DECLARATION OF INTENTION TO SUBMIT PROPERTY
TO THE PROVISIONS OF CHAPTER 47A
OF THE NORTH CAROLINA GENERAL STATUTES

THIS DECLARATION, made this 2nd day of August , 1971, by W. T. WILSON & ASSOCIATES, INC. (hereinafter called the "Declarant"), B. A. JONES, TRUSTEE (hereinafter called "Trustee") and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF RALEIGH (hereinafter called "First Federal"), pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, entitled the "Unit Ownership Act";

W I T N E S S E T H: That

WHEREAS, the Declarant is the owner in fee simple of certain real property located in the City of Raleigh, Wake County, North Carolina, and more particularly described in Paragraph (1) below;

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

WHEREAS, Declarant desires and intends by the filing of this Declaration, to submit the property described in Paragraph (1) below and the multi-unit buildings located thereon and all other improvements constructed thereon, together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A, North Carolina General Statutes); and

WHEREAS, First Federal is the owner and holder of the indebtedness secured by that certain deed of trust dated August 12, 1970, recorded in Book 1942, Page 385 and supplement thereto recorded in Book 1945, Page 76, of the Wake County Registry in which Trustee is named as Trustee and First Federal and Trustee desire to execute this declaration for the purpose of subordinating the lien of said deed of trust hereto.

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described in Paragraph (1) 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 any interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

(1) Description of Property. All that certain lot, parcel, piece or plot of land with the buildings and improvements thereon erected, situated, lying and being in the City of Raleigh, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at the point in the eastern right of way line of the 50 foot right of way of Blenheim drive where said right of way widens to a 60 foot right of way as shown on a map recorded in Book of Maps 1968, Page 100, Wake County Registry; thence South 64 degrees 37 minutes East 5 feet to a point in the eastern right of way line of the 60 foot right of way of Blenhiem Drive; thence along the eastern right of way line of the 60 foot right of way of Blenheim Drive North 25 degrees 23 minutes 6 seconds East 130 feet to a point in said right of way line; thence continuing along said right of way line in a northeasterly direction along a curve to the right whose radius is 184.09 feet, a distance of 225.02 feet to a point in said right of way line; thence continuing along said right of way line South 81 degrees 35 minutes East 412.29 feet to a point in said right of way line; thence leaving said right of way line South 5 degrees 28 minutes 48 seconds West 236.42 feet to a point; thence North 84 degrees 31 minutes 12 seconds West 369.50 feet to a point; thence South 27 degrees 40 minutes West 574.80 feet to a point in the northern right of way line of the 50 foot right of way of Blenheim Drive; thence along said right of way line North 52 degrees 19 minutes 44 seconds West 69.27 feet to a point in said right of way line; thence continuing along said right of way line in a northerly direction along a curve to the right whose radius is 193.41 feet a distance of 269.13 feet to a point in said right of way line; thence continuing along said right of way line North 25 degrees 23 minutes 6 seconds East 270 feet to the point and place of BEGINNING, containing 5.7 acres according to the Boundary Map and Final Plot Plan for 1000 Wellington Condominium dated May 28, 1971, prepared by Triangle Engineering Associates attached hereto as part of Exhibit A.

(2) Description of Buildings: The Declarant has constructed on the above described premises nine buildings; five one story and four two story brick veneer, multi-unit buildings pursuant to the plans contained in Exhibit A attached hereto and made a part hereof. The name of the project, consisting of the above described land, said nine buildings and all other improvements on said land, is "1000 Wellington Condominium". Said buildings are subdivided into a total of thirty-one units. For purposes of identification, each of the nine buildings is separately numbered and each unit within each building is identified

by type and separate number so that identification of a unit will be by building number, followed by the type unit, then by the number of the unit. For purposes of conveyances, the units will be identified by their respective unit numbers only. The thirty-one units hereby established, the limited common areas restricted to the use of each and the percentage of interest of each unit in the general and limited common areas are described as follows:

| BUILDING NUMBER | UNIT TYPE | UNIT NUMBER | LIMITED COMMON AREAS RESTRICTED TO USE OF UNIT | PERCENT OF INTEREST OF UNIT IN GENERAL AND LIMITED COMMON AREAS |
|---|---|---|---|---|
| 1 | D | 1 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 3.60% |
| 1 | C | 2 | Attic storage, crawl space exterior door canopy and entry stoop, deck | 2.623% |
| 1 | C | 3 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 2.623% |
| 1 | D | 4 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 3.60% |
| 2 | D | 5 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 3.60% |
| 2 | C | 6 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 2.623% |
| 2 | C | 7 | Attic storage, crawl space exterior door canopy and entry stoop, deck | 2.623% |
| 2 | C | 8 | Attic storage, crawl space, exterior door canopy and entry stoop, deck | 2.623% |

