



Doc ID: 009562400035 Type: CRP
Recorded: 01/04/2008 at 11:48:56 AM
Fee Amt: \$116.00 Page 1 of 35
Alamance, NC
DAVID J.P. BARBER REGISTER OF DEEDS
BK 2661 PG 649-683

Declaration of Condominium

For Abbey Glen Condominiums

Prepared by :
After recording return to:
E. Lawson Brown, Jr. ✓
522 S. Lexington Avenue
Burlington, NC, 27215

Unofficial

DECLARATION OF CONDOMINIUM FOR ABBEY GLEN CONDOMINIUMS

THIS DECLARATION is made this 3rd day of January, 2008, by Abbey Glen Condominiums, LLC, "Declarant", pursuant to the North Carolina Condominium Act as codified in Chapter 47C of the North Carolina General Statutes.

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in the City of Gibsonville, Guilford and Alamance Counties, and State of North Carolina, legally described in Exhibit A, together with all building and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate; and

WHEREAS, Declarant desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant, as the owner of said property, hereby declares as follows:

ARTICLE I.

DEFINITIONS

Definitions. As used herein, the following words and terms shall have the following meanings:

1.1 Act. The North Carolina Condominium Act as codified in Chapter 47C of the North Carolina General Statutes.

1.2 Affiliate of a Declarant. "Affiliate of a Declarant" means any person who controls, is controlled by, or is under common control with a Declarant. A person "controls" a Declarant if the person (i) is a general partner, officer, director, or employer of the Declarant; (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting interests in the Declarant; (iii) controls in any manner the election of a majority of the directors of the Declarant; or (iv) has contributed more than twenty percent (20%) of the capital of the Declarant. A person "is controlled by" a Declarant if the Declarant (i) is a general partner, officer, director, or employer of the person; (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent (20%) of the capital of the person. Control does not exist if the powers described in this paragraph are held solely as security for an obligation and are not exercised.

1.3 Allocated Interests. "Allocated interests" means the undivided interests in the Common Elements, the common expense liability, and votes in the association allocated to each Unit.

1.4 Association or Abbey Glen Condominium Homeowners' Association, Inc. "Association" or "Abbey Glen Condominiums Homeowners' Association, Inc." means the Unit Owners' non-profit corporation, organized under Section 47C-3-101 and operating under Sections 47C-3-102 and 47C-3-108, its successors and assigns.

1.5 Bylaws. "Bylaws" mean the Bylaws of the Association, created under and pursuant to the provisions of the Act, and which also serve as the code of regulations by the Association under and pursuant to the provisions of Section 47C-3-106.

1.6 Common Elements. "Common Elements" means all portions of a condominium other than the Units.

1.7 Common Expenses. "Common expenses" means expenditures made by or financial liabilities of the association, together with any allocations to reserves.

1.8 Common Expense Liability. "Common expense liability" means the liability for common expenses allocated to each Unit pursuant to Section 47C-2-107.

1.9 Condominiums. "Condominiums" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions, the condominium created by this Declaration. Reference is made to the plat of the Real Estate, dated 12-19-07 prepared by Fleming Engineering, Inc. copies of which are recorded herewith in Plat Book 72 at page 278 of the Alamance County Registry and Plat Book C-13 at page 29 of the Guilford County Registry to which reference is made.

1.10 Conversion Building. "Conversion building" means a building that at any time before creation of the condominium was occupied wholly or partially by persons other than purchasers or by persons who occupy with the consent of purchasers.

1.11 Declarant. "Declarant" means any person or group of persons acting in concert who (i) as part of a common promotional plan offers to dispose of his or its interest in a Unit not previously disposed of or (ii) reserves or succeeds to any special Declarant right. Declarant shall mean Abbey Glen Condominiums, LLC.

1.12 Declaration. "Declaration" means this Declaration of Condominium.

1.13 Development Rights. "Development rights" means any right or combination of rights reserved by a Declarant in the Declaration to add real estate to a condominium; to create Units, Common Elements, or limited Common Elements within or without a condominium; to subdivide Units or convert Units into Common Elements; or to withdraw real estate from a

condominium. These rights may be exercised anytime within fifty (50) years of the date of the recordation of this Declaration.

1.14 Dispose or Disposition. "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in a Unit, but does not include the transfer or release of a security interest.

1.15 Executive Board. "Executive Board" means the body, regardless of name, designated in the declaration to act on behalf of the Association pursuant to Section 47C-3-103.

1.16 Identifying Number. "Identifying number" means a symbol or address that identifies only one Unit in a condominium.

1.17 Leasehold Condominium. "Leasehold condominium" means a condominium in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the condominium or reduce its size.

1.18 Lessee. "Lessee" means the party entitled to present possession of a leased Unit whether lessee, sublessee or assignee.

1.19 Limited Common Element. "Limited common element" means a portion of the Common Elements allocated by the declaration or by operation of Section 47C-2-102(2) or (4) for the exclusive use of one or more but fewer than all of the Units.

1.20 Master Association. "Master association" means an organization described in Section 47C-2-120, whether or not it is also an Association described in Section 47C-3-101.

1.21 Occupant. "Occupant" means a person lawfully residing in a Unit, regardless of whether or not that person is a Unit Owner.

1.22 Offering. "Offering" means any advertisement, inducement, solicitation, or attempt to encourage any person to acquire any interest in a Unit, other than as security for an obligation. An advertisement in a newspaper or other periodical of general circulation, or in any broadcast medium to the general public, of a condominium not located in this State, is not an offering if the advertisement states that an offering may be made only in compliance with the law of the jurisdiction in which the condominium is located.

1.23 Person. "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.24 Property. "Property" means the real estate described on the attached Exhibit "A" which is referred to and incorporated herein by reference and such additions thereto as may hereafter be brought within jurisdiction of Association.

1.25 Purchaser. "Purchaser" means any person, other than a Declarant or a person in the business of selling real estate for his own account, who by means of a voluntary transfer acquires a legal or equitable interest in a Unit other than (I) a leasehold interest (including renewal options) of less than five (5) years, or (ii) as security for an obligation.

