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**AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
FOR THE ESSEX AT GLEN EDEN CONDOMINIUM**

**NOTICE IS HEREBY GIVEN THAT THIS DOCUMENT REGULATES
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Submitted electronically by "Jordan Price Wall Gray Jones & Carlton"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Wake County Register of Deeds.

STATE OF NORTH CAROLINA

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR THE ESSEX AT GLEN EDEN
CONDOMINIUM

WAKE COUNTY

This Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium (the "Declaration") is made this 10th day of February, 2022, by the Owners of Units to which at least sixty-seven percent (67%) of the votes in The Essex at Glen Eden Owners Association, Inc. ("Association") are allocated.

WITNESSETH

WHEREAS, First North Carolina Development, LLC, a North Carolina limited liability company, caused to be recorded a Declaration of Condominium for The Essex at Glen Eden Condominium in Book 10560, Page 691 in the Wake County Registry, which was amended and restated in Book 12193, Page 1917, and was further amended in Book 12230, Page 1725; Book 12428, Page 1976; Book 12465, Page 1270; Book 12804, Page 2182; Book 12950, Page 255; Book 12998, Page 1703; Book 15143, Page 1762; Book 15546, Page 2694; Book 15901, Page 1944; Book 15919, Page 889; and Book 16660, Page 1136, all in the Wake County Registry ("Original Declaration"); and,

WHEREAS, N.C. Gen. Stat. § 47C-2-117 states that a condominium declaration may be amended by the affirmative vote of or a written agreement signed by owners of units to which at least sixty-seven percent (67%) of the votes in the association are allocated, or any larger majority the declaration specifies; and

WHEREAS, Article 30 of the Original Declaration provides that the Original Declaration may be amended by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated; and

WHEREAS, the Bylaws of the Association were attached as Exhibit E to the Original Declaration ("Original Bylaws), and said Original Bylaws provide that they can be amended by Owners of Units to which at least sixty-seven percent (67%) of the votes in Association are allocated Unit Owners; and

WHEREAS, Units Owners holding at least sixty-seven percent (67%) of the votes in the Association desire to amend and restate the Original Declaration and Original Bylaws as set forth below;

NOW THEREFORE, the undersigned hereby declare that this Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium, including the Amended and Restated Bylaws attached hereto, shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the property described in Exhibit A, which is attached hereto and incorporated herein by reference, or any part thereof, and shall inure to the benefit of each owner thereof. Such property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the provisions of this Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium and the easements, restrictions, covenants and conditions described herein, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of such property. This Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium shall amend and supersede and fully replace the Original Declaration and any amendments thereto. The Amended and Restated Bylaws for The Essex at Glen Eden Owners Association, Inc. shall amend and supersede and fully replace the Original Bylaws and any amendments thereto. The property subject to this Amended and Restated Declaration shall be held, sold, and conveyed subject to Chapter 47C of the North Carolina General Statutes that may be adopted herein or are otherwise applicable under the law, as it may be amended from time to time.

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ARTICLE I

DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, the following terms, words, and phrases shall have the following meanings when used in this Declaration:

1.01 “Act” or “North Carolina Condominium Act” means the provisions of Chapter 47C of the North Carolina General Statutes as the same now exists or may hereafter be amended, or any new enactment in substitution or replacement thereof as the same by law may be applied to this Condominium.

1.02 “Allocated Interest” shall mean and refer to the undivided interest in the Common Elements and the Common Expense liability allocated to each Unit, expressed as a percentage. The Allocated Interest is as set out in Exhibit B which is attached hereto and made a part hereof. The Allocated Interest in the Common Elements of each Unit is based upon the relative area of Unit in relation to the total areas of all the Units and is calculated by dividing the square footage area of a Unit by the total square footage areas of all the Units and by multiplying the quotient so calculated by 100. The areas of the Units were determined by the Declarant measured from the interior surface of Unit boundary walls and are binding upon the Owners and the Association.

1.03 “Association” shall mean and refer to The Essex at Glen Eden Owners Association, Inc., a North Carolina non-profit corporation, which shall manage the Condominium as specified in this Declaration, the Articles of Incorporation and corporate Bylaws, and the Act.

1.04 “Board” or “Board of Directors” shall mean and refer to those persons elected or appointed and acting collectively as the Directors of the Association, and on behalf of the Association, as prescribed in the Declaration and the Bylaws.

1.05 “Building” shall mean and refer to the building constructed on the Condominium Property, including all Units and Common Elements therein.

1.06 “Bylaws” shall mean and refer to the Amended and Restated Bylaws of the Association, and all amendments to such Bylaws which may from time to time be adopted. A copy of the Amended and Restated Bylaws is attached as Exhibit E.

1.07 “Common Elements” shall mean and refer to all portions of the Condominium and Condominium Property other than the Units. Common Elements shall also include Limited Common Elements as defined below.

1.08 “Common Expenses” shall mean and refer to any and all expenditures made by or financial liabilities of the Association, together with any allocations to reserves. Common Expenses include, without limitation: (a) all sums lawfully assessed against the Owners by the Association; (b) expenses of administration, maintenance, repair, or replacement of the Common Elements including the cost of any management company engaged by the Association; (c) expenses agreed upon as Common Expenses by the Association; (d) expenses declared to be Common Expenses by the provisions of the Act, the Declaration or the Bylaws; (e) hazard and such other insurance premiums as the Act, the Declaration and/or Bylaws may require or allow the Association to purchase; (f) taxes and public assessments levied against the Common Elements not otherwise assessed against the Units; (g) any utilities which serve the Common Elements; and (h) costs of operation, management, maintenance, repair and replacement of the Shared Features^{2.05}.

1.09 “Condominium” shall mean and refer to the Essex at Glen Eden Condominium, as established by the submission of the Condominium Property and all improvements thereon to the condominium form of property ownership.

1.10 “Condominium Documents” shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws, and the Rules and Regulations governing the use of the Condominium Property, as amended and supplemented from time to time, and all attachments and exhibits thereto.

1.11 “Condominium Property” or “Property” shall mean the real property described on Exhibit A, together with all buildings 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 property.

1.12 “Declarant” shall mean and refer to First North Carolina Development, LLC, a North Carolina limited liability company, the entity recording the original restrictive covenants for the Condominium. The Declarant no longer owns any interest in the Condominium.

1.13 “Declaration” shall mean and refer to this Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium, as it may be amended or supplemented from time to time.

1.14 “Limited Common Elements” shall mean and refer to those portions of the Common Elements allocated by this Declaration, or by the terms of N.C.G.S. §47C-2-102(2) or (4), for the exclusive use and benefit of one or more, but fewer than all of the Units, as more fully described in Section 2.05 of this Declaration and as depicted on the Plans.

1.15 “Member” shall mean any person or entity entitled to membership in the Association as provided herein.

1.16 “Mortgage” shall mean and refer to a first mortgage or deed of trust constituting a lien on a Unit.

1.17 “Mortgagee” shall mean and refer to the owner and holder of the indebtedness secured by a first Mortgage that has notified the Association in writing of its name and address, that it holds a Mortgage on a Unit, and that it desires to be given the notices and other rights described in Article XVIII.