| BUILDING NUMBER | UNIT TYPE | UNIT NUMBER | LIMITED COMMON AREAS RESTRICTED TO USE OF UNIT | PERCENT OF INTEREST OF UNIT IN GENERAL AND LIMITED AREAS |
|---|---|---|---|---|
| 2 | D | 9 | Attic storage, crawl space exterior door canopy and entry stoop, deck | 3.60% |
| 3 | A | 10 | Attic storage, crawl space, entry stoop, deck | 3.21% |
| 3 | A | 11 | Attic storage, crawl space entry stoop, deck | 3.21% |
| 4 | B | 12 | Attic storage, crawl space entry stoop, deck | 3.57% |
| 4 | B | 13 | Attic storage, crawl space entry stoop, deck | 3.57% |
| 4 | B | 14 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 5 | A | 15 | Attic storage, crawl space, entry stoop, deck | 3.21% |
| 5 | A | 16 | Attic storage, crawl space, entry stoop, deck | 3.21% |
| 6 | B | 17 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 6 | B | 18 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 6 | B | 19 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 7 | B | 20 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 7 | B | 21 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 7 | B | 22 | Attic storage, crawl space, entry stoop, deck | 3.57% |
| 8 | D | 23 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 3.60% |
| 8 | C | 24 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 2.623% |

| BUILDING NUMBER | UNIT TYPE | UNIT NUMBER | LIMITED COMMON AREAS RESTRICTED TO USE OF UNIT | PERCENT OF INTEREST OF UNIT IN GENERAL AND LIMITED AREAS |
|---|---|---|---|---|
| 8 | C | 25 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 2.623% |
| 8 | D | 26 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 3.60% |
| 9 | D | 27 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 3.60% |
| 9 | C | 28 | Attic storage, crawl space exterior door canopy and entry stoop, patio | 2.623% |
| 9 | C | 29 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 2.623% |
| 9 | C | 30 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 2.623% |
| 9 | D | 31 | Attic storage, crawl space, exterior door canopy and entry stoop, patio | 3.60% |

Each of the nine buildings is further described as follows:

Building No. 1:
Two story, facing Court "A". Consists of two "C" units and two "D" units.

Building No. 2:
Two story, facing Court "A". Consists of three "C" units and two "D" units.

Building No. 3:
One story, part basement, facing Court "B". Consists of two "A" units.

Building No. 4:
One story, part basement, facing Court "B". Consists of three "B" units.

Building No. 5:
One story, part basement, facing Court "B". Consists of two "A" units.

Building No. 6:
One story, part basement, facing Court "C". Consists of three "B" units.

Building No. 7:
One story, part basement, facing Court "C". Consists of three "B" units.

Building No. 8:
Two story, facing Court "D". Consists of two "D" units and two "C" units.

Building No. 9:
Two story, facing Court "D". Consists of two "D" units and three "C" units.

Each unit consists of the spaces for each floor as indicated below with the inside net floor area of each floor being shown in square feet:

| UNIT TYPE | FLOOR | FLOOR AREA | SPACES |
|---|---|---|---|
| A | 1st | 1630 | Living room, dining room, kitchen-breakfast room, laundry, closets, foyer, two bedrooms, two baths |
| | Basement | 360 | Garage |
| B | 1st | 1760 | Living room, dining room, kitchen-breakfast room, closets, foyer, two bedrooms, den, two baths |
| | Basement | 390 | Garage, laundry |
| C | 1st | 725 | Living room, dining room, kitchen, half-bath, laundry, closets |
| | 2nd | 725 | Two bedrooms, two baths, closets. |
| D | 1st | 1000 | Living room, dining room, kitchen, bath, laundry, den, closets |
| | 2nd | 1000 | Three bedrooms, two baths, closets |

Each unit has its own entrance from the common courts. The buildings also provide separate wooden decks or concrete patios off the rear side of each unit. Each deck or patio is accessible from each unit through a French glass door opening from the living room in A and B Units, from the dining room in C Units and from the den in D Units.

Each unit has storage space provided in the attic. A and B units have permanent stairs to such storage. C and D units have pull-down stairs in ceiling of second floor for access to such storage. The attic storage space for each unit is a limited common area.