1.26 Real Estate. "Real estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law, pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water.

1.27 Residential Purposes. "Residential purposes" means use for dwelling or recreational purposes, or both.

1.28 Security Holder. "Security holder" means any person owning a Security for an obligation in a Unit.

1.29 Special Declarant Rights. "Special Declarant rights" means rights reserved for the benefit of a Declarant to complete improvements indicated on plats and plans filed with the Declaration (Section 47C-2-109); to exercise any development right (Section 47C-2-110); to maintain sales offices, management offices, signs advertising the condominium, and models (Section 47C-2-115); to use easements through the Common Elements for the purpose of making improvements within the condominium or within real estate which may be added to the condominium (Section 47C-2-116); to make the condominium part of a larger condominium (Section 47C-2-121); or to appoint or remove any officer of the association or any Executive Board member during any period of Declarant control (Section 47C-3-103(d)).

1.30 Unit. "Unit" means a physical portion of the condominium designated for separate ownership or occupancy, the boundaries of which are described pursuant to Section 47C-2-102. A unit's boundaries shall be designated by its floors, walls and ceilings.

1.31 Unit Owner. "Unit Owner" means a Declarant or other person who owns a Unit, or a lessee of a Unit in a leasehold condominium whose lease expires simultaneously with any lease the expiration or termination of which will remove the Unit from the condominium, but does not include a person having an interest in a Unit solely as security for an obligation.

ARTICLE II

SUBMISSION OF PROPERTY TO THE ACT

2.1 Submission. Declarant developer hereby submits the Property to the Act.

2.2 Name. The Property shall hereafter be known as the Abbey Glen Condominiums.

2.3 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the property into 162 Units and does hereby designate all such Units for separate ownership subject, however, to the provisions of Section 2.4 hereof.

2.4 Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Section 47C-2-111 of the Act.

2.5 Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit. In addition to those defined in Section 1.19, Limited Common Elements include those set forth on Exhibit "B" and are hereby allocated to Units as shown on Exhibit "B".

2.6 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, of votes in the Association, and of a percentage of the Common Expenses, are as stated on Exhibit "C". The allocation of undivided interests in the Common Elements and of the Common Expenses is according to the area of each Unit to the area of all Units. The votes in the Association are equally allocated to all Units.

2.7 Encumbrances. The liens, defects and encumbrances on the property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit "D".

2.8 Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights.

2.9 Period of Declarant Control. Unless otherwise stated, the period of Declarant Control shall be upon the earlier of: (a) one hundred and twenty (120) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than declarant, (b) three years after the first unit estate in a single-phase project is conveyed, or (c) five years after first unit estate in an expandable project is conveyed.

ARTICLE III

DEVELOPMENTAL RIGHTS

3.1 Declarant's Right to Add Additional Real Estate. Declarant expressly reserves the right to add additional real estate to the condominium. All or part of the additional real estate identified and described on Exhibit A-1 may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the additional real estate.

3.2 Declarant's Right to Add Future Phases. Declarant hereby reserves the right to develop future phases of Abbey Glen Condominium on that property described in Exhibits A and

A1, attached hereto. Each firm, person or corporation who purchases lots in future Phases shall purchase said lots subject to these Declarations of Covenants, Conditions and Restrictions and each firm, person, or corporation will automatically become members of Abbey Glen Condominium Homeowners' Association, Inc., together with all rights afforded to each Unit Owner in the By-Laws, but subject to the requirement of said Association's Bylaws.

3.3 Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of additional Units that may be created within the additional real estate is the maximum number of Units permitted by applicable municipal code. All of such Units will be restricted exclusively to residential use.

3.4 Compatibility of Style, Etc. Any buildings and Units that may be erected upon the additional real estate or a portion thereof will be compatible with the other buildings and Units in the condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size.

3.5 Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the additional real estate.

3.6 Other Improvements and Common Elements. In addition to the buildings and Units that may be erected upon the additional real estate or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the additional real estate or each portion thereof which may be added to the condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the condominium.

3.7 Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article III will not apply with respect to any additional real estate that is not added to the condominium.

3.8 Declarant's Rights and Duties Relating to Unsold Units. The Declarant shall enjoy the same rights and assume the same duties as any homeowner relating to each individual unsold unit.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Declarant and every Unit Owner who is subject to assessments shall be members of the Association. Membership shall be appurtenant to and may not be separated from ownership or any Unit which is subject to assessment.

4.2 Voting. There shall be one vote allocated to each Unit. If fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be members

of the Association, but the vote with respect to any such jointly owned Unit shall be cast as hereinafter provided.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Unit may be cast by any one of the joint owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the votes allocated to the Unit. If more than one of the joint owners vote or more than one life estate holder in a Unit vote, the unanimous action of all joint Unit Owners or joint life estate holders voting shall be necessary to effectively cast the votes allocated to the particular Unit.

Such unanimous action shall be conclusively presumed if any one of such multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other of such joint Unit Owners.

In no event may the vote which may cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention of this Section 4 that there be no "splitting" of votes that may be cast by any member or members.

4.3 Executive Board. The Executive Board initially shall be those two (2) persons named as initial board members pursuant to the provisions of this declaration and the Bylaws, or such other person or persons as may from time to time be substituted by Declarant.

No later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units to Unit Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units, including those Units which may be subject to special Declarant rights, to Unit Owners other than Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of six (6) members, at least the majority of whom must be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

The officers and members of the Executive Board shall be deemed to stand in a fiduciary relationship to the Association and Unit Owners and shall discharge their duties in good faith, and with that diligence and care which ordinarily prudent men would exercise under similar circumstances in like positions.

4.4 Executive Board Election Terms. The terms of the six (6) board members shall be staggered so that the terms of one-third (1/3) or two (2) of the board members will expire and successors will be elected at each annual meeting of the Association. Thereafter, at such annual meetings, successors to the two (2) board members whose terms then expire shall be elected to serve three (3) year terms. Notwithstanding the foregoing, the Unit Owners, by the vote of Unit Owners exercising not less than a majority of the voting power of Unit Owners, may, from time to time, change the number and terms of board members, provided that in any such event the terms of not less than one-third (1/3) of the board members shall expire annually.