1.18 “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit, but shall exclude those persons or entities having an interest in any Unit as merely security for the payment or performance of an obligation.

1.19 “Person” shall mean and refer to a natural person, a corporation, limited liability company, a partnership, joint venture, a trust, or any other legal entity.

1.20 “Plans” or “Condominium Plans” shall mean and refer to the plat, plans and specifications for the Building and Condominium Property, including any amendments thereto, recorded under the name of the Condominium in the Public Registry, and including those recorded in Condominium File 336, Book CM 2003, Pages 336A1 through 336B1, Pages 336-B2 through 336-B4, Pages 336-B5 through 336-B6, Pages 336-B7 through 336-B9, and Pages 336-C1 through 336-C5.

1.21 “Public Registry” shall mean and refer to the office of the Register of Deeds of Wake County, North Carolina.

1.22 “Rules and Regulations” shall mean and refer to all rules and regulations adopted by the Board in accordance with the terms of this Declaration.

1.23 “Shared Features” shall refer to those particular features and amenities serving both the Condominium Property and certain adjacent property, that are to be used, operated and enjoyed by the owners of each, as is more fully described in that “Amended and Restated Restrictive Covenants and Use, Cost Sharing, Maintenance and Easement Agreement” recorded in Book 17828, Page 401 of the Public Registry.

1.24 “Unit” shall mean and refer to that physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are more particularly described in Section 2.04 below.

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

ARTICLE II DESCRIPTION OF CONDOMINIUM

2.01 The Condominium. The Condominium is located in Wake County, North Carolina. The Condominium Property and all improvements thereon are subjected to the terms of the North Carolina Condominium Act by this Declaration. The name of the Condominium is The Essex at Glen Eden Condominium. The Condominium consists of the Condominium Property and all improvements located thereon.

2.02 Maximum Number of Units. There are a total of eighteen (18) Units within the Condominium located within the Building. The total number of Units in the Condominium may not exceed eighteen (18) Units. The Units and their identifying numbers are depicted on the Plans.

2.03 The Building. There is one (1) building containing all eighteen (18) residential condominium units and their supporting facilities and other appurtenant improvements. The building is of frame construction with cast stone and brick veneer exterior and membrane roof on tapered insulation as more particularly shown on the Condominium Plans.

2.04 Unit Designations and Description. The unit designation of each Condominium Unit, its location and dimensions are set forth in the Plans. The space comprising a Unit shall be bounded as follows:

- A. The bottom horizontal boundary of a Unit shall be the floor of the lowest floor of such Unit. Tiles, carpet, hardwood flooring, finished flooring, and any other materials constituting part of the finished flooring are part of the Unit. Other portions of the floors shall be part of the Common Elements.
- B. The sides or vertical boundaries of a Unit shall be the perimetric walls. Lath, furring, wallboard, sheetrock, plasterboard, plaster, paneling, tiles, wallpaper, and other materials constituting any part of the finished surfaces of such perimetric walls shall be part of the Unit.
- C. The top horizontal boundary of a Unit shall be the ceiling of the uppermost floor of the Unit. Lath, furring, wallboard, sheetrock, plasterboard, plaster, paneling, tiles, wallpaper, and other materials constituting any part of the finished surfaces of such ceilings shall be part of the Unit.
- D. Units shall exclude all pipes, ducts, wires, conduits and other facilities for the furnishing of utilities and other services to Units and Common Elements up to and including the point of entry of such pipes, ducts, wires and conduits through the interior surfacing material for walls and ceilings and finished flooring. All such pipes, ducts, wires, conduits and other such facilities serving only one Unit shall become a part of that Unit at such point of entry.

2.05 Limited Common Elements. The Limited Common Elements shall be as follows:

- A. Any exterior functioning shutters (as opposed to decorative), awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios, and all exterior doors and windows designed to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit.
- B. Any portion of any chute, flue, duct, wire, conduit, bearing wall, bearing column, mechanical system, or any other fixture serving only one Unit and lying partially within and partially outside the boundaries of such Unit shall be a Limited Common Element allocated exclusively to such Unit. Any portion of any chute, flue, duct, wire, conduit, bearing wall, bearing column, mechanical system, or any other fixture serving more than one Unit and/or the Common Elements and lying partially within and partially outside the boundaries of a Unit shall be a Common Element.

- C. Those portions of a building intended for parking spaces (indicted by the prefix letter "P") and storage rooms (indicated by the prefix letter "S") as such portions as shown on the Plans are Limited Common Elements allocated exclusively to certain of the Units as shown or indicated on the Plans.

ARTICLE III OWNERSHIP OF UNITS

3.01 Allocated Interest in Common Elements. Each Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Unit, an Allocated Interest in the Common Elements.

The Allocated Interest in a Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and the Allocated Interest appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such Allocated Interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer which purports to grant any right, interest or lien in, to or upon an Allocated Interest in the Common Elements shall be void and of no effect unless the same transfer conveys, devises, encumbers or otherwise trades or deals with the entire Unit to which such Allocated Interest is appurtenant. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit shall be deemed and construed to affect the entire Unit and its Allocated Interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its Allocated Interests in the Common Elements by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety. Allocated Interests in the Common Elements appurtenant to each Unit shall remain undivided, and no Owner shall bring or have any right to bring any action for partition or other division of the Common Elements.

3.02 Votes. The voting rights of the Condominium are allocated equally based upon the total number of Units and, each Unit shall be entitled to one (1) vote on all matters upon which Owners are entitled to vote. When more than one Person owns any Unit, all such Persons shall be Members. The vote of that Unit shall be exercised or cast as provided in the Bylaws of the Association and as provided by law. Fractional voting of a Unit's vote is not permitted.

3.03 Common Expense Liability. The common expense liability allocated to each Unit shall be equal to such Unit's Allocated Interest as set forth on Exhibit B. Except for those assessments specifically permitted in this Declaration to be assessed against one or more Unit Owners, all assessments levied against the Unit Owners

and their Condominium Units shall be uniform with respect to each Unit in accordance with such Allocated Interest.

3.04 Consent for Change in Allocated Interest. Except as provided in this Declaration and in the Condominium Act, the Allocated Interest and vote appurtenant to each Unit shall not be changed except with the unanimous consent of all Owners.

3.05 Reallocation of Certain Limited Common Elements. The parking spaces and storage areas that are allocated to a Unit as Limited Common Elements may be reallocated to another Unit by an amendment to this Declaration executed by all the Unit Owners between or among whose Units the reallocations are made, in a form satisfactory to the Board. The Persons executing the amendment shall provide a copy thereof to the Association, which shall record it. The amendment shall be recorded in the same manner as a deed in the names of the parties and the Condominium.