A and B units have basement garages with automatic roll-up doors and permanent stairs from first floor to basement. Each basement is a part of the unit except as otherwise provided herein.

Each unit contains a fireplace in the living room. Each kitchen is furnished with prefinished wood cabinets with laminated plastic tops, a double bowl enameled cast iron sink with disposal, electric range with hood and exhaust fan, an electric refrigerator with a separate freezing unit and a dishwasher. Washer-dryer units and trays are furnished in the kitchens of A, C and D units and in the basement of B units. Free standing equipment shall not be considered part of a unit.

Each bath contains a cast iron tub with shower, a porcelain water closet, and a premolded, simulated, molded marble laboratory top with built-in bowl.

Walls, floors, and ceilings are wood frame construction finished as follows:

(A) Ceilings are finished sheetrock.

(B) All walls are sheetrock finish. Bath walls are sheetrock with vinyl wallcovering and ceramic tile wainscoting at tub only. Basement walls are exposed masonry.

(C) All floors are carpeted except in the kitchen. Kitchen flooring is of sheet vinyl.

The northeast corner of the basement of Unit B-22 Building No. 7 as shown on the plans is reserved and set aside for storage and workshop and shall be a part of the general common area.

Mechanical equipment in each unit consists of a thermostatically controlled forced warm air heating system with air conditioning located in crawl space under the unit it serves. An electric water heater is also provided for each unit. These are installed in the basements of A and B Units, in the pantry of C Units, and in the den closets in D Units.

Specifics such as style, construction, material, grades, and finishes are best described in the plans and specifications of same, a copy of which is attached hereto as Exhibit A and made a part hereof, showing all particulars of the buildings, including their location, layout, ceiling and floor elevations, unit numbers, and dimensions of the units and location of the common ares and facilities affording access to each unit. Such plans bear the verified statement of F. Carter Williams, Registered Architect, certifying that said plans and specifications are an accurate copy of the plans of said building as built.

(3) Unit Designations. The designation of each unit, its location, its dimensions, approximate area, number of rooms and common areas and facilities to which it has immediate access and other data concerning its proper identification are further shown in the plans attached hereto as Exhibit A. Each unit is 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, subject to such encroachments as are contained in the buildings, whether the same now exist or may be caused or created by construction, settlement or movement of the buildings, or by permissible repairs, construction or alteration.

(4) Common Areas and Facilities. The common areas and facilities consist of all parts of the multi-unit buildings situated on the land described above other than the individual units therein as described in Paragraphs (2) and (3) above, and other than the limited common areas and facilities described in Paragraph (3) above and Paragraph (5) below, including without limitation, the following:

(a) The land on which the buildings are erected and all land, described in Paragraph (1) above.

(b) All foundations, columns, girders, beams, supports and other structural members.

(c) The roofs and all exterior walls and interior walls except those partitioned walls wholly within a unit.

(d) All central and appurtenant installments for services such as power, light, telephone, cablevision, hot and cold water, heat, air conditioning, (including all pipes, ducts, wires, cables and conduits in connection therewith, whether located in common areas or in units) and all other mechanical equipment spaces.

(e) All sewer pipes and sewer systems.

(f) All other parts of the property and all apparatus and installations existing in the buildings or upon the property for common use or necessary or convenient to the existence, maintenance or safety of the property.

(5) Limited Common Areas and Facilities: Certain parts of the common areas and facilities herein called and designated as "limited common areas and facilities" are hereby set aside and reserved for the exclusive use of certain units and such

units shall have appurtenant thereto an exclusive easement for the use of such limited common areas and facilities except as otherwise herein expressly provided. The limited common areas and the units for which their use is exclusively reserved are as set forth in Paragraph (2) above and as shown in Exhibit A.

(6) Form of Administration. The property of the Condominium and its business shall be managed, controlled, directed, and administered by the Association of Unit Owners of 1000 Wellington Condominium (the Association) as provided in the By-Laws of the Association, which By-Laws are attached hereto as Exhibit B and made a part hereof.

(7) Use. The buildings and each of the units shall be used for residential purposes only. Use of the buildings and units is further restricted under the By-Laws of the Association.

(8) Person to Receive Service of Process. William T. Wilson is hereby designated to receive Service of Process in any action which may be brought against or in relation to this condominium. The address of such person's residence is 1009 Blenheim Place, Raleigh, North Carolina, which is located within the county in which the buildings are located.

