other similar sign), or property identification signs, shall be erected or maintained on any unit, except during the initial period of Declarant control set forth above or with the written permission of the Board of Directors, or except as may be required by legal proceedings, it being understood that the Board of Directors will not grant permission for said signs unless their erection is reasonably necessary.
- d. Garbage and trash shall be disposed of or recycled only in areas specifically designated therefor, which may include shared refuse/recycle facilities.
- e. No structure of a temporary character shall be placed upon the property at any time.



- f. No tent, barn, storage shed, garage, tree house or other similar outbuilding or similar structure shall be placed on the property at any time, either temporarily or permanently.
- g. No trailer, camper, boat, mobile home, van or any other motor vehicle other than conventional passenger automobiles or motorcycles or motor scooters shall be privileged to use the parking areas located and situate upon the project.
- h. The Board of Directors may designate parking spaces as assigned to the owner of each unit and reserved to the exclusive use of the unit owner and its invitees, may allocate the parking spaces among the unit owners in any manner which the Board of Directors determines in its sole discretion to be reasonable, and may enforce any such parking arrangements.
- i. No unit shall be used except for business purposes, and the provisions of General Statutes Section 47C-4-101, *et seq.* shall be deemed waived by all purchasers of these units. Further, no unit shall be used for any purpose except in compliance with the following:
  - i. Declaration of Condominium described above.
  - ii. Existing restrictions recorded in Book 361, Page 143.
  - iii. Utility easements as shown on recorded plats or otherwise presently of record.
  - iv. Zoning Compliance Permit(s) issued by the Town of Chapel Hill.
- j. The Unit Owners and the Association shall adopt, implement and encourage compliance with and participation by all owners or occupants of Units in the Transportation Management Plan for the project as submitted to and approved by the Town of Chapel Hill. The Association will supply such reports as may be reasonably required or requested by the Town with respect to the Transportation Management Plan and the implementation thereof.
- k. All covenants, restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them for a period of twenty-five (25) years from the date of recordation of this Declaration, after which time said covenants shall be extended automatically



for successive periods of ten (10) years unless the condominium is terminated as provided in General Statutes Section 47C-2-118.

1. In the event of a violation or breach of any of the restrictions contained in this Declaration, the Bylaws, or any Rules and Regulations adopted by the Board of Directors, by any property owner or guest, invitee, or agent of such owner, the Association, the owners of units, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing and in the event there shall have been any violation of these restrictions, Declarant shall have the right at any time until six (6) months from and after the date and time as of which all but one of the units shall have been sold by Declarant to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the offending owner if after thirty (30) days' written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior thereto or subsequent thereto, and shall not bar or affect its enforcement.

18 Units Subject to Declaration, Bylaws, Rules and Regulations: All present and future owners, tenants and occupants of units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws and any Rules and Regulations that may be adopted in accordance with the Bylaws or as said Declaration, Bylaws, Rules and Regulations may be amended from time to time. The acceptance of a deed of conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, Bylaws, and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease. Notwithstanding anything herein to the contrary, the Declaration shall not be amended in any way which derogates or impairs the Special Declarant Rights or any other



rights or benefits reserved to the Declarant hereunder without the joinder of Declarant. No amendment or termination that is contrary to, or inconsistent with, any requirements or provisions of the Act shall be valid.

19 Amendment to Declaration: Except in cases of amendments that may be executed by a Declarant as set forth in General Statutes Section 47C-2-117(a), this Declaration may only be amended by the vote of at least sixty-seven percent (67%) in common interest of all unit owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws. No such amendment shall be effective until recorded in the Office of the Register of Deeds in each County in which the Property is located.

20 Termination. The dedication of the Property to the Condominium herein shall not be revoked, or the Property removed from the Act except that the Condominium may be terminated and the Property removed from the provisions of the Act by the agreement of unit owners to whom at least eighty percent (80%) of the votes in the Association are allocated, as evidenced by execution of a termination agreement, or ratification thereof, by such owners, provided that all the mortgagees of the units are provided with thirty (30) days prior written notice of such termination. Except as otherwise provided for herein, termination of the Condominium shall be in accordance with the Act.