ARTICLE IV THE CONDOMINIUM SUBJECT TO RESTRICTIONS

The Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established in this Declaration. The covenants and restrictions in this Declaration are for the purpose of insuring the best use and most appropriate development and improvement of the Property and the Units; to protect the Owners against such improper use of surrounding Units and Common Elements as will depreciate the value of the Property or the Units; to preserve, so far as practicable, the natural beauty of the Property; to guard against the erection thereof of poorly designed or proportioned structures, and structures built of improper and unsuitable materials; to obtain harmonious or compatible color schemes, architectural style, quality of construction and size; to insure the highest and best development of the Property and the Units; and in general to provide adequately for a high type and quality of improvements in the Property and thereby to enhance the values of investments made by the purchasers of Units therein.

ARTICLE V EASEMENTS

5.01 Non-Exclusive Easements in Common Elements. The Common Elements shall be and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of Units in the Condominium for their use and the use of their occupants, tenants, guests, licensees and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of Units. Every Owner shall have a right and easement over the Common Elements for access,

ingress and egress to and from streets, parking areas and walkways and to and from such Owner's Unit, which right and easement shall be appurtenant to and shall pass with the title to every Unit. Every Owner's right and easement of use of the Common Elements is subject to the provisions of this Declaration, including but not limited to the following provisions:

- A. Admission and Other Fees: The right of the Association to regulate the use of and to charge reasonable admission and other fees for the use of any recreation facility situated upon the Common Elements;
- B. Suspension of Use of Common Elements: The right of the Association to suspend the right to use the Common Elements by any Owner and such Owner's occupants, tenants, guests, licensees and invitees during any period in which such Owner shall be in delinquent for more than thirty (30) days in the payment of any assessment levied by the Association. Such rights also may be suspended, after notice and hearing, for the period of the infraction plus a reasonable period not to exceed sixty (60) days, for infraction or violation of any provision of the Condominium Documents. No such suspension shall deprive the Owner or such Owner's occupants, tenants, guests, licensees and invitees of access to his or her Unit or parking areas or the use of such parking areas;
- C. Dedication and Transfer of Common Elements: The rights of the Association to grant easements in, on, over, to or through the Common Elements and to dedicate or transfer all or part of the Common Elements to any public agency, authority or utility in accordance with the Condominium Documents and applicable law;
- D. Guests: The right of the Association to limit the number of tenants, guests, licensees and invites that an Owner may allow to use the Common Elements;
- E. Borrowing for Improvements: The right of the Association, in accordance with the Condominium Documents and applicable law to borrow money for the purpose of constructing, repairing, or improving the Common Elements; provided, however, the right of any such lender or mortgagee shall be subordinate to the rights and easements of the Association and the Owners established hereunder;
- F. Use of Common Elements: The right of the Association, in accordance with the Condominium Documents and applicable law, to determine the time and manner of use of the Common Elements and to formulate, publish and enforce rules and regulations, and specifically including, but not limited to, the rights to make permanent and temporary

assignments of parking spaces (other than parking spaces allocated as Limited Common Elements) and to make rules and regulations concerning parking;

- G. Exchanges: The right of the Association, in accordance with the Condominium Documents and applicable law, to exchange all or part of the Common Elements for other real property and consideration of like value and utility; and
- H. Rules and Regulations: The right of the Association to formulate, publish and enforce rules and regulations governing the use of the Common Elements.

5.02 Encroachments. In the event of the construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvements resulting either in the Common Elements encroaching on any Unit, or in a Unit encroaching on the Common Elements or on another Unit, there shall be created a valid easement for both the encroachment and its maintenance as long as the physical boundaries of the Units after the construction, reconstruction, repair, shifting, settlement, or other movement will be in substantial accord with the description of those boundaries that appears in this Declaration and the Plans. Any such easement shall extend for whatever period the encroachment exists. The easement does not relieve an Owner of liability in case of such Owner's willful misconduct.

ARTICLE VI ADMINISTRATION OF THE CONDOMINIUM

To provide for the administration of the Condominium, a nonprofit North Carolina corporation known as The Essex at Glen Eden Owners Association, Inc. has been organized, and said corporation shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and Bylaws. The Owner of each Unit automatically shall become a member of said Association upon acquisition of an ownership interest in title to any Unit and its Allocated Interest in the Common Elements, and the membership of such Owner shall terminate automatically upon such Owner's being divested of ownership interest in the title to such Unit, regardless of the means by which ownership may be divested. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership. The Board may make reasonable rules relating to the proof of ownership of a Unit. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights or privileges of membership except as specifically set forth in the Condominium Documents.

In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units and Common Elements as the Board of the Association may deem to be in the best interests of the Association as described in Section 7.01.

ARTICLE VII USE RESTRICTIONS

7.01 Right to Establish Rules and Regulations. The use of the Condominium, including the Units, Common Elements and Limited Common Elements shall be at all times subject to such reasonable rules and regulations as may be established from time to time by the Board. A rule or regulation may be terminated or amended by the Board or by the affirmative vote of a majority of the Owners of all the Units. In addition, prior to adopting or amending any rule or regulation regarding the use of the Units, the Board shall provide notice to all Owners alerting them of (i) the nature of the proposed new or amended rule; (ii) the date, time, and location that the Board will be meeting to consider adoption or amendment of the rule; (iii) the opportunity for Owners to speak in favor or against such proposal. Notice shall be given at least five (5) days prior to the scheduled meeting. The Board may enact reasonable rules governing the length of time allocated to each Owner desiring to be heard on the matter.

7.02 Use Restrictions. Except as otherwise provided in this Declaration, each Unit, and the Limited Common Elements allocated to that Unit, are hereby restricted to residential uses by the Owner thereof, and such Owner's occupants, tenants, guests, licensees and invitees.

7.03 Leasing of Units. Units may not be rented or leased without express permission of the Board and in accordance with this Section:

- A. No Owner may lease his or her Unit unless the Unit has been the primary residence of the Owner for at least three consecutive years.
- B. Owners are not permitted to lease their Units without the express written permission of the Board; provided, however, the Board may not withhold approval if the applicant complies with this Section and the number of Units leased is below the leasing cap established in Section 7.03(C).

- C. Except as set forth in Section 7.03(G), no more than three (3) Units shall be leased at any given time (the "Leasing Cap"). Prior to leasing a Unit, the Owner of the Unit shall apply in writing to the Board of Directors for a leasing permit. The Board will consider written requests for a permit on an expedited basis. If granting of the permit would exceed the Leasing Cap, except in the case of hardship permits discussed below, no leasing permit shall be issued. Owners who have been denied a leasing permit shall automatically be placed on a waiting list and shall be issued a leasing permit if they so desire when the number of outstanding leasing permits falls below the Leasing Cap.

Leasing permits shall be issued for the length of the lease in question, not to exceed a maximum of three (3) years. Upon expiration of the leasing permit, the Owner shall be placed on the waiting list described herein. The Owner may apply for an additional leasing permit, but if granting of the permit would exceed the Leasing Cap, the permit shall be denied.

Only Owners in good standing are entitled to a leasing permit. For the purposes of this section, the term "in good standing" means that the Owner is not delinquent in payment of assessments and that neither the Owner nor any occupant of the Unit is in violation of the Declaration, rules or regulations of the Association.