4.5 Delegation of Authority by Executive Board: Management Contracts. The Executive Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense, provided, however, that any agreement for professional management shall be terminable by the Association for cause on thirty (30) days' written notice; shall be terminable by either party without cause and without penalty on not more than ninety (90) days' written notice; shall not exceed three (3) year periods, and shall be bona fide and commercially reasonable at the time entered into under the circumstances then prevailing; provided that, in case of any professional management contract entered into before control of the Association is vested in Unit Owners other than Declarant, the contract must give the Association the right to terminate it without cause and without penalty at any time after control of the Association has been transferred to or assumed by Unit Owners other than Declarant. Subject to the foregoing, nothing contained herein shall preclude Declarant or any other entity designated by Declarant, from being employed as managing agent.

The managing agent, or the Executive Board, if there is no managing agent, shall have the authority to enter into contracts with Declarant or an affiliate of Declarant, as defined by an institutional first mortgagee or an agency or organization which purchases and insures first mortgages, for goods, services, or for any other thing, including, without limiting the generality of the foregoing, contracts for the providing of maintenance and repair services, provided the same are bona fide and commercially reasonable to the Unit Owners at the time entered into under the circumstances then prevailing. In any case, no agreement by the Association executed prior to the transfer to or assumption of the Association by Unit Owners other than Declarant shall extend more than one year subsequent to that transfer or assumption of control unless renewed by vote of Unit Owners pursuant to the provisions of the Bylaws.

4.6 Removal of Member/Officer of Executive Board. Notwithstanding any provision of the Bylaws to the contrary, the Unit Owners, by at least sixty-seven percent (67%) vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than members appointed by Declarant.

ARTICLE V

EASEMENTS

5.1 Easements of Enjoyment; Limitations. Every Unit Owner shall have a right of easement of enjoyment in, over, and upon the Common Elements and an unrestricted right of access to and from his, her, or its Unit, which rights and easements shall be appurtenant to and shall pass with title to a Unit, subject to the right of the Executive Board to make reasonable rules and regulations concerning the use and management of the Common Elements and the Limited Common Elements, provided that no such rule or regulation shall limit or prohibit the right of ingress or egress to a Unit, or any part thereof, or to that Unit's parking facilities. Each

Unit Owner shall be deemed to have delegated that Unit Owner's right of enjoyment to the Common Elements and to ingress and egress to the occupants of that owner's Unit.

5.2 Encroachments. In the event that, by reason of overhangs; or by reason of deviations in construction, reconstruction, rehabilitation, repair, shifting, alteration, improvement or any other movement of the buildings or improvements comprising a part of the property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of any Unit now or hereafter encroaches upon any part of the Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units as encroached.

5.3 Easements for Support. Every portion of a building or utility line or any improvement on any portion of the Condominium Property contributing to the support of another building, utility line or improvement on another portion of the Condominium Property shall be burdened with an easement of support for the benefit of all other buildings, utility lines, improvements and other portions of the Condominium Property.

5.4 Easements Through Walls. Easements are hereby declared and granted to the association and to such persons as are authorized by the association, to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit.

5.5 Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the association, the board, or any other person, is authorized to enter upon a Unit or the Common Elements to repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted. In the event of an emergency, the Association's right of entry to a Unit and its appurtenant Limited Common Elements may be exercised without notice. Otherwise, the Association shall give the owners or occupants of a Unit no less than twenty-four (24) hours advance notice prior to entering the Unit or its appurtenant Limited Common Elements.

5.6 Declarant's Easement. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising special Declarant rights, and completing the development and construction of the condominium, which easements shall exist as long as reasonably necessary for such purposes.

5.7 Easements for Proper Operations. Easements to the Association shall exist upon, over and under all of the Condominium Property for ingress to and egress from, and the installation, replacing, repairing and maintaining of all utilities, including, but not limited to,

water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and the road system and walkways, and for all other purposes necessary for the proper operation of the Condominium Property. By these easements it shall be expressly permissible for the Association to grant to the appropriate public authorities and/or the providing companies and contractors permission to construct and maintain the necessary appurtenances and improvements on, above, and under the Condominium Property, so long as such appurtenances and improvements do not unreasonably interfere with the use and enjoyment of the Condominium Property. Should any public authority or other company furnishing a service request a specific easement, permit, or license, the Executive Board shall have the right to grant such easement, permit, or license without conflicting with the terms hereof. In addition, in the event the Executive Board determines that the grant of easement rights to others is in the best interests of the Association, the Association shall have the right to grant the same, provided that use of the same would not, in the sole judgment of the Executive Board, unreasonably interfere with the use and enjoyment of the Condominium Property by owners and occupants.

5.8 Easement for Services. Non-exclusive easements are hereby granted to all police, firemen, ambulance operators, mailmen, delivery men, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and the Association, but not to the public in general, to enter upon the Common Elements in the performance of their duties, subject to such reasonable rules and regulations as the Executive Board may establish, from time to time.

5.9 Power of Attorney. Each Unit Owner, by acceptance of a deed to a Unit, appoints the Association or its designated representative, as his, her, or its attorney-in-fact, to execute, deliver, acknowledge and record, for and in the name of such Unit Owner, such deeds of easement, licenses, permits and other instruments as may be necessary or desirable, in the sole discretion of the Executive Board, or its authorized representative, to further establish or effectuate the foregoing easements and rights. This power is for the benefit of each and every Unit Owner, the Association, and the real estate to which it is applicable. This power also runs with the land, is coupled with an interest, and is irrevocable.

5.10 Easements to Run with Land. All easements and rights described in this Article V are appurtenant easements running with the land, and except as otherwise expressly provided in this Article V shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, occupants, security holders and any other person having any interest in the condominium or any part of any thereof. The condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article V, whether or not specifically mentioned in any such conveyance or encumbrance.