21 Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions never had been included herein.

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

23 Captions: The captions herein are inserted only as a matter of convenience and for reference and such shall not be construed to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

24 Law Controlling: This Declaration and the Bylaws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.



25 Lender Consent. The property and the building located thereon are currently encumbered by the lien of that certain deed of trust, executed and delivered by Resolute Development Corporation (“RDC”) to Southland Associates, Inc. as Trustee (“Trustee”), for the benefit of SouthTrust Bank (“SunTrust”), recorded in Book 4183, Page 301, Orange County Registry, as assumed by Declarant pursuant to that certain Assumption, Substitution and Loan Modification Agreement, dated February 25, 2010, among RDC, Declarant, SunTrust, Trustee, David F. Anna and Susan B. Anna, recorded at Book 4906, Page 285, Orange County Registry. A Consent of Lender executed by said Trustee and SunTrust consenting to the execution and recordation of this Declaration is attached hereto as Exhibit C and made a part of this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its corporate name by its President as authorized by its Board of Directors the date first above appearing.

Anna Family Offices, LLC

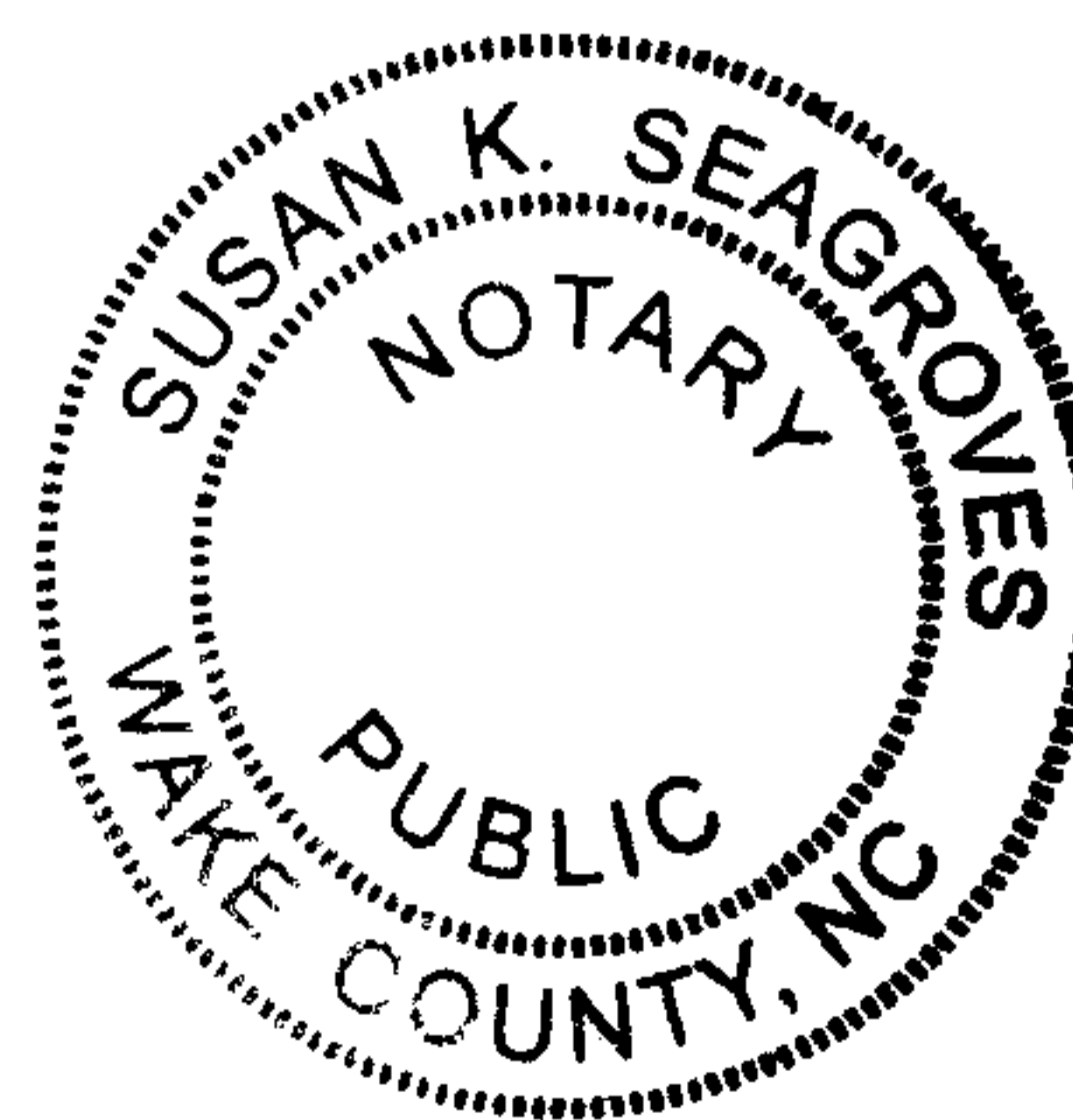
By: David F. Anna  
David F. Anna, Manager