A leasing permit shall be automatically revoked if (i) the leasing permit expires; (ii) the Owner fails to lease the Unit within 180 days of the permit having been issued; (iii) the Owner fails to have the Unit leased for any consecutive 180 day period thereafter; (iv) the Owner sells or otherwise transfers or conveys the Unit to another person or entity, whether voluntarily or involuntarily; or (v) the Owner advises the Board that the Owner no longer wishes to lease the Unit. In the event a permit is revoked or surrendered, permission to lease shall be granted to the next Unit on the waiting list, on a first-come, first-served basis, subject to the requirements of this Section.

In addition to a wait list, the Board shall maintain a list of Units that are leased, and the terms of the respective leases, for the purpose of determining the number of Units that are leased at any given time.

- D. All lease agreements shall be in writing and shall be for a term of not less than six (6) months. Each such agreement shall provide that the terms of the lease agreement are subject to the provisions of the Condominium Documents and the rules and regulations of the Association, and that any failure by the tenant or lessee to comply with

the terms of such documents shall be a default under the terms of the lease. Upon demand by the Association to any Owner to remove a party for failure to comply with the terms and provisions of the Declaration and/or the rules and regulations of the Association, the Owner shall forthwith cause such party to be removed, failing which, the Association, as agent of the Owner, may take such action as it may deem appropriate to accomplish such removal, and all such action by the Association shall be at the cost and expense of the Owner who shall reimburse the Association therefor upon demand, together with such attorneys' fees as the Association may have incurred in the process of removal. Such costs shall be added to the assessment for such Unit payable upon demand by the Association.

- E. Owners are required to provide lessees with a copy of the Declaration, Bylaws and rules and regulation of the Association, and shall require lessees to sign a statement indicating that they received and reviewed a copy of the Declaration, Bylaws and rules and regulations of the Association. A copy of such statement shall be submitted to the Board along with a copy of the executed lease agreement as provided in subsection (F).
- F. A copy of the executed lease agreement shall be filed with the Board within thirty (30) days of the date of signing such agreement or the date the lessee first takes up occupancy, whichever occurs first.
- G. Under demonstrated hardship conditions, the Board in its sole discretion may waive the rental cap requirements of this Section and allow a Unit to be rented in excess of the Leasing Cap. The term "hardship conditions" shall be limited to situations where (1) an Owner must relocate his or her residence outside a 50 mile radius of the Condominium and cannot within six months from the date the Unit was placed on the market sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) an Owner dies and the Unit is being administered by the Owner's estate; (3) an Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit; or (4) an Owner will be absent from the Unit for more than three months due to a medical condition that requires placement in a long term rehabilitation or other medical facility, but based on the medical prognosis, the Owner expects to return to reside in the Unit.

In determining whether hardship conditions have been demonstrated with respect to the foregoing situations, the Board shall consider: (1) the nature, degree and likely duration of the hardship; (2) the harm, if

any, which will result to the Condominium if the hardship waiver is granted; (3) whether the Owner has been granted a hardship waiver previously; (4) the Owner's ability to cure the hardship; and (5) the overall number of leased Units, including via hardship waivers. Any lease allowed pursuant to a hardship waiver shall have a term of not more than one (1) year. Owners may thereafter apply for an additional hardship waiver, but waiver is not guaranteed.

- H. The Board is authorized to establish reasonable rules and regulations related to the leasing of Units, subject to the provisions of Section 7.01.
- I. Subleasing of any Unit is not permitted.
- J. Units may only be used as private residences and may not be leased or rented for transient, hotel, or motel purposes. Unit Owners may lease the entire Unit, but not less than the entire Unit. No Unit may be subjected to a timesharing or similar form of ownership on a periodic or revolving basis.
- K. Except as set forth herein, Limited Common Elements shall not be leased or rented, nor shall the use of the Limited Common Elements be separated from the Unit or Units to which such Limited Common Elements are allocated. Leasing of storage areas and parking spaces shall be permitted but only where the lease is to another Owner and the storage area or parking space is being used by the other Owner or an occupant of the other Owner's Unit. A lease or other rental agreement for a storage area or parking area shall be in writing and such lease or rental agreement shall not be for a term less than six (6) months. Each such agreement shall provide that the terms of the lease agreement are subject to the provisions of the Condominium Documents and the rules and regulations of the Association, and that any failure by the tenant or lessee to comply with the terms of such documents shall be a default under the terms of the agreement. Upon request, the Board shall be furnished with a copy of any lease or rental agreement.

7.04 Parking of trucks, boats, trailers and other vehicles. Except as otherwise provided in this Section and except as may be permitted by rules and regulations of the Association:

- A. No vehicle of any kind shall be parking on the Common Elements except within a designated parking space suitable for the size of the vehicle;
- B. No boats or other watercraft, trailers, campers, recreational vehicles, tractors, trucks other than pickup trucks having a single rear axle and

rated at 3/4 tons or less, or other motor vehicles other than passenger motor vehicles not exceeding 18 feet in length and intended for 8 or fewer passengers shall be parked on the Common Elements except in areas designated by the Board, although there is no requirement that any such areas be designated;

- C. No inoperable motor vehicle shall be parked or permitted to remain on the Common Elements for more than 72 hours; and
- D. The prohibitions and restrictions of this Section shall not apply to the activities of the Association or the rendering of services by companies and governmental entities or agencies providing fire, police, ambulance, emergency, health, public safety, mail, utilities, trash collection and similar services. The prohibitions and restrictions of this Section shall not prohibit vehicles associated with repair, maintenance, replacement or improvement of the Units or the Condominium, although the Board may regulate the parking of such vehicles.

7.05 No Further Subdivision; Adjoining Units. No Owner may subdivide a Unit into more than one (1) Unit. Owners owning adjoining Units may not relocate the boundaries between such Units.

7.06 No Immoral/Unlawful Use. No immoral, improper, unreasonably offensive, or unlawful use shall be made of any Unit or of the Common Elements, nor any part thereof, and all laws, including but not limited to zoning ordinances and regulations, of all governmental authorities having jurisdiction of the Condominium shall be observed. No Owner of any Unit shall permit or suffer anything to be done or kept in such Owner's Unit or on the Common Elements which will increase the rate of insurance on the Condominium, or which will obstruct or unreasonably interfere with the rights of other Owners or occupants of the Condominium, or which will annoy them by unreasonable noises, nor shall any Owner undertake any use or practice which creates or constitutes a nuisance, or which unreasonably interferes with the peaceful possession and proper use of any other Unit or the Common Elements.

7.07 Business Activities. Except as specifically provided in this Section, no trade, business, industry, occupation or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted in or on any Unit or the Common Elements, except that any Owner may lease or rent his Unit for residential purposes in accordance with Section 7.03 of this Declaration.