The easements and grants provided herein shall in no way affect any other recorded grant or easement. Failure to refer specifically to any or all of the easements and/or rights described in this Declaration in any deed of conveyance or in any mortgage or other evidence of obligation shall not defeat or fail to reserve said rights or easements but the same shall be deemed conveyed or encumbered, as the case may be, along with the Unit.

ARTICLE VI

RESTRICTIONS, CONDITIONS AND COVENANTS

6.1 Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Association Agreement, and rules and regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction or other relief.

6.2 Administration of Condominium. The condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

6.3 Use Restricted; Use by Declarant.

- (a) The Units shall be occupied and used by Unit Owners and occupants for purposes permitted by the City of Gibsonville Ordinance in such zoning district.
- (b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit Owner or occupant on any part of the condominium without the prior written consent of the Board. Notwithstanding the foregoing provisions of this Section or any other provisions of this Declaration or Bylaws, Declarant may maintain signs on the Common Elements, as well as in the unsold individual Units, advertising the condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.
- (c) The foregoing provisions of this Section or any other provisions of this Declaration or the Bylaws notwithstanding, Declarant may maintain sales offices for sales of Units in the condominium and models as follows: in any Unit.

Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed the number set out above, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the condominium.

- (d) Declarant also may maintain signs on the Common Elements advertising the condominium until all of the Units have been conveyed to Unit Owners other than a

Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the condominium for management of the condominium.

6.4 Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the condominium without the prior written consent of the Board. No Unit Owner or occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his Unit or the Common Elements.

6.5 Alterations of Common Elements. No Unit Owner or occupant, except Declarant during the Declarant control period, shall alter, construct anything upon, or remove anything from the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Executive Board.

6.6 Exterior Alterations. No alterations, additions, fences, walls, patios, decks, etc. may be made to the exterior surface of the building, nor may any trees or shrubs be planted, transplanted or removed without prior written consent of the Board.

(a) Storm doors may be added at the owner/occupant's expense using only the approved design and color. Specific information about the approved storm doors may be obtained from the Sales Office.

6.7 Prohibition of Renting for Transient or Hotel Purposes. No Unit Owner shall rent his Unit for transient or hotel purposes, which for purposes of this Declaration shall be defined as either a rental for any period less than thirty (30) days or any rental if the lessee of the Unit is provided customary hotel services. Each permitted lease shall lease an entire Unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any Unit Owner who enters into a lease of his Unit shall promptly notify the Association of the name and address of each lessee, the Unit rented, and the term of the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit.

6.8 Pets. No pet shall be allowed in the condominium, except as may be provided by the rules and regulations promulgated from time to time by the Executive Board or the Association or in the Bylaws. All animals, when outdoors, shall be maintained on a leash not more than eight (8) feet in length. All animals shall be accompanied by a responsible individual at all times. Such individuals shall be responsible for the immediate clean up of all pet litter. No pet shall be tethered outside in the lawn or common element nor shall any pet be tied to any patio fence. Pet

owners may be fined for violations of these and other policies set by the Executive Board or Association. If pets become a nuisance, they may be ejected at the discretion of the Executive Board.

6.9 Vehicles. The Board may promulgate rules and regulations restricting or prohibiting the parking of automobiles, vans, buses, inoperable vehicles, trucks, trailers, boats and recreational vehicles on the Common Elements, including the Limited Common Elements, or parts thereof, and may enforce such regulations and restrictions by levying enforcement charges, having such vehicles towed away, or taking such other lawful actions as it, in its sole discretion, deems appropriate.

6.10 Common Element Uses. The Common Elements (except the Limited Common Elements) shall be used in common by the Unit Owners, occupants, and their agents, servants, customers, invitees, and licensees in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use occupancy and enjoyment of Units. Unless expressly provided otherwise herein, no Common Elements shall be used for any purpose other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Unit Owners and occupants.

6.11 Windows and Window Coverings. All window coverings, whether draperies, blinds, (vertical or horizontal) or valances must be white, off-white; light beige or light gray on the exterior side.

6.12 Limited Common Element Uses. Those portions of the Common Areas described herein and shown on the drawings as Limited Common Elements shall be used and possessed exclusively by the Unit Owners and occupants of the Unit or Units served by the same, as specified in this Declaration and shall be used only for the purposes intended.

6.13 Replacements. Any building erected to replace an existing building containing Units shall be of new construction, be of comparable structure, type, size, design, and construction to that replaced, and shall contain a like number of Units of comparable size to the Units in the building replaced.

6.14 Structural Integrity. Nothing shall be done in any Unit, or in, on, or to the Common or Limited Common Elements which may impair the structural integrity of any improvement.

6.15 Construction Easements. No structure, planting or other material shall be placed or permitted to remain within the easements for the installation and maintenance of utilities and drainage facilities which may damage or interfere with the installation and maintenance of utility lines or which may change the direction of the flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easement areas. The utility facilities within the easement areas shall be subject to the right of the Association to maintain the same, and its right to delegate that right to a public authority or utility.

6.16 Personal Property. All personal property, such as lawn chairs, bicycles, tables, etc. must be kept inside the patio or porch area or the garage. Personal property maintained within the patio area may not be visible above the patio fence, with the exception of patio table umbrellas.

6.17 Decorative Items. Unless and until such time the Executive Board amends this provision, display of any of the following is not allowed:

- (a) Wreaths (door or wall)
- (b) Bird Feeders or Bird Baths
- (c) Flower/Plant pots
- (d) Garden hose hangers
- (e) Ground / Landscape lights or Stepping stones
- (f) Wall plaques
- (g) Windssocks / Windchimes / Decorative flags
- (h) Artificial Flowers
- (i) Ornamental Rocks or Stones
- (j) Cypress Mulch
- (k) Yard or Lawn Ornaments / Statues / Statuettes

6.18 Holiday Decorations. Christmas lights and decorations are permitted to be placed in the Limited Common Elements and/or on the building exteriors provided the decorations do not damage the Limited Common Elements, building, gutters or siding. They may not be displayed before Thanksgiving Day and must be removed by no later than January 7th of the following year. Other holiday decorations are permitted under the same guidelines, and they may not be displayed more than one week before or one week after the holiday.