STATE OF NORTH CAROLINA  
COUNTY OF Orange

I certify that the following person personally appeared before me this day and acknowledged to me that he signed the foregoing document in the capacity indicated, David F. Anna, manager, Anna Family Offices, LLC

Witness my hand and official stamp or seal, this the 2nd day of March, 2010.

Susan K. Seagroves  
Notary Public  
My commission expires: 12-10-2013



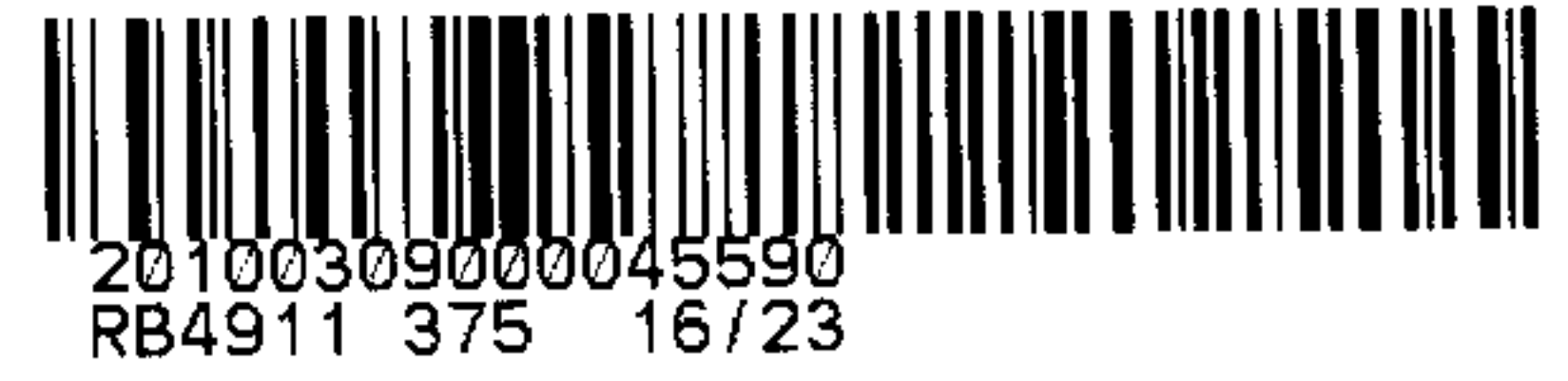


EXHIBIT A TO DECLARATION  
DESCRIPTION OF LAND AND UNITS

Land:

Being all of Lot 6, Eastowne Hills, as reflected in plat recorded at Plat Book 37, at Page 163, Orange County Registry.

PIN 9890-81-1981

Units:

See as-built survey and condominium plats recorded in Plat Book 106, at Pages 134 through 138, Orange County Registry.