(9) Easements. Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Administrators shall have the right of

access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilties contained therein or elsewhere in the building. Each unit owner shall specifically have an easement to maintain all components of the heating and air conditioning systems serving his unit in their present locations as shown in the plans attached hereto.

The Board of Administrators may hereafter grant easements for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, telephone wires and equipment and electrical conduits, and wires over, under, along and on any portion of the common areas; and each unit owner hereby grants the Board of Administrators 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.

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

(11) Liens. While the property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all of the condominium unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interests pursuant to the provisions of the North Carolina Unit Ownership Act.

(12) Nature of Interest in Units. Every unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his unit subject only to the covenants restrictions, and easements contained herein and the By-Laws, Rules, Regulations, Resolutions and decisions adopted pursuant thereto.

(13) Insurance. Insurance coverage on the property shall be goverend by the following provisions:

(a) Ownership of Policies. All insurance policies upon the condominium property shall be purchased by the Board of Administrators for the benefit of the Board and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Unit owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.

(b) Coverage. All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Administrators with the assistance of the insurance company providing such coverage. 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 as the building on the land.

Public liability insurance shall be secured by the Board of Administrators in such amount and with such coverage as shall be deemed necessary by the Board of Administrators, 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 Administrators shall determine from time to time to be desirable and necessary.

(c) Premiums. Premiums upon insurance policies purchased by the Board of Administrators shall be paid by the Board of Administrators as a common expense.

(d) Proceeds. All insurance policies purchased by the Board of Administrators shall be for the benefit of the Board of Administrators and the unit owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Board as insurance trustee under this Declaration. The sole duty of the Board of Administrators as insurance trustee 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 By-Laws and for the benefit of the unit owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to common areas and facilities - an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities.

(ii) Proceeds on account of damage to units shall be held in the following undivided shares:

(A) When the building is to be restored - for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Administrators.

(B) When the building is not to be restored - an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities.

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

(14) Distribution of Insurance Proceeds. Proceeds of insurance policies received by the board of Administrators as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) 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 (14) hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners.

(b) Failure to Reconstruct or Repair. If it is determined, as provided in Paragraph (15) hereof, 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, with the respective mortgagees having a prior claim to such proceeds.

(15) Damage and Destruction. Except as hereinafter provided, damage to or destriction of the buildings shall be promptly repaired and restored by the Board of Administrators using the proceeds of insurance on the buildings for that purpose and the unit owners shall be liable for assessment of any deficiency; provided, however, if the buildings be more than two-thirds destroyed by fire or other casualty and the owners of three-fourths of all of the units resolve not to proceed with reconstruction or restoration, then in that event the property shall be deemed to be owned as tenants in common by the unit owners and subject to the provisions of North Carolina General Statutes 47A-25, as the same exists at the date hereof or as amended hereafter.

Any reconstruction or repair shall be in accordance with the plans and specifications of the original buildings, portions of which are attached hereto; and if not, then according to plans and specifications approved by the Board of Administrators.

(16) Units Subject to Declaration, By-Laws, 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 By-Laws and any rules and regulations as may be adopted in accordance with the By-Laws, as said Declaration,

By-Laws, Rules and Regulations may be amended from time to time. The acceptance of a deed or 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, By-Laws, and any rules and regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed or conveyance or lease.

(17) Construction. In interpreting any and all provisions of this instrument, the Exhibits attached hereto and subsequent deeds and deeds of trust covering individual units, the actual location of the unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally or vertically, from the locations indicated on Exhibit A or in minor variations in the description of the unit contained herein. To the extent that such minor deviations in location do or shall exist, a valid easement therefor and for the maintenance thereof does and shall exist.

(18) Amendment of Declaration. This Declaration may be amended by the vote of at least 66-2/3% in number and 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 By-Laws. No such amendment shall be effective until recorded in the Office of the Register of Deeds for the county wherein the property, the subject of this Declaration, is located.

(19) Invalidity. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity and 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 provision had never been included herein.

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

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

(22) Law Controlling. This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

(23) Subordination of Deed of Trust. Trustee and First Federal agree that the lien of that certain deed of trust recorded in Book 1942, Page 385 and supplement thereto recorded in Book 1945, Page 76, of the Wake County Registry be, and the same hereby is, subordinated to this Declaration and upon the proper filing of this Declaration the lien of said deed of trust shall thereafter cover the thirty-one units created hereby and the respective undivided interests in the common areas and limited common areas appurtenant to each unit.