An Owner or occupant of a Unit may conduct business activities within such Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity

conforms to all applicable zoning requirements, without the need for a variance; (c) the business activity does not involve door-to-door solicitation of Owners, occupants or other persons on the Condominium; (d) the business activity does not, in the reasonable judgment of the Board, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked on the Condominium which is noticeably greater than that which is typical of Units in which no business activity is being conducted; (e) the business activity in the Unit is conducted solely by the occupants of the Unit; and (f) the business activity is consistent with the residential and lodging character of the Units, does not create a hazardous or dangerous condition nor threaten the security or safety of other Owners or occupants of the Condominium, and is not a nuisance nor an unreasonable annoyance nor an unreasonably offensive use, all as may be determined in the sole discretion of the Association's Board. Notwithstanding the foregoing, the rental or leasing of a Unit for a term of less than six (6) months is deemed to be a prohibited business activity and shall not be a permitted use.

The terms "business", "trade", "industry", "occupation" and "profession" as used in this Section, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity which involves the provision of goods or services to person other than the provider's immediate family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether such activity is engaged in full or part-time, such activity is intended to or does generate a profit, or whether a license is required

7.08 Restrictions and Prohibition of Flags and Signs. No flags, banners, political signs, or other signs of whatever nature, including without limitation "For Sale" and "For Rent" signs or commercial signs, shall be displayed on or about the exterior of any Unit, or in the window of any Unit, or on the Common Elements, except as follows:

- A. Directional or regulatory signs as may be deemed necessary or desirable by any governmental unit or the Association, including, but not limited to, street name signs, parking and no parking signs, stop signs, speed limit signs, entrance signs, and building identification signs shall be permitted on the Common Elements.
- B. Owners may display the flag of the United States of America in areas in which they have a right of exclusive possession or use, but only in accordance with federal law regarding the appropriate display of the flag; provided, however, the Board may enact reasonable restrictions pertaining to time, place, or manner of displaying the flag of the United States of America as may be necessary to protect a substantial interest of the Association.

- C. The Association shall have the right to maintain such signs on the Common Elements as may be appropriate in the discretion of the Board.

7.09 Pets. No animals of any kind shall be kept or maintained in any Unit except that a maximum of two (2) dogs, cats, or other household pets may be kept or maintained in each Unit provided they are not kept or maintained for commercial purposes and are not a danger, threat, or menace to others. No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet, and in no event may any savage or dangerous pet be kept within any Unit or on Common Elements. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) whether inside or outside the Condominium or Unit. Pets shall not at any time be left unattended nor tied or chained in the Common Elements or any Limited Common Element. Pets shall not be permitted to defecate in the Common Elements or to urinate in any portion of the Common Elements except for grassed areas. Pet owners are responsible for the immediate removal and proper disposal of any pet waste. All pets shall be licensed and inoculated as required by law.

The Board shall have the absolute power to prohibit any particular pet from being kept on any part of the Condominium, including inside a Unit, if the Board, in its sole and absolute discretion, determines that the pet is dangerous, threatening, a nuisance, violates the provisions of this Declaration or the rules and regulations of the Condominium with respect to pets after two (2) or more notices, or otherwise has a negative impact on the Condominium. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements or Limited Common Elements.

For purposes of this section, the term "household pet" or "pet" shall not include any exotic animal or animal for which a permit must be obtained from a local, state or federal government to legally keep such animal, nor shall the term include chickens, pigs, horses, goats, sheep, cows, or other type of traditional livestock of any size, including pygmy and miniature varieties, whether or not the same are considered to be a pet by the owner thereof.

7.10 Smoking Prohibition. Smoking tobacco or any other tobacco product intended for human inhalation is prohibited within any part of the Common Elements, including Limited Common Elements, balconies, patios, grounds, elevators, hallways, stairwells, lobbies, dumpsters, trash collection areas, storage areas, parking areas, and garages. Smoking tobacco or any other tobacco product intended for human inhalation is also prohibited within the Units.

7.11 Chewing Tobacco. No individual shall cause any chewing tobacco or dipping tobacco or similar product to be spit, expelled, or otherwise deposited onto any Common Elements, including Limited Common Elements.

7.12 Noise Reduction. No Owner shall make, cause or permit any loud or disturbing noises to be produced upon or to emanate from his Unit. The Board is hereby vested with authority to establish rules and regulations prohibiting specific types of noise. Such rules may include, but are not limited to, limitations on when radios, televisions, musical instruments, or other sound-making device may be played if able to be heard by occupants of other Units; hours of the day when construction work can take place; and whether and to what extent flooring must be covered in order to help control sound transmission between Units. No Owner may violate any applicable local or state noise ordinances.

ARTICLE VIII RIGHT OF ENTRY

8.01 Emergency Entry. In case of any emergency originating in or threatening any Unit or the Common Elements, regardless of whether the Owner is present at the time of such emergency, the Association and its officers, management agent, agents, contractors and authorized representatives shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

8.02 Additional Right of Entry. The Association and its officers, management agent, agents, contractors and authorized representatives shall have the right and easement, including access to any Unit: (a) to make inspections, repairs, alterations, replacements or improvements to the Common Elements; (b) to remedy any conditions in the Unit itself which could result in damage to other portions of the Condominium; (c) to abate any violation of law or rules and regulations of the Association; or (d) otherwise to perform the obligations of the Association under this Declaration or applicable law. The Owner of a Unit shall permit the Association and its officers, management agent, agents, contractors and authorized representatives to enter such Unit for the purposes provided in this Declaration and applicable law. Such access and other permitted work shall be made at reasonable times and with reasonable advance notice under the circumstances.

ARTICLE IX ALTERATION OF UNITS AND COMMON ELEMENTS

9.01 Plan Approval/Approved Contractor Requirement. No Owner may make modifications to the Common Elements or Limited Common Elements without prior written approval of the Board. Written approval of the Board is also required for any interior modifications to a Unit that would impair the structural integrity or mechanical systems of the Condominium or any portion thereof, lessen the support of any portion of the Condominium, change the number of bedrooms in the Unit, or otherwise impact other Units. Interior modifications that are cosmetic in nature, e.g., change in flooring, installation of cabinets, upgrading of countertops, etc. do not require pre-approval. Once the Board approves a proposed modification, construction must be promptly commenced and diligently pursued to completion and if such construction is not commenced within the time set therefor by the Board in the written approval (but in no event later than twelve (12) months after such approval), such approval shall be deemed rescinded. Refusal of approval may be based upon any grounds which the Board, in its sole discretion, shall deem sufficient.

9.02 Right of Entry. The Board and its agents and representatives shall have the right to enter upon any Unit and any portion of the Common Elements to inspect work and to ensure that the modification is being made in conformity with the approved plans and specifications.

9.03 Contractor Requirements. Any approved modification shall be made in compliance with applicable laws and only by a licensed and qualified contractor approved by the Board. The Board shall have the right, but not the obligation, to review the qualifications, background, experience, reputation, and license of the contractor. Neither the Board nor the Association shall have any liability to any Owner for approving or disapproving a contractor and the approval of the contractor is solely for the benefit of the Association and not for the benefit or protection of any Owner. Owners are solely responsible for ensuring all required permits are obtained.

In addition to the above, only properly licensed and insured electricians and plumbers are permitted to perform any work within a Unit, including routine maintenance and repair.