EXHIBIT B TO DECLARATION  
INITIAL UNDIVIDED INTEREST OF UNITS

<u>Unit No.</u>	<u>Square Footage of Unit</u>	<u>Votes</u>	<u>Interest in Common Elements</u>	<u>Limited Common Elements</u>
311	4682	34	34.28%	HVAC Unit
317	2047	15	14.99%	HVAC Unit
321	6930	51	50.74%	HVAC Unit
	13659	100	100%	





EXHIBIT C TO DECLARATION

STATE OF NORTH CAROLINA    )  
                                          )  
                                          )                                    CONSENT OF LENDER  
COUNTY OF ORANGE         )

THIS CONSENT OF LENDER is made this 2d day of March, 2010 by SunTrust Bank (“SunTrust”) and Southland Associates, Inc. (“Trustee”).

WITNESSETH:

WHEREAS, SunTrust is (i) the beneficiary of a deed of trust recorded in Book 4183, Page 301, Orange County Registry (the “Deed of Trust”), (ii) the Assignee under an Assignment of Rents, Profits and Leases recorded in Book 4183, Page 344, Orange County Registry (“Assignment of Rents”), and (iii) the Secured Party under that certain UCC Financing Statement, filed in Book 4183, Page 298, Orange County Registry (“Financing Statement”), each of which encumbers certain real property located in the Town of Chapel Hill, North Carolina, the property encumbered by the Deed of Trust, Assignment of Rents and Financing Statement (collectively, the “Security Instruments”) being the property described in Exhibit A of the Declaration of East 54 Condominium (the “Declaration”);

NOW, KNOW ALL MEN BY THESE PRESENTS, that SunTrust joins in the foregoing Declaration of Eastridge Office Condominiums for the sole purpose of consenting to the creation by the Declarant of the Condominium pursuant to the North Carolina Condominium Act on the property upon which it has liens. SunTrust makes no representations or warranties as to the validity of the documents creating the Condominium nor the development and physical construction of the Condominium itself. SunTrust agrees that the liens of the Security Instruments on the property being submitted to the Condominium shall hereafter be upon the units, the interests in common elements, and other rights appertaining to those units, and that any subsequent foreclosure of SunTrust’s lien shall not extinguish this Declaration but shall merely vest in SunTrust the rights and duties set forth herein, provided, however, that should SunTrust acquire title to the property encumbered by the Security Instruments, any liability SunTrust shall have for the duties set forth in the Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger the “due-on-sale” clause in the Deed of Trust, should such clause exist; and, that upon full satisfaction of the indebtedness secured by the Security Instruments and cancellation of the Security Instruments, the rights of SunTrust and the Trustee (or such successor trustees as permitted by the Deed of Trust) set forth in this Declaration shall terminate.

[Remainder of page intentionally left blank.]



IN WITNESS WHEREOF, SunTrust and Trustee have caused this instrument to be executed and effective as of the day and year first above written.

SUNTRUST BANK

By: Chandler Burns  
Name: Chandler Burns  
Title: VP

SOUTHLAND ASSOCIATES, INC., as Trustee

By: Jeff Stas  
Name: Jeff Stas  
Title: Vice-President



# NORTH CAROLINA

## Department of The Secretary of State

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To all whom these presents shall come, Greetings:

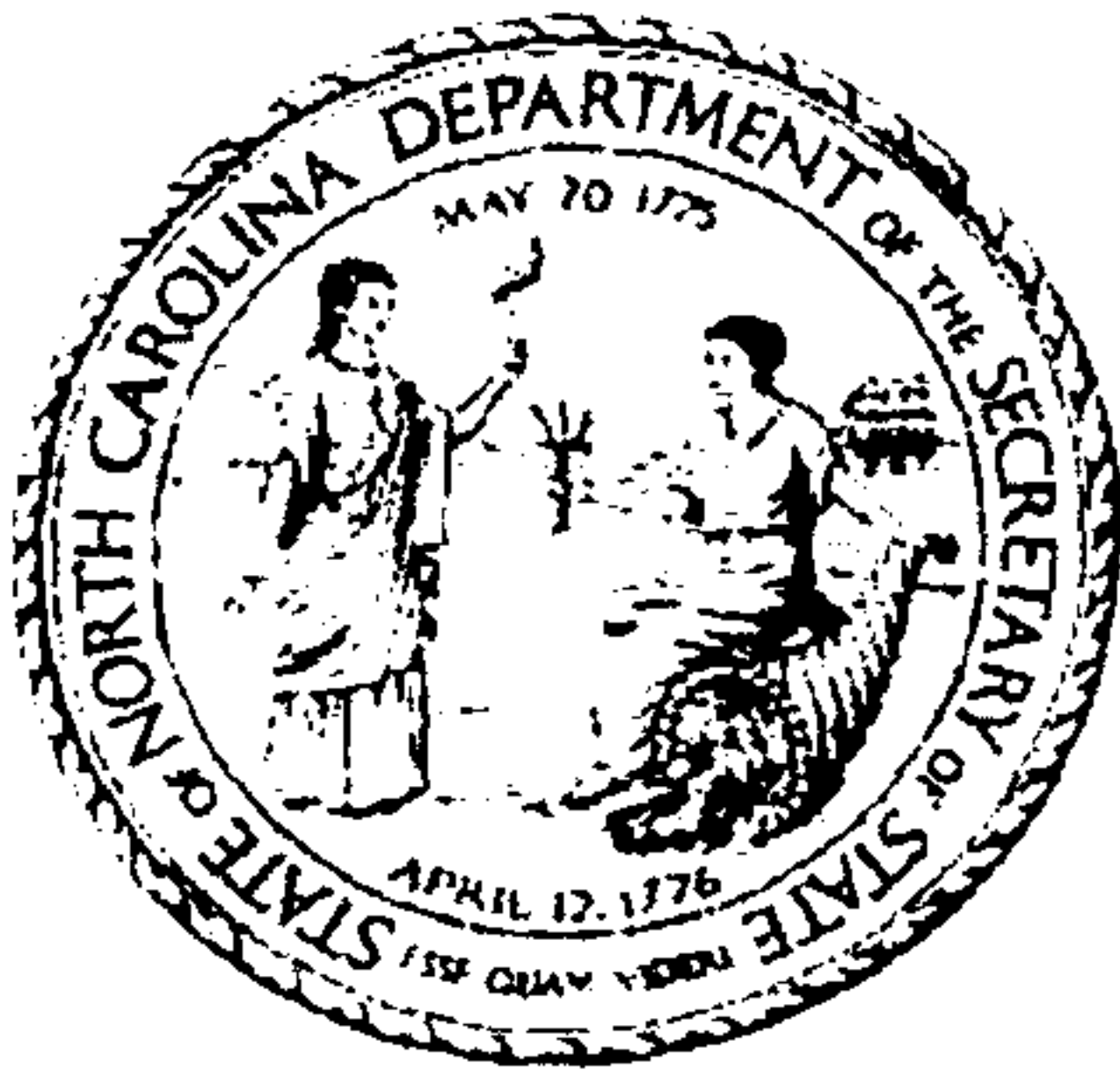
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

### ARTICLES OF INCORPORATION

OF

### EASTRIDGE OFFICE OWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 12th day of July, 2007.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 12th day of July, 2007

*Elaine F. Marshall*

Secretary of State



SOSID: 0927290  
 Date Filed: 7/12/2007 11:29:00 AM  
 Elaine F. Marshall  
 North Carolina Secretary of State  
 C200718600083

ARTICLES OF INCORPORATION  
 OF  
 EASTRIDGE OFFICE OWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, being more than twenty-one (21) years of age, has this day voluntarily associated himself for the purpose of forming a corporation not for profit and does hereby certify:

1 The name of the corporation is EastRidge Office Owners Association, Inc. hereinafter called the "Association."

2 The initial registered office and the initial principal office of the Association is located in Orange County at 211 Cloister Court, P.O. Box 4040, Chapel Hill, North Carolina 27515.