(24) Definition of Terms. Any terms used herein which are defined in the North Carolina Unit Ownership Act shall have the meaning specified in said Act unless a contrary intent clearly appears.

IN WITNESS WHEREOF, The Declarant and First Federal have each caused this Declaration to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this 2ND day of August, 1971, and Trustee has hereunto set his hand and seal.

W. T. WILSON & ASSOCIATES, INC.

By: W. T. Wilson, President

ATTEST:

Assistant Secretary

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF RALEIGH

By: B. A. Jones, Executive Vice President

ATTEST:

Christine O. H. Daly
Assistant Secretary

B. A. Jones, Trustee (Seal)



EXHIBIT "A" RECORDED IN CONDOMINIUM PLAN FILE CONDOMINIUM NO. 1

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STATE OF NORTH CAROLINA BOOK 2011 PAGE 351

COUNTY OF WAKE

This 3rd day of August, 1971, personally came before me, Geraldine J. Kelly, a Notary Public in and for the County and State aforesaid, W. T. Wilson, who, being by me duly sworn says that he is the President of W. T. Wilson & Associates, Inc. and that the seal affixed to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him, in behalf of said corporation, by its authority duly given, and the said W. T. Wilson acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 3rd day of August, 1971.

Geraldine J. Kelly
Notary Public

My Commission Expires: 8/5/75

STATE OF NORTH CAROLINA

COUNTY OF WAKE

This 3rd day of August, 1971, personally came before me, KENNETH H. KERR, a Notary Public in and for the County and State aforesaid B. A. Jones, who, being by me duly sworn says that he is the Executive Vice President of First Federal Savings and Loan Association of Raleigh and that the seal affixed to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him in behalf of said corporation, by its authority duly given, and the said B. A. Jones acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 3rd day of August, 1971.

Kenneth H. Kerr
Notary Public

My Commission Expires: NOV 5 1975

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, KENNETH H. KERR, a Notary Public in and for the County and State aforesaid, do hereby certify that B. A. Jones, Trustee personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 3rd day of August, 1971.

Kenneth H. Kerr
Notary Public

My Commission Expires: NOV 5 1975

NORTH CAROLINA—WAKE COUNTY

The foregoing certificate s of Geraldine J. Kelly + Kenneth H. Kerr Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 2011, Page 332

This 6 day of Aug, 1971, at 12:45 o'clock P. M.

J. A. ROWLAND, Register of Deeds.

By Louise S. Forrest
Deputy Register of Deeds

Exhibit B to Declaration

BY-LAWS

OF

ASSOCIATION OF UNIT OWNERS

1000 WELLINGTON CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The Property located in the City of Raleigh, Wake County, North Carolina, and more particularly described in the Declaration to which these By-Laws are attached (hereafter called "The Declaration") has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration which is being recorded in the office of the Register of Deeds of Wake County, State of North Carolina, simultaneously herewith, and shall hereinafter be known as "1000 Wellington Condominium" (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as herein used shall include the land, the buildings and all other improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are intended to be submitted to the provisions of said Chapter 47A of the North Carolina General Statutes, entitled "Unit Ownership Act".

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and duly set forth in an amended declaration, duly recorded.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II

UNIT OWNERS

Section 1. Place of Meetings. All meetings of the Association of Unit Owners (hereinafter referred to as "the Association") of the Condominium shall be held at the Property or at such other place in the City of Raleigh, North Carolina, as shall be designated in a notice of the meeting.

Section 2. Organizational Meeting. The initial meeting of the Association to organize the Condominium shall be held upon ten (10) days written notice given by W. T. Wilson and Associates, Inc. (hereinafter referred to as the "Declarant") when the sale of five of the Units has been consummated, or at the expiration of one year from the date of the filing of the Declaration, whichever first occurs.

Section 3. Annual Meetings. An annual meeting of the Association shall be held at 8:00 P.M. on the fourth Monday of March of each year, if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday for the purpose of electing members of the Board of Administrators and for the transaction of such other business as may be properly brought before the meeting.

Section 4. Substitute Annual Meetings. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 5. Special Meetings. Special meetings of the Association may be called at any time by a majority of the members of the Board of Administrators or upon the written request of not less than 25% in common interest, in the aggregate, of the Unit Owners.