6.19 The American Flag. The American Flag may be flown or displayed at anytime following normal flag protocol.

6.20 Landscape Plants. Any planting of new shrubs outside the patio area must receive advance approval. Variance request forms are available from the Sales Office. Additional landscape plants that may be considered will be of a species already in use in the community and which, at maturity, will not exceed the height of the patio fence. Any new planting beds will be limited in size by the Executive Board. New beds must be mulched with matching hardwood.

New plants will become the property of the Association, who will provide future mulching, pruning and fertilization. However, should any of these new plants die, the resident is responsible for replacement if he, she, or it so desires.

6.21 Parking Spaces. Two (2) parking spaces are allocated to each Unit; while two (2) additional spaces are allocated within the Common Elements of the Vehicle Parking Court.

6.22 Nuisances. No noxious or offensive activity shall be carried on in any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

6.23 Miscellaneous.

(a) No clotheslines or laundry poles are permitted. Laundry may not be hung over any patio fence (swimsuits, towels, rugs, etc. included).

(b) No satellite dishes may be placed on the property with a diameter of more than eighteen inches (18").

(c) There shall be not more than one joint condominium yard sale per year. No individual yard sales are permitted.

(d) No additions, including without limitation ornaments, edging material, sports equipment or play equipment, are allowed within the Common Elements.

6.24 Conveyances. Each Unit shall be conveyed or transferred (voluntarily or involuntarily) as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof. The undivided interest of a Unit in the Common Elements shall be deemed to be conveyed or encumbered with the Unit even though that interest is not expressly mentioned or described in the deed, mortgage or other instrument of conveyance or encumbrance. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an interest in the Common Element will be void unless the Unit to which that interest is allocated is also transferred to the same transferee. In any instrument of conveyance or creating an encumbrance, or in any other document legally describing a Unit, it shall be sufficient to lawfully describe a Unit and its interest in the Common Element by referring to the Unit designation of the Unit and the appropriate recording references of the initial page of this Declaration and the Drawings. The right of a Unit Owner to sell, transfer or otherwise convey that owner's Unit is not subject to any right of first refusal, and any Unit Owner may transfer that owner's Unit free of any such limitation. Any owner who sells his or her condominium is responsible for the following:

(a) Making certain the Association management company is aware of ownership changes at the time a closing date is established;

(b) Making certain all condominium dues are current;

(c) Making certain new owners receive this Declaration, the Bylaws, and the Community Policies and Guidelines.

6.25 Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Executive Board or the Association, as more fully provided in the Bylaws. A copy of all rules and regulations shall be furnished by the Executive Board to the owners of each Unit prior to the time when the same shall become effective.

6.26 Restrictions, Conditions and Covenants to Run with Land. Each Unit Owner and occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the property, and shall inure to the benefit of every Unit Owner.

ARTICLE VII

ASSESSMENTS

7.1 Assessment Liens. The Executive Board has the power to levy assessments against the Units for common expenses. Such assessments shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws. The Annual and Special assessments, together with interest at the rate of ten percent (10%) or the highest rate allowed by law, whichever is less, costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Unit Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

7.2 Types of Assessments. The Declarant for each Unit within the Condominium hereby covenants and agrees, and each Unit Owner by acceptance of a deed to a Unit (whether or not it shall be so expressed in such deed) is deemed to covenant and agree to pay to the Association:

- (a) Annual Assessments for Operating Costs shall be established by the Executive Board, and such determination for regular or ordinary operations and/or repairs may be made without prior approval by the Unit Owners; and
- (b) Special Assessments for Capital Improvements shall be established by the Executive Board in addition to the annual assessments authorized above. The Association may levy, in any calendar year, a "special assessment" for the purpose of defraying in whole

or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and/or personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Unit Owners who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Units and may be collected on a monthly basis as the Executive Board shall determine.

7.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote and provide for the health, safety and welfare of Unit Owners and occupants and the best interests of the Condominium Property. In particular, the assessments may be used for the acquisition, improvement and maintenance of properties, services, security and facilities, or reserves devoted to these purposes and/or related to the maintenance and/or repair to driveways located within the Limited Common Elements and servicing Units or for improvements to or the use and enjoyment of the Common Elements including but not limited to, the costs of repairs, replacements and/or additions to the Common Elements or the facilities located therein; the cost of labor, equipment, materials, management and supervision; the payment of any and all taxes assessed against the Common Elements; the procurement and maintenance of insurance coverages for the Association as provided herein or in accordance with the bylaws; the payment of charges for any security systems and/or cable or communications services or facility (or if such is not available or deemed desirable by the Directors of the Association in their discretion, a common communications service belonging to the Association) to Units; the payment of bills for providing water or irrigation to or furnished for the Common Elements; the payment of electric bills for providing lighting to the Common Elements and as electricity may otherwise be utilized in the Common Elements by the Board; the cost of operating, maintaining and repairing any street lights erected by the Association or the Declarant in the rights-of-way of streets (whether public or private) or in any other easement provided therefor within the Condominium, and the payment of any other utility bills for services deemed necessary or desirable by the Executive Board to serve the Common Area; the employment and payment of charges incurred for waste collection and disposal and/or recycling service for the Condominium; the selection and payment for maintenance, repair or restoration or replacement of any communications and/or security system, including gates or security devices, and all ancillary services and utility service relating thereto; the employment and payment for charges of attorneys, accountants and other agents to represent the Association or perform services to the Association, and the employment of lawn care services and others for the benefit of the Condominium and/or the Association as such other needs may arise; the erection, maintenance and repair of signs, entranceways, landscaping and lighting within the Common Elements, road medians and islands; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

7.4 Personal Liability of Transferees; Statement; Liability of Security Holder.

- (a) The personal obligation for assessments which are delinquent at the time of

transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Executive Board, pursuant to Article VII of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where a Security Holder, or other person claiming through such Security Holder, pursuant to the remedies provided in an obligation for security, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such Security Holder or such other person for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under (b) above or, resulting, as provided in (c) above, from the exercise of remedies in an obligation for security, or by foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a common expense collectible from all Unit Owners, including the transferee under (b) above and the Security Holder or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

7.5 Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the common expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise. This section shall apply to the Declarant as well relating to individual unsold units.