3 David F. Anna whose address is in Orange County at 211 Cloister Court, P.O. Box 4040, Chapel Hill, North Carolina 27515, is hereby appointed the initial registered agent of this Association. John A. Northen, whose address is in Orange County at 1414 Raleigh Road, Suite 435, P.O. Box 2208, Chapel Hill, North Carolina 27515, is the incorporator.

4 This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the EastRidge Office Condominiums, any improvements thereof and the Common Elements within that certain tract of property described as Lot 6, Eastowne Hills, as reflected in plat recorded at Plat Book 37, at Page 163, Orange County Registry, and for this purpose to:

- a. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration for EastRidge Office Condominiums, hereinafter called the Declaration, applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of each County in which the Property is located, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length.
- b. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.



- c. Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real property in connection with the affairs of the Association.
- d. Borrow money, and with the assent of the unit owners owning not less than eighty percent (80%) of the common area and facilities, including eighty percent (80%) of the votes allocated to units not owned by a Declarant, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that all the owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest.
- e. Dedicate, sell, or transfer all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the unit owners owning not less than eighty percent (80%) of the common elements, including eighty percent (80%) of the votes allocated to units not owned by a Declarant, agreeing to such dedication, sale, or transfer, provided that all the owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest.
- f. Participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes, or annex additional properties and Common Elements, provided that any such merger, consolidation, or annexation shall be effected as provided in General Statutes Section 47C-2-121.
- g. Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Act of the State of North Carolina by law may now or hereafter have or exercise, subject to and in accordance with the provisions of the Declaration.

5 Every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.

6 There shall be one person or entity with respect to each Unit who or which shall be entitled to vote at any meeting of the Unit owners, as set forth in the Bylaws. The total number of votes shall be One Hundred (100), allocated among the respective Units in the manner set



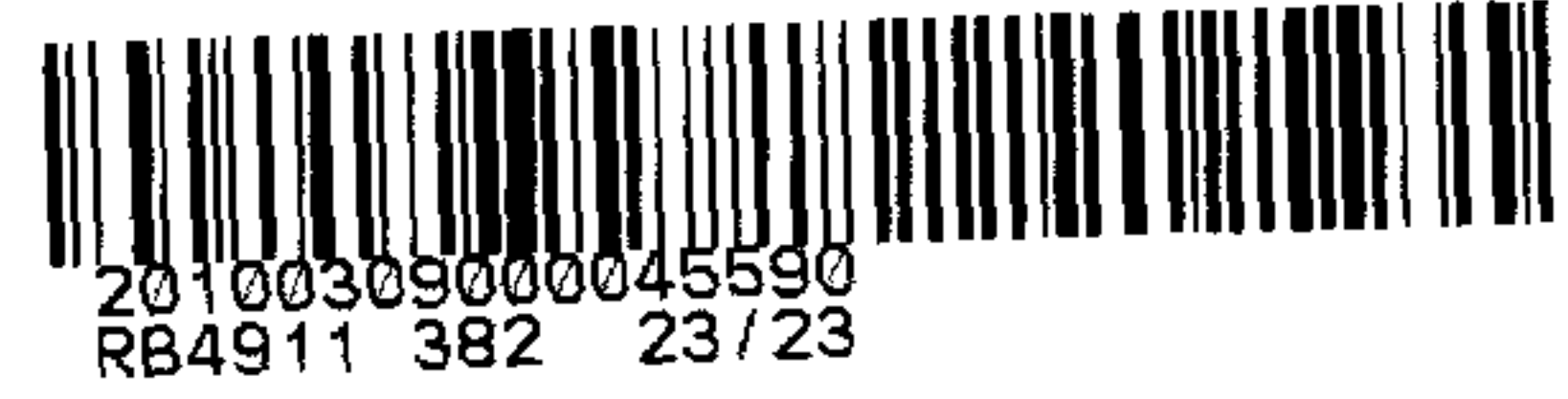
forth in the Declaration, with each owner or group of owners entitled to the number of votes equal to such Unit's percentage of ownership in the common areas and facilities.