Section 6. Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail at the direction of the Board of Administrators or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Administrators on which the vote of Unit Owners is expressly required by the provisions of the North Carolina Unit Ownership Act. In the case of a special meeting the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

Section 7. Quorum. The presence in person or by proxy at any meeting of the voting members (as defined in Section 8 of this Article) having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association at which a quorum is present consistent with the notice of such meeting upon the affirmative vote of the voting members having a majority of the total votes present at such meeting. If there is no quorum at the opening of the meeting of the Association, such meeting may be adjourned from time to time by the vote of a majority of the voting members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

Section 8. Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Association. Such person shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of the group composed of all of the owners of a unit ownership, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the owner or owners. The total number of votes of all voting members shall be 100, and each Owner or group of owners (including the Board of Administrators and the Declarant or their respective designees, if either, shall then hold title to one or more units) shall be entitled to the number of votes equal to the total of the percentage of his or their ownership in the common areas and facilities.

Section 9. Cumulative Voting. In all elections for members of the Board of Administrators, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

Section 10. Waiver of Notice. Any Unit Owner may, at any time waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Unit Owners are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 11. Informal Action by Unit Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, (that is, the voting members) and filed with the Secretary of the Condominium to be kept in the Condominium Minute Book.

<u>Section 12. Liability of the Board.</u> The members of the Board of Administrators shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent of their liability as Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interests of all the Unit Owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Administrators, or the managing agent, as the case may be, are acting only as agents for the Association, and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all Unit Owners in the common areas and facilities.

## ARTICLE III

## BOARD OF ADMINISTRATORS

Section 1. General Powers. The business and property of the Condominium shall be managed and directed by the Board of Administrators (hereinafter sometimes referred to as "the Board") or by such Executive Committees as the Board may establish pursuant to these By-Laws.

Section 2. Number, Term and Qualification. The number of Administrators of the Condominium shall be five (5), to be elected by the Unit Owners at their initial meeting. The size of the Board of Administrators may be increased or decreased from time to time upon the affirmative vote of two-thirds of the total of the Unit Owners provided that said Board shall not be less than three (3) in number. Each Administrator shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Each member of the Board shall be one of the Unit Owners or co-owner or a spouse of a Unit Owner or co-owner; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board.

Section 3. Election of Administrators. Except as provided in Section 5 of this Article, the Administrators shall be elected at the annual meeting of the Association; and those persons who receive the highest number of votes shall be deemed to have been elected.

Section 4. Removal. Administrators may be removed from office with or without cause by affirmative vote of the Unit Owners having a majority of the total votes entitled to vote at an election of administrators. However, unless the entire Board is removed an individual administrator may not be removed if the number of Unit Owners voting against the removal would be sufficient to elect an administrator if such Unit Owners voted cumulatively at an annual election. If any administrators are so removed, new administrators may be elected at the same meeting.

Section 5. Vacancies. A vacancy occurring in the Board of Administrators, including administratorships not filled by the Unit Owners, may be filled by a majority of the remaining Administrators, though less than a quorum, or by the sole remaining Administrator; but a vacancy created by an increase in the authorized number of Administrators shall be filled only by election at an annual meeting or a special meeting of the Association called for that purpose. Voting members may elect an Administrator at any time to fill any vacancy not filled by the Administrators.

Section 6. Compensation. The Board of Administrators shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners having two-thirds of the total votes.

Section 7. Executive Committees. The Board of Administrators may, by resolution adopted by a majority of the number of Administrators fixed by these By-Laws, designate two or more Administrators to constitute an Executive Committee, which committee to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Administrators in the management of the Condominium.

Section 8. Powers and Duties. The Board of Administrators shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Administrators. Such powers and duties of the Board of Administrators shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the common areas and facilities.

(b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

(c) Collection of the common charges from the Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.

(e) At the direction of the Unit Owners having two-thirds of the total votes, the adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations.

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of the Association, units offered for sale or lease.

(h) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Selling, mortgaging, voting the votes appurtenant to or otherwise dealing with units acquired by the Board of Administrators or its designee, corporate or otherwise, on behalf of the Association, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to units on behalf of the Association.

(j) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common areas and facilities or any other portion of the building and any Unit Owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said Owner, provided that the Board shall levy a special assessment against such owner for the costs of said maintenance or repair.

(k) Entering any unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board and such expense shall be treated as a common expense.

(l) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the Chairman of the Board.

(m) Obtaining of insurance for the Property, including the units, pursuant to the provisions of Paragraph 13 of the Declaration.