7.6 Timing of Assessments. Assessments will be allocated to every unit no later than sixty days after the first unit is conveyed.

ARTICLE VIII

MANAGEMENT, MAINTENANCE, REPAIRS, REPLACEMENTS, ALTERATIONS AND IMPROVEMENTS

8.1 Common Elements.

(a) By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, and, subject to the provisions of Section 8.2 hereof, the cost thereof shall be a common expense to the extent not paid by Unit Owners pursuant to Section 8.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the

Association shall be repaired by the Association, and the cost thereof shall be a common expense.

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional acts or the intentional acts of any occupant of his Unit. Such payment shall be made upon demand made by the Association.

8.2 Common Expenses Associated with Limited Common Elements or Benefiting Less Than All Units.

(a) Any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the Unit, or in equal shares to the Units, to which such limited common element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any common expense benefiting less than all of the Units against the Units benefited in proportion to their common expense liability.

8.3 Units. Each Unit Owner shall maintain his Unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his Unit; shall perform his responsibilities in such manner as not to unreasonably disturb other occupants; shall promptly report to the Executive Board, or its agents, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any occupant of his Unit. Such payment shall be made upon demand by the Unit Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

8.4 Waiver of Claims. Except as provided in Section 8.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or occupant, and each Unit Owner and occupant agrees that he shall make no claim against the Association, the members of the Executive Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Executive Board, or his or its officers, directors, employees or agents, or other Unit Owners or occupants, for any loss or damage to any of the property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

8.5 Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or

dangerous condition or situation originating in or threatening that Unit or any of the Limited Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 8.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a common expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(b) By Unit Owners. Each Unit Owner and occupant shall allow other Unit Owners and occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit of, or performing the duties and obligations under the Act, this Declaration or the Bylaws of the Unit Owner or occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or occupant whose Unit or limited common element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 8.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or limited common element.

ARTICLE IX

INSURANCE

9.1 Casualty Insurance. The Association shall maintain casualty insurance upon the property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and security holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to but not less than the full insurable value of the property on a replacement cost basis and shall insure against such risks and contain such provisions as the Executive Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited by Section 47C-3-113 of the Act.

9.2 Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, occupants and holders of a vendor's interest in a contract for deed on a Unit, the Association, the Executive Board, the manager, if any, the Declarant, and their respective officers, directors agents and employees, in such amounts and with such

coverage as shall be determined by the Executive Board; provided that the public liability insurance shall be for at least One Hundred Thousand Dollars (\$100,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the condominium; and insure the Association, the Executive Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

9.3 Fidelity Coverage. Fidelity coverage shall be maintained by the Association if the Executive Board so elects in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1 ½) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all Units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds shall be a common expense.

9.4 Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners. If at least one Unit is subject to debt financing, the Association shall obtain and keep in force such insurance as Security Holder shall require from time to time. If at least one Unit is subject to debt financing, the Association shall obtain and keep in force such insurance as Security Holder shall require from time to time.

9.5 Insurance Trustee. The Executive Board may engage, and pay as a common expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Executive Board shall determine, consistent with the provisions of the Act and this Declaration.

9.6 Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interests; provided that any such insurance shall contain waivers pursuant to Section 8.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assign the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE X

CASUALTY DAMAGE

If all or any part of the property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be sued and applied in accordance with the provisions of Section 47C-3-113 of the Act.

ARTICLE XI

CONDEMNATION

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with the Act under Section 47C-1-107.

ARTICLE XII

TERMINATION

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act.

ARTICLE XIII

AMENDMENT

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Section 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

ARTICLE XIV

RIGHTS OF FIRST MORTGAGEES:
VA, FNMA AND FHLMC PROVISIONS

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

14.1 Amendments during Declarant Control Period. Any amendments to this Declaration or to the Bylaws during the declarant control period shall be subject to the prior approval of the Administrator of the Federal Home Loan Mortgage Company provided, however, that, if said

Administrator fails to respond to a written request for approval within thirty (30) days of said request, approval shall be deemed to have been given.

14.2 Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the first mortgagees and the insurers and guarantors of first mortgagees on any Unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the condominium and the books, records and financial statements of the Association. The Association shall provide an audited financial statement for the preceding fiscal year if requested in writing by a first mortgagee or insurer or guarantor of a first mortgage. The requesting party of said audited financial statements, if available, shall reimburse the association for the actual cost of reproducing the statements. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, other rules and regulations governing the condominium, and the most recent annual audited financial statement (if one is prepared).

14.3 Successors' Personal Obligation for Delinquent Assessments. The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the successors in title or interest to said Unit unless said delinquent assessments are expressly assumed by them.

14.4 Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the rules, regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

14.5 Management and Other Agreements. Any management agreement between the Declarant or the Association and a professional manager or any other agreement providing for services of the developer, sponsor, builder or Declarant shall be terminable by either party thereto without cause and without payment of a termination fee upon not more than ninety (90) days' prior written notice and shall not exceed a term of three (3) years, subject to renewal by the consent of both parties. Any professional management contract entered into before control of the Association is vested in Unit Owners other than Declarant, must give the Association the right to terminate it without cause and without penalty at any time after control of the Association has been transferred to or assumed by Unit Owners other than Declarant. In any case, no agreement by the Association executed prior to the transfer to or assumption of the Association by Unit Owners other than Declarant shall extend more than one year subsequent to that transfer or assumption of control unless renewed by vote of Unit Owners pursuant to the provisions of the Bylaws.