9.04 Limitation of Liability. Neither the Association nor the Board shall be liable or responsible, in damages or otherwise, by reason of mistake of judgment, negligence or nonfeasance arising out of services performed or to be performed pursuant to this Declaration. Neither the approval of plans and specifications nor any inspection of improvements by the Board is a certification that the plans and specifications and/or the improvements constructed in accordance therewith comply with applicable laws, including but not limited to building codes. Neither the Board nor the Association shall be liable or responsible for any deficiency or defect in the

plans and specifications submitted to it or in any improvement made according to such plans and specifications.

9.05 Compensation and Fees. The Board shall have the right to establish, charge and collect a reasonable fee established for review of plans and specifications in accordance with this Declaration. No member of the Board shall be entitled to compensation arising out of services performed pursuant to this Article. However, with the prior approval of a majority of the Board, any director may be reimbursed for reasonable out-of-pocket expenses incurred by such individual in the performance of the director's duties under this Article.

9.06 Alteration of Common Elements by Board. The Board shall have the right to make or cause to be made alterations or improvements to the Common Elements, including the Limited Common Elements. Except as set forth below, if the cost of the proposed alteration or improvement exceeds \$25,000.00, the approval of two-thirds (2/3rds) or more of the votes of Owners who are voting in person or by proxy at a meeting duly called for such purpose is required. The cost of such alteration or improvement shall be a Common Expense to be assessed and collected from all of the Owners of Units. However, where any alteration or improvement is performed at the request of and for the benefit of fewer than all of the Owner or Units, then the cost of making, maintaining, repairing and insuring such alteration or improvement shall be assessed against and collected solely from the Owners of Units requesting the same in such proportion as may be determined by the Board of the Association. This section is intended to apply only to new additions, alterations, or improvements. The owner approval requirement does not apply to expenditures associated with landscaping, routine maintenance, roof replacement, siding replacement, asphalt/paving work, or other necessary upkeep and maintenance of the Condominium and its mechanical systems.

ARTICLE X MAINTENANCE AND REPAIR

10.01 Maintenance of Common Elements. The Association, at its expense, shall be responsible for the maintenance, repair, and replacement of the Common Elements and Limited Common Elements; however, the cost of repair of any Limited Common Element shall be borne by the Owner of the Unit to which such Limited Common Element is allocated. In the event any incidental damage is caused to any Unit or Limited Common Element by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of the Common Elements, the Association shall, at its expense as a Common Expense, repair such incidental damage.

Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by

the negligence or intentional act of an Owner, any resident of the Unit, a tenant, or the guests or invitees of any of them, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner who is responsible for the act causing the damage (whether done by himself or by his employees, servants, guests, invitees or lessees) shall be required to pay the applicable deductible. If not promptly paid, the Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair at its expense is occasioned by the negligence or intentional act of an Owner, any resident of the Unit, a tenant, or the guests or invitees of any of them, and such loss or damage is not covered by any insurance maintained by the Association, then the Owner shall pay the cost thereof; and, if not promptly paid upon request, the Association may assess the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

10.02 Maintenance of Units. Each Unit Owner shall be responsible for the maintenance and repair of all portions of the Owner's Unit, and the cleanliness and orderliness of Limited Common Elements appurtenant thereto. Such responsibilities shall include, without limitation:

- A. Maintaining in a clean and orderly fashion all Limited Common Elements and personal property placed thereon;
- B. Maintenance, repair, and replacement of all blinds, shutters, drapes, or other interior window coverings;
- C. Maintenance, repair, and replacement of any heating, ventilating, and air conditioning systems and all stoves, refrigerators, fans and other equipment or appliances exclusively serving the Unit, wherever such items may be located;
- D. Maintenance, repair, and replacement of any utility fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to such Owner's Unit;
- E. Maintenance, repair, and replacement of all glass surfaces serving the Unit;
- F. Maintenance, repair and replacement of the surfaces of any and all walls, ceilings and floors within such Owner's Unit, including but not

limited to painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his Unit; and

- G. Maintenance, repair, and cleanliness of the interior of the Unit so as to prevent any unsanitary or unsafe condition that would tend to adversely affect or cause damage to the Common Elements or another Unit.

A maintenance responsibility chart outlining certain obligations of Owners and the Association is attached as Exhibit D and incorporated herein by reference.

Although the Association is responsible for maintenance and repair of Limited Common Elements, the cost of such maintenance and repair shall be the responsibility of the Owner, or if more than one, Owners of the Unit or Units to which it is allocated on an equal basis. The costs of the same shall be assessed against the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

The Board may enter upon a Unit or any portion of the Condominium Property to perform maintenance or make repairs thereon which is the responsibility of a Unit Owner who has failed to perform such maintenance or make such repairs (i) after having given such Owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency. The costs of the same shall be assessed against the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

Whenever the maintenance, repair and replacement of any item for which the Owner of a Unit is obligated to maintain, replace or repair is occasioned by any loss or damage which may be covered by any insurance maintained by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Unit shall be required to pay the applicable deductible. The costs of the same shall be assessed against the Owner thereof and the same shall become a lien against the Unit of the Owner as provided herein.

ARTICLE XI INSURANCE

11.01 Property Insurance. The Association shall obtain and maintain at all times a policy of property insurance on the Building, including all Units contained therein, which insurance shall satisfy the following requirements:

The Association shall obtain and maintain at all times a policy of property insurance on the Building and Common Elements (ISO special form or its equivalent) in an amount not less than one hundred percent (100%) of the replacement cost of the

Building and as well as all Common Elements located outside of the Building at the time such insurance is purchased and at the time of each renewal thereof (excluding the cost of foundations and footings, and the cost of any personal property supplied or installed by Owners), with a commercially reasonable deductible. The policy shall be issued by an insurance company properly licensed to do business in the State of North Carolina. The policy shall provide that the Association is a named insured, and that each Owner is an insured person with respect to the Owner's Unit and Allocated Interest in the Common Elements. The policy shall contain a standard extended coverage endorsement and a standard "all risk" endorsement (unless the policy contains "broad form" covered causes of loss), and an inflation guard endorsement, and a building ordinance or law endorsement, if available, as well as a special condominium endorsement providing as follows: for waiver of subrogation against any Owner, and any Owner's employees and agents; that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and Mortgagees named in the mortgage clause; that no act or omission by any Owner will preclude recovery upon such policy; and that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. Each property insurance policy shall provide that adjustment of loss shall be made by the Association as insurance trustee. Each property insurance policy shall provide for the issuance of certificates or mortgagee endorsements to each Mortgagee.

11.02 Liability Insurance. The Association shall obtain and maintain one or more policies of commercial general liability insurance in such limits as the Board may, from time to time, determine, covering each member of the Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements. The liability insurance policies shall include endorsements covering cross liability claims of one insured against another, including the liability of the Board or the Owners as a group to one or more Owners, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Board and to all insureds, including all Owners and Mortgagees. The Board shall review such limits annually.

The Association shall obtain and maintain director and officer liability coverage insuring directors and officers of the Association against liability; such coverage to list officers and directors and the Association as named insureds, and in an amount as determined by the Board.