(n) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

Section 9. Managing Agent. The Board of Administrators for the Condominium may engage the services of any person, firm or corporation to act as managing agent at the compensation established by the Board, to perform such duties and services as the Board of Administrators shall authorize including but not limited to the duties listed in subdivisions (a), (c), (d), (j), (k), (m), and (n) of Section 8 of this Article III. The Board may delegate to the managing agent, all of the powers granted to the

Board of Administrators by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), and (l) of Section 8 of this Article III. For so long as First Federal Savings and Loan Association of Raleigh (First Federal) shall hold a lien on any unit, any contract between the Board and any such managing agent shall be subject to the approval of First Federal (which approval will not be unreasonably withheld) and any such contract shall provide that First Federal shall have the right to make the final decisions with respect to any issue which is in dispute between the Board and any such managing agent.

ARTICLE IV

MEETINGS OF ADMINISTRATORS

Section 1. Organization Meeting. The first meeting of the members of the Board of Administrators shall immediately follow the initial meeting of the Association. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, providing a quorum shall be present.

Section 2. Regular Meetings. A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Administrators may provide by resolution the time and place within the City of Raleigh, North Carolina, for the holding of a regular meeting of the Board.

Section 3. Special Meetings. Special meetings of the Board of Administrators may be called by or with the request of the Chairman or by any two Administrators. Such meetings may be held at any place within the City of Raleigh, North Carolina.

<u>Section 4. Notice of Meetings.</u> Regular meetings of the Board of Administrators may be held without notice. The person or persons calling a special meeting of Administrators shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by an Administrator at a meeting shall constitute a waiver of notice of such meeting except where an Administrator attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

<u>Section 5. Waiver of Notice.</u> Any member of the Board of Administrators may, at any time waive notice of any meeting of the Board of Administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Administrators are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

<u>Section 6. Quorum.</u> A majority of the number of Administrators fixed by these By-Laws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Administrators.

<u>Section 7. Manner of Acting.</u> Except as otherwise provided in this section, the act of the majority of the Administrators present at a meeting at which a quorum is present shall be the act of the Board of Administrators.

A vote of a majority of the number of Administrators fixed by the By-Laws shall be required to adopt a resolution constituting an Executive Committee. The vote of a majority of the Administrators then holding office shall be required to adopt, amend, or repeal a By-Law, provided that no modification of or amendment to the By-Laws shall be effective unless and until it is set forth in an Amendment to the Declaration, duly recorded. Vacancies in the Board of Administrators may be filled as provided in Article III, Section 5, of these By-Laws.

Section 8. Organization. Each meeting of the Board of Administrators shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any person selected to preside by vote of the majority of the Administrators present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.

Section 9. Informal Action of Administrators. Action taken by a majority of the Administrators without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Administrators and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 10. Minutes. The Board shall keep minutes of its proceedings.

Section 11. Fidelity Bonds. The Board of Administrators may require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premiums on such bonds shall constitute a common expense.

ARTICLE V

OFFICERS

Section 1. Number. The principal officers of the Condominium shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairmen, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Administrators may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary.

Section 2. Election and Term. The officers of the Condominium shall be elected by and from among the Board of Administrators. Such elections may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Administrators may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation. No officer shall receive any compensation from the Condominium for acting as such.

Section 5. Chairman of the Board. The Chairman of the Board shall be the principal executive officer of the Condominium and, subject to the control of the Board of Administrators, shall supervise and control the management of the Condominium. The Chairman shall when present, preside at all meetings of the Board and of the Unit Owners and, in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.

Section 6. Vice-Chairman. The Vice-Chairman, and if there be more than one, the Vice-Chairman designated by the Board of Administrators shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Administrators. He shall give, or cause to be given, all notices required by law and by these By-Laws. He shall have general charge of the minute books and records of both the Unit Owners and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board of Administrators.

Section 8. Treasurer. The Treasurer shall have custody of all Condominium funds and securities and shall receive, deposit or disburse the same under the direction of the Board of Administrators. He shall keep full and accurate accounts of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each calendar year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to each Unit Owner annually on or before March 15 covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local law and shall generally perform all other duties as may be assigned to him from time to time by the Chairman of the Board or the Board of Administrators.

Section 9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and the Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman of the Board or the Board of Administrators.

## ARTICLE VI

## OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Administrators shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Administrators pursuant to the provisions of the Declaration. The common expenses may also include such amounts as the Board of Administrators may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. Unless all mortgagees and two-thirds (2/3) of the Unit Owners elect to the contrary, the exterior of all buildings shall be repainted at least every five years and the roofs of all buildings shall be replaced not less than every twenty years. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Administrators or its designee, corporate or otherwise, on behalf of the Association, of any unit whose Owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Administrators shall advise all Unit Owners, promptly in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Administrators, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all Unit Owners and to their mortgagees.