14.6 Consent of First Mortgagees. This Section 14.6 shall be effective only if, at the time this Section would apply, at least one Unit is subject to financing. Any decision to terminate the condominium for reasons other than substantial destruction or condemnation of the property shall require the prior written consent of eligible mortgage holders, as defined in Section 14.8

hereof, representing at least sixty-seven percent (67%) of the votes allocated to Units subject to first mortgages held by eligible mortgage holders, or such greater requirements specified by the Act. Except for any amendment to the Declaration made for the purpose of adding any of the additional real estate to the condominium in accordance with the provisions hereof, any amendment to the Declaration or Bylaws which changes any of the following shall require the prior written consent of Unit Owners holding at least sixty-seven percent (67%) of the total votes in the Association and of eligible mortgage holders representing at least fifty-one percent (51%) of the votes allocated to Units subject to first mortgages held by eligible mortgage holders, or such greater requirements specified by the Act or hereunder:

- (a) voting rights;
- (b) assessments, assessment liens or subordination of such liens;
- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or Common Elements into Units;
- (h) expansion or contraction of the condominium or the addition, annexation or withdrawal of property to or from the condominium;
- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;
- (l) a decision by the Association to establish self-management when professional management had been required previously by any eligible mortgage holder;
- (m) restoration or repair of the condominium (after damage or destruction or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;
- (n) any action to terminate the legal status of the condominium after substantial damage or destruction or condemnation; or

- (o) any provisions that expressly benefit first mortgagees or insurers or guarantors of first mortgages.

14.7 Consent of First Mortgagees or Unit Owners. This section 14.7 shall be effective only if, at the time this Section would apply, at least one Unit is subject to insured financing. Unless first mortgagees holding at least sixty-seven percent (67%) of the votes allocated to first mortgagees (except first mortgagees having one vote per Unit financed), or such higher percentage as is required by law, of the first mortgagees (based upon one vote for each first mortgage owned) and Unit Owners (other than a Declarant) holding at least sixty-seven percent (67%) of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

- (a) by act or omission, seek to abandon or terminate the condominium;
- (b) except in the case of any addition of the additional real estate pursuant to the provisions hereof, change the pro rata interest or obligations of any Unit for the purpose of:
 - i. levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - ii. determining the pro rata share of ownership of each Unit in the Common Elements;
- (c) partition or subdivide any Unit;
- (d) except in the case of any addition of the additional real estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause);
- (e) use hazard insurance proceeds for losses to any part of the condominium (whether to Units or to Common Elements) for other than repair, replacement or reconstruction thereof.

14.8 Notice. Each first mortgagee and each insurer or guarantor of a first mortgage, upon written request stating its name and address and describing the Unit encumbered by the first mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of first mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the condominium or the Unit securing its first mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owners of the Unit on which the first mortgagee held its first mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any

insurance policy or fidelity bond maintained by the Association. Each first mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of eligible mortgage holders shall be considered an "eligible mortgage holder.." With respect only to non-material amendments (which excludes items (a) to (o) of Section 14.6), such as for the correction of technical errors or for clarification, any first mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

14.9 Assessments. Assessments shall be due and payable in monthly installments. As provided in Article VIII of the Bylaws and as legally required by the Act, Declarant shall pay all accrued expenses of the condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Executive Board to a member of the Association who is a Unit Owner of that Unit. Unit Owners shall have no obligation to pay monthly assessments until an assessment is levied. Assessments will begin no later than sixty (60) days after the first unit is conveyed.

14.10 Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. With respect to first mortgages held by or for the benefit of first mortgages held, insured or guarantors, no provision of this Declaration or the Bylaws shall be deemed to give a Unit Owner, or any other party, priority over any rights of a first mortgagee pursuant to its first mortgage on said Unit Owner's Unit, in the case of a distribution to said Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

14.11 Additional Real Estate; Consent of Administrator; Common Element Interests; Reallocation. In the event any first mortgages are guaranteed by the VA, FNMA, FHMLC, the additional real estate may not be added to the condominium without the prior written consent of the Administrator of VA. If the additional real estate is added, the ownership interest in the Common Elements and the liability for common expenses for each Unit shall be reallocated in proportion to the area of each Unit to the area of all Units and the voting rights in the Association shall be reallocated on the basis of equality. The effective date for said reallocation shall be the date of recordation of the amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the Units added to the condominium shall be the date the Executive Board levies an assessment against said Units. All improvements intended to be located within any portion of the additional real estate added to the condominium shall be substantially completed prior to the addition of said portion of the additional real estate.

ARTICLE XV

GENERAL PROVISIONS

15.1 Conflict with the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstances.

15.2 Interpretation of Declaration. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound word beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

15.3 Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

15.4 Exhibits. Exhibits A, A-1, B, C and D attached hereto are hereby made a part hereof.

IN WITNESS WHEREOF, the undersigned has executed this Declaration as of the day and year first above written.

ABBEY GLEN CONDOMINIUMS, LLC

By: [Signature] (SEAL) Duane Cathell, Manager

By: [Signature] (SEAL) Lyle Wiley, Manager

ALAMANCE COUNTY,
NORTH CAROLINA

I certify that DUANE CATHELL personally appeared before me this day, each acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Date: 1/3/08 Notary Signature [Signature]
Notary Printed Name Hattie S. Sheets
My commission expires: 10/24/10

Hattie S. Sheets
Notary Public
Alamance County, NC

ALAMANCE COUNTY,
NORTH CAROLINA

I certify that LYLE WILEY personally appeared before me this day, each acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Date: 1/3/08 Notary Signature Hattie S. Sheets
Notary Printed Name Hattie S. Sheets
My commission expires: 10/24/10

Hattie S. Sheets
Notary Public
Alamance County, NC

UNOFFICIAL

EXHIBIT "A"
REAL PROPERTY DESCRIPTION
DECLARATION OF CONDOMINIUM FOR
ABBEY GLEN CONDOMINIUMS

Being all of Building 3 and the Clubhouse, along with the common areas surrounding the same as shown on the Final Plat for Abbey Glen Condominiums, Building 3, Phase 1, owned and developed by Abbey Glen Condominiums, LLC, 4215 S. Church Street, Burlington, NC 27215, and recorded in Alamance County on January 4, 2008 at Plat Book 72 Page 28; and in Guilford County on January 4, 2008 in Plat Book 13 Page 29, as shown on the map entitled "Final Plat for Abbey Glen Condominiums, Building 3, Phase 1" by Fleming Engineering, Inc., dated December 19, 2007.