7 The affairs of this Association shall be managed by a Board of Directors, elected in the manner set forth in the Bylaws. The initial Board of Directors shall serve until seventy-five percent (75%) of the maximum number of units have been sold by Declarant or until two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business or two (2) years after any development right to add new units was last exercised, whichever event comes first. The composition and number of Directors shall be subject to change during this period in the manner set forth in the Bylaws. The initial Board of Directors shall be comprised of three directors, whose names and addresses are as follows:

- a. David F. Anna, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.
- b. Kim Vrana, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.
- c. Giles Williams, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.

8 The Association may be dissolved only upon the termination of the plan of unit ownership and with the assent of the unit owners owning not less than eighty percent (80%) of the common elements. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association and proceeds of sales made pursuant to General Statutes Section 47C-2-118 shall be distributed to the unit owners and lienholders as their interests may appear, in proportion to the respective interests of unit owners as provided in General Statutes Section 47C-2-118(h).

9 Each director and officer of this Association shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his having been a director or officer of this Association, such expense to include the cost of reasonable settlements (other than amounts paid to the Association itself) made with a view of curtailment of costs and litigation. The Association shall not, however, indemnify such director or an officer with respect to matters as to which he shall be finally adjudged in any action, suit or proceeding to be liable for gross negligence or misconduct in the performance of his duty as such director or officer, or in respect to any matter in which any settlement or compromise is effected if the total expense including the cost of such settlement,

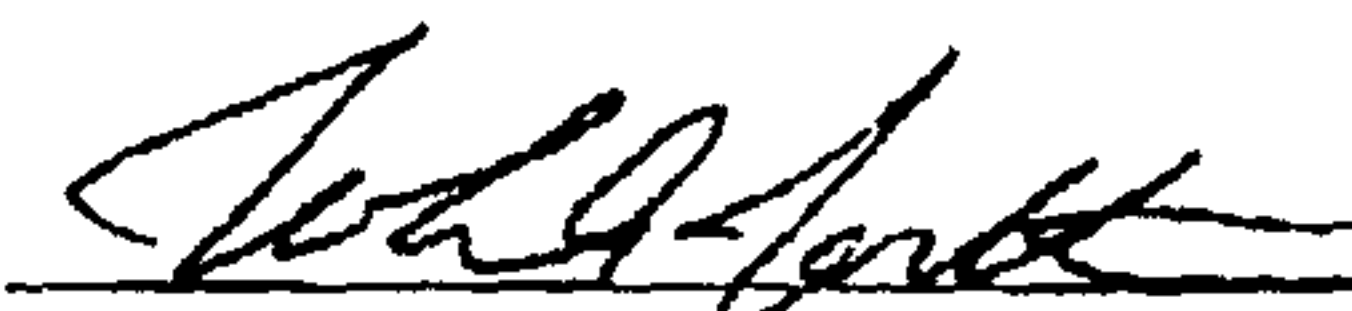


shall substantially exceed the expense which might reasonably be incurred by such director or officer in conducting such litigation to final conclusion, and in no event shall anything herein contained be construed as authorizing this Association to indemnify any such director or officer against any liability of the Association to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing right of indemnification shall be in addition to any other rights to which any such director or officer may be entitled as a matter of law or otherwise.

10 The corporation shall exist perpetually.

11 Amendment of these Articles shall require the affirmative vote of the unit owners owning not less than sixty-seven percent (67%) of the common elements.


IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, has executed these Articles of Incorporation this the 2<sup>nd</sup> day of July, 2007.

 (SEAL)

John A. Northen, Incorporator  
Northen Blue, L.L.P.  
1414 Raleigh Road, Suite 435  
Post Office Box 2208  
Chapel Hill, NC 27515-2208  
(919) 968-4441

STATE OF NORTH CAROLINA  
COUNTY OF ORANGE

I, a Notary Public of the County and State aforesaid, certify that John A. Northen, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal, this the 2<sup>nd</sup> day of July, 2007.

  
Notary Public

My Commission Expires: 12/08/2010