Section 2. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Administrators pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such unit, together with his interest in the common areas and facilities (and Limited Common Areas, if any) as defined in the Declaration. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such unit prior to the acquisition by purchaser of such unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the Unit Owners including such purchaser, his successor and assigns.

Section 3. Collection of Assessments. The Board of Administrators shall assess common charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 4. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Administrators the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees (if permitted by law), incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees (if permitted by law), in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such unit in like manner as a deed of trust or mortgage of real property.

Section 5. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6. Statement of Common Charges. The Board of Administrators shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

Section 7. Abatement and Enjoyment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either a law or in equity, the continuance of any such breach.

Section 8. Maintenance and Repair. (a) All maintenance and any repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to the common areas and facilities that his failure so to do may engender. (b) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

Section 9. Utility Equipment. Each Unit Owner shall own and be responsible for the repair, maintenance, and upkeep of all equipment (such as heating and air conditioning equipment and hot water heaters) which serves exclusively his unit.

Section 10. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his unit, without the prior written consent thereto of the Board of Administrators. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement.

Section 11. Use of Units and Common Areas and Facilities. The use of the property of the Condominium shall be in accordance with the following provisions:

(a) Each of the units shall be occupied only as a residence and for no other purpose. No unit may be divided into smaller units or any portion thereof sold or otherwise transferred without first amending these By-Laws to show the changes in the units to be affected thereby.

(b) The common areas and facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the units.

(c) No use or practice shall be permitted on the property which is the source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the property by the Unit Owners. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. It shall be the responsibility of each Unit Owner and the Board of Administrators to prevent the development of conditions which render the property or the building unclean, unsightly or unkept or which substantially decrease the beauty of the area as a whole. No Unit Owner shall permit any use of his unit or of the common elements which will increase the rate of insurance upon the Condominium property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium property or any part thereof. Garbage receptacles shall be located in accordance with reasonable standards established by the Board. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification, or repair of the Condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

(d) Until the Declarant has completed and sold all of the units, neither the Unit Owners nor the Board shall interfere with the sale of additional units. The Declarant may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to the rental of same, the showing of the property, and the display of signs.

Section 12. Right of Access. A Unit Owner shall grant a right of access to his unit to the managing agent and/or any other person authorized by the Board of Administrators or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common area and facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas and facilities in his unit or elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 13. Entry by Declarant. In the event any Unit Owner permits any use of the premises or practice in violation of the provisions of Section 11 of this Article VI, and such owner fails to cure said violation within 30 days of the Board's request to do so agents of the Board may enter upon the premises, cure said violation at the expense of such Unit Owner or Owners; provided, however, such expense shall not exceed $100 per Unit Owner annually.

Section 14. Rules of Conduct. Rules and regulations concerning the use of the units and the common areas and facilities may be promulgated and amended by the Board with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective.

Section 15. Water and Electricity Charges. Water and electricity shall be supplied to each unit through separate meters and the cost of same shall be borne by the respective Unit Owners. All charges for water and electricity used in connection with the maintenance or use of the common areas shall be paid by the Association as a common expense.

ARTICLE VII

RECORDS AND AUDITS

The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board of Administrators, minutes of the meetings of the Association, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of the common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial record and books of account shall be available for examination by all the Unit Owners, their duly authorized agents or attorneys at convenient hours on working days that shall be set and announced for general knowledge. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the third month following the close of each calendar year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium certified by an independent certified public accountant, shall be rendered by the Board to all Unit Owners and to all mortgagees of units who have requested the same, promptly after the end of each calendar year.

## ARTICLE VIII

## OPERATION OF THE PROJECT PRIOR TO INITIAL MEETING OF THE ASSOCIATION

Section 1. Prior to the initial meeting of the Association to organize the Condominium as provided in Section 2, Article II, all functions of the Association and of the Board of Administrators as herein described shall be performed and carried out by Declarant through its officers and agents.

## ARTICLE IX

## AMENDMENT OF BY-LAWS

These By-Laws may be amended by the vote of at least 66 2/3% in number and 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 By-Laws. No such amendment shall be effective until set forth in an amended declaration and duly recorded in the Office of the Register of Deeds for the county wherein the property, the subject of Declaration, is located.