Unofficial

EXHIBIT "A1"
ADDITIONAL REAL ESTATE
DECLARATION OF CONDOMINIUM FOR
ABBEY GLEN CONDOMINIUMS

The additional real estate shall include the property, if any, described below and any other tract or parcel which Declarant adds to the Declaration of Condominium.

Being all of the lands of Abbey Glen Condominiums and consisting of 46.16 acres as shown on the Final Recombination Plat for Abbey Glen Condominiums owned and developed by Abbey Glen Condominiums, LLC located at 4215 S. Church Street, Burlington, NC 27215 and recorded in Alamance County on December 6, 2007 at Plat Book 72, Page 189 as shown on map entitled "Final Recombination Plat for Abbey Glen Condominiums" by Fleming Engineering, Inc., dated November 13, 2007. Additional real estate, as defined above, shall include all of the property depicted on this Plat, save and except for the real property described in Exhibit A of this Declaration.

EXHIBIT "B"
LIMITED COMMON ELEMENTS
DECLARATION OF CONDOMINIUM FOR
ABBAY GLEN CONDOMINIUMS

"Limited Common Elements" means the portions of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units; the enjoyment, benefit or use of which is reserved to the lawful occupants of that Unit or Units either in this Declaration, or by the Board, and is that portion of the Condominium Property constituting "limited common elements and facilities" of the Condominium under the Condominium Act.

Those portions of the Common Elements that are labeled or designated "limited common areas" on the Drawings or herein are Limited Common Elements. In the case of each Unit, these Limited Common Elements consist of an exterior parking area immediately in front of the garage serving that Unit, and in the case of Units without a screened veranda, a contiguous fenced-in patio area with a concrete pad. Each such Limited Common Element is reserved for the exclusive use of the owners and occupants of the Unit it is designed or designated to serve.

Declarant reserves the right with respect to all or any portion of the Additional Property added to the Condominium Property to create Limited Common Elements therein of substantially the same type and size as those areas now so designated as such in the Condominium Property. The precise size and number of such newly created Limited Common Elements, if any, cannot be ascertained precisely, because those facts will depend on how large each portion added may be, the size and location of the buildings, other improvements on each portion, and other factors presently undetermined.

EXHIBIT "C"
ALLOCATION OF PERCENTAGE OF THE COMMON ELEMENTS
AND COMMON EXPENSES FOR
ABBAY GLEN CONDOMINIUMS

Allocation of Expenses. Expenses shall be allocated on an equal basis among all declared units.

Procedures for Expansion. All or any portion of the Additional Property shall be added to the Condominium Property by the execution and filing for record by the Declarant, or its successor as owner of the portion added and as assignee of the right to expand the Condominium, in the manner provided by the Condominium Act, of an amendment to the Declaration that contains the information and drawings with respect to the Additional Property and improvements thereon added as required by the Condominium Act.

Effects of Expansion. Except as hereinafter specifically provided otherwise, upon the recording with the appropriate county registry of an amendment to the Declaration adding all or any portion of the Additional Property to the condominium property:

(a) the added portion shall thereafter be subject to and benefited by all of the terms and provisions hereof, to the same extent and with the same effect as if that added portion had been provided herein as constituting part of the Condominium Property, that is, the rights, easements, covenants, restrictions and assessment plan set forth herein shall run with, bind, and benefit the added portion in the same manner, to the same extent, and with the same force and effect as the terms of this Declaration apply to the Condominium Property, as provided, that non-exclusive easements are reserved to Declarant, its successors and assigns, over and upon the Common Elements and Limited Common Elements in property added to the Condominium (i) for a one year period of time from the date of the closing by Declarant of the first sale of a Unit in that property added to a bona fide purchaser, for access to and for the purpose of completing improvements in that portion added, (ii) for the periods provided for warranties, or by law, for purposes of making repairs required pursuant to warranties, and (iii) for the initial sales and rental period for Units in that property added, but for no longer than two years from the time of closing of the first sale of a Unit in that property added to a bona fide purchaser, to maintain and utilize one or more of those Units and/or a portion or portions of the Common Elements and appurtenances thereto, for sales and management offices and for storage and maintenance, and model Units, parking areas for sales and rental purposes, and advertising signs.

(b) the owner or owners of a Unit or Units in the added portion shall thereupon become members, to the same extent, with the same effect, subject to the same obligations, and imbued with the same rights, as all other members, including, without limiting the generality of the foregoing, one vote for each Unit owned by that owner or owners;

(c) the undivided interests of Units in the Common Elements, as so expanded, shall be reallocated so that the undivided interest of one Unit shall be the same as each other Unit, and so that the undivided interest of an added Unit is in the same ratio as the Units initially a part of the Condominium, subject to the right of Declarant to make adjustments, of thousandths of a percent, so that the total of all interests equals precisely 100%; and

(d) in all other respects, all of the provisions of this Declaration shall include and apply to such additional portions, and to the owners, mortgages, and lessees thereof, with equal meaning and of like force and effect.

Notwithstanding the foregoing, for administrative convenience, assessments with respect to Units added to the Condominium shall not commence until the calendar month next following the calendar month in which the amendment adding those Units is recorded with the Alamance or Guilford County Registry.

UNOFFICIAL

EXHIBIT "D"
LIENS, DEFECTS, AND ENCUMBRANCES
OF REAL PROPERTY
DECLARATION OF CONDOMINIUM FOR
ABBEY GLEN CONDOMINIUMS

1. Deed of Trust from Abbey Glen Condominiums, LLC to Daniel D. Hornfeck, Trustee for Carolina Bank, dated July 19, 2007, and recorded on July 19, 2007 in Deed Book 2599, pages 669-683, of the Alamance County Registry. Such Deed of Trust was modified on November 27, 2007 between Abbey Glen Condominiums, LLC and Carolina Bank and recorded on November 29, 2007 in Deed Book 2648, pages 782-789 of the Alamance County Registry.

2. Current year ad valorem taxes, both City and Counties.

3. Rights of way, restrictions and easements of record.