11.03 Other Insurance Coverage. The Board shall have the right, in the Board's discretion, to obtain other insurance coverage as it may deem appropriate, including fidelity coverage against dishonest acts on the part of all persons handling,

or responsible for handling, funds belonging to the Association or administered by the Board.

11.04 Premiums & Deductibles. Premiums upon insurance policies purchased by the Board shall be paid by the Board and charged as a Common Expense. Each Unit Owner shall be responsible for payment of the costs and repairs to the Owner's Unit that are not covered by insurance due to the applicability of any deductible provision, and if more than one Unit is damaged, the affected Unit Owners shall pay the cost of the deductible in proportion to the damages sustained. Each Unit Owner agrees that if any portion of the Common Elements which is covered under the Association's insurance policy is damaged or destroyed by any negligent or intentional act of an Owner or his or her family, invitees, or tenants, then such Owner shall be responsible for paying the lesser of: (a) that portion of the insurance deductible applicable to the Common Elements; or (b) the cost to repair and/or replace any damage to the Common Elements, which amount shall be due within ten (10) days after the delivery of written notice of such costs to the responsible Unit Owner. In the event a Unit Owner refuses or fails to pay the insurance deductible or replacement/repair costs in the time period provided in the preceding sentence, the amount thereof may be advanced by the Board and the amount so advanced shall be assessed to such Owner as an Individual Unit Assessment.

11.05 Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional "All Risk" fire and casualty and extended coverage insurance upon such Owner's Unit, the improvements therein, and such Owner's personal property, to the extent the same are not insured under any policy maintained by the Association, as well as public liability insurance, and such other insurance coverage as such Owner may desire. Each Owner shall obtain and maintain public liability insurance coverage in the amount of at least \$100,000.00 for bodily injury, including deaths of persons and property damage, arising out of a single occurrence. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against unit owners and their household members, employees and invitees, as well as their tenants and such tenant's employees and invitees; and (ii) any right of the insurer to contribution or proration because of the Association's casualty and public liability policy. Each Owner shall file a copy of each such individual policy with the Board upon request.

11.06 Distribution of Insurance Proceeds. All insurance policies procured by the Association shall provide that all losses shall be adjusted with, and all proceeds shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes set forth herein and for the benefit of the Owners in the following shares:

- (a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and its Mortgagee, if any, with each Owner's share to be the same as such Owner's Allocated Interest.
- (b) Proceeds on account of damage to Units shall be held in the following undivided shares:
 - (i) When the damage is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association.
 - (ii) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's allocated Common Elements Interest.
- (c) In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Mortgagee and the Owner as their respective interests may appear.
- (d) Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:
 - (i) If it is determined, as provided in Article XII, that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired, (i) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units to which those Limited Common Elements were allocated or to their Mortgagees, in proportion to their respective Common Elements Interests; and (iii) the remainder of the proceeds shall be distributed to all Owners or Mortgagees, as their interests may appear, in proportion to their respective Common Elements Interests. No Owner shall have priority over any rights of the first mortgagee of the Owner's Unit in the case of payment of proceeds for an insured loss.
 - (ii) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners.

ARTICLE XII RECONSTRUCTION OR REPAIR AFTER CASUALTY DAMAGE

In the event of damage to or destruction of the Building or any other improvement with respect to which the Association is required to maintain insurance hereunder as a result of fire or other casualty, the Association shall arrange for the prompt restoration and replacement of the Building and such other improvements using the proceeds of insurance, unless (1) the Condominium is terminated in accordance with the Act, or (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) of Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units to which are assigned Limited Common Elements not to be rebuilt. Unless one of the preceding three conditions occurs, the Association shall arrange for the prompt repair and restoration of the Building and such other improvements, not including any decoration or covering for walls, ceilings, or floors, or furniture, furnishings, fixtures or equipment (unless the subject insurance policy covers a portion or all of such loss, in which event the Association shall repair or replace such damaged property), and the Association shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plans. If the Owners vote not to rebuild any Unit, that Unit's allocated Common Elements Interest shall be automatically reallocated upon the vote as if the Unit had been condemned under N.C.G.S. § 47C-1-107(a).

ARTICLE XIII CONDEMNATION

If all or any part of the Condominium Property is taken in condemnation or by eminent domain, the award for such taking shall be distributed in accordance with the procedure set forth in N.C.G.S. §47C-1-107. Provided, however that the proceeds of any award payable to the Association as a result of condemnation of all or a portion of the Common Elements shall first be used to restore the damaged area to a condition compatible with the rest of the Condominium or to raze the remaining damaged improvements and thereafter, any remaining proceeds shall be distributed as set forth in N.C.G.S. §47C-1-107. No Owner shall have priority over any rights of the first Mortgagee of the Owner's Unit in the case of payment of proceeds from termination, condemnation, or eminent domain.

ARTICLE XIV ASSESSMENTS

14.01 Authority to Assess Common Expenses. To provide funds necessary for the proper operation, management, maintenance, repair, replacement and capital improvement of the Condominium, the Association is hereby granted the right to make, levy and collect assessments against the Owners and their Units. Each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (i) annual assessments or charges, and (ii) special assessments, such assessments to be established and collected as hereinafter provided.

14.02 Basis of Assessments. Except as otherwise provided in this Declaration, each Owner shall contribute as its share of the Common Expenses an amount equal to the Owner's Allocated Interest multiplied by the Common Expenses (the "Common Assessment"). Common Expenses associated with Limited Common Elements shall be assessed against only those Units to which the applicable Limited Common Elements are allocated, in accordance with their respective Allocated Interest, each against the other(s).

14.03 Assessments Against Specific Owners. Notwithstanding the requirement of Section 14.02 that assessments be levied against each Unit according to the Allocated Interest of such Unit, in accordance with this Declaration and applicable law, the Association shall assess:

- A. any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element against the Unit to which that Limited Common Element is allocated;
- B. any Common Expense, or portion thereof, which in the reasonable opinion of the Board exclusively or substantially benefits fewer than all Owners, may be assessed solely against the Owners so benefitted, in such proportions as the Board in its reasonable discretion shall determine;
- C. the cost of insurance against the Units in proportion to the risk if any Unit or Units can be reasonably determined to create a greater risk than any other;
- D. the cost of any judgment against the Association against only the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Interests;

- E. any Common Expense caused by an Owner exclusively against that Owner;
- F. the costs of maintenance or repair of a Unit which the Owner thereof fails or refuses to perform; and
- G. any other cost, expense, fine, penalty, interest or charge as provided by the Condominium Documents or applicable law against the Unit so charged.

14.04 Annual Budget. The Board of the Association shall adopt an annual budget in advance for the following fiscal year. The budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium, including a reasonable allowance for reserves. In the budget, the Board shall keep items relating to general operation and maintenance separate from reserves relating to capital improvements. Within thirty (30) days after adoption of a budget, the Board shall provide a summary thereof to all Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget, not less than ten (10) nor more than sixty (60) days after mailing of the summary. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting the Owners of two-thirds (2/3) or more of all the Units reject the budget. In the event the proposed budget is rejected, the budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. In the event it becomes apparent that the budget is inadequate for the Association to perform its obligations and duties, the Board may adopt an amended budget and submit it to the Owners for ratification in accordance with this Section.

14.05 Reserves. The Board, in establishing the annual budget, may designate a sum to be collected and maintained out of the annual assessment as a reserve fund for capital replacements and improvements to the Common Elements (the "Capital Improvement Fund"). The Capital Improvement Fund shall be for the purpose of enabling the Association to replace or improve structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement and improvement of other portions of the Common Elements. Such capital replacement and improvement includes, by way of illustration and not of limitation, repainting of the exterior of the Condominium, roof replacement, repaving and restriping of drives and parking areas, and elevator replacement. The amount to be allocated to the Capital Improvement Fund shall be established by the Board so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement or improvement of Common Elements. The amount collected for the Capital Improvement Fund may be maintained in a separate account by the Association and such monies are intended to be used only to make capital improvements to Common Elements except with the approval of Board after

determining that the remaining funds in the Capital Improvement Fund are adequate. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of the Association, be expended for current operation and maintenance.

14.06 Special Assessments. In addition to the annual assessment, including any annual assessments under a regular or amended annual budget, and subject to the approval of the Unit Owners as hereinafter provided, the Board may levy a special assessment for the purposes of defraying, in whole or in part, the cost of any construction, reconstruction, alteration, improvement, repair or replacement of the Common Elements, including fixtures and personal property related thereto, or of paying budget shortfalls and costs and expenses associated with emergencies, unforeseen events, or other unbudgeted matters. Any such special assessment shall have the assent of two-thirds (2/3rds) or more of the votes of Owners who are voting in person or by proxy at a meeting duly called for this purpose.

Written notice of any meeting called for the purpose of approving a special assessment shall be sent to all Owners not less than 10 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Owners, in person or by proxy, entitled to cast 50% of all the votes in the Association shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned by a majority vote of those present in person or by proxy and the required quorum at the next meeting shall be reduced by one-half of the required quorum for the previously adjourned meeting. No such subsequent meeting shall be held more than 60 days following the previously adjourned meeting.

14.07 Payment of Assessments. Assessments provided for herein shall be payable in monthly installments or in such other installments as may be determined by the Board of the Association; provided, however, that the Common Assessment shall be levied at least annually by the Association.

14.08 Liability for Assessments. No Owner of a Unit may exempt himself from liability for any assessment levied against him or his Unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Unit or in any other way. The Owner or Owners of each Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Unit while such party or parties are Owner or Owners of a Unit. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the Association, such Owner or Owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all late charges and costs of collecting such assessment or installment thereof and interest thereon, including reasonable attorneys' fees, whether suit be brought or not. Any Unit shall be conveyed subject to a lien for any unpaid assessments subject to the

provisions of the Act and this Declaration, but the personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

14.09 Default in Payment of Assessments. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to Association. In addition to the accrual of default interest, the Association may impose a penalty for nonpayment of any assessment by the due date. Such penalty shall not exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid and shall otherwise be subject to the provisions of the Act.

14.10 Lien for Assessments. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefore, and that such proper operation and management results in benefit to all Unit Owners, the Association is granted a lien upon each Unit and its appurtenant Allocated Interests, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each such Unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all late charges, fines and all costs and expenses, including reasonable attorneys' fees as permitted by law, which may be incurred by the Association in enforcing this lien against said Unit and its appurtenant Allocated Interests in the Common Elements.

Except as otherwise provided by law, the lien granted to the Association may be foreclosed pursuant to the Act and in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, pursuant to Article 2A of Chapter 45 of the General Statutes and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a Receiver for said Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose. All Persons who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to such lien rights.

14.11 Remedies. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owed to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. All the rights accruing to the Association shall be deemed cumulative

14.12 Subordination of Lien. The lien provided for herein is prior to all liens and encumbrances on a Unit except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed of trust on the Unit, recorded before the filing of the claim of lien in the office of the clerk of superior court and (ii) liens for real estate taxes and other governmental assessments and charges against the Unit.

14.13 Statement of Assessments. Whenever any Unit may be leased, sold, or mortgaged by the Unit's Owner, the Association, upon written request of the Owner, shall furnish to the proposed lessee, purchaser, or Mortgagee a statement verifying the status of payment of any assessment due and payable to the Association. Statements shall be executed by any officer of the Association, and any lessee, purchaser, or Mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction. The Association shall be bound by such statement. The Association may charge reasonable fees for the provision of such statements.

14.14 No Owner's Right in Assessments. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of Common Expenses. When the Owner of a Unit shall cease to be a member of the Association by reason of divestment of ownership of such Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Condominium.

ARTICLE XV SURPLUS FUNDS

The Board shall have the sole discretion to determine whether any distribution of surplus funds should be made to Owners and, if so, when such distribution should be made. If a distribution is made, any surplus funds of the Association remaining after payment of or provisions for Common Expenses and any prepayment of reserves must be credited to or paid to Unit Owners in proportion to their Allocated Interest. Nothing in this Article shall require periodic distributions of surplus funds.

ARTICLE XVI TERMINATION

The Condominium may be terminated, and the Condominium Property removed from the provisions of the North Carolina Condominium Act only in accordance with N.C. Gen. Stat. §47C-2-118

ARTICLE XVII AMENDMENT OF DECLARATION

This Declaration may be amended only by the vote of or by written agreement signed by not less than sixty-seven percent (67%) of the votes in the Association; provided, however, that any amendment which amends or alters the percentage of allocated interests of any Unit in the Common Elements, increases the number of Units, changes the boundaries of any Unit, or changes the use to which any Unit is restricted shall require the written approval of all Owners. No amendment to the Declaration shall be effective until executed on behalf of the Board by an officer designated for that purpose and recorded in the Public Registry

ARTICLE XVIII RIGHTS RESERVED UNTO MORTGAGEES

18.01 Rights of Mortgagees to Examine Books and Records. Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within one hundred twenty (120) days following the end of each fiscal year. If any Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant.

18.02 Mortgagee's Rights to Notice. Any Mortgagee or insurer or guarantor of a loan secured by a Mortgage that has notified the Board in writing of its name and address, the address and Unit number of the Unit encumbered by the Mortgage, or that it holds, insures or guarantees a Mortgage on, shall have the right to receive from the Association prompt written notice of the following: (a) default under any of the terms and provisions of the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by such party, which default remains uncured for a period of sixty (60) days; (b) any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a Mortgage held, insured, or

guaranteed by such Mortgagee; (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (d) any proposed action by the Association, the Board, or the Owners, which under the terms of the Condominium Documents requires the consent of all or any portion of the Mortgagees.

ARTICLE XIX ENFORCEMENT

19.01 Actions by the Association. In addition to and not in lieu of the other remedies for default provided in this Declaration, the other Condominium Documents, and the Act, the Association acting through the Board may bring a civil action against any Owner to enforce any obligation, covenant or restriction set forth in this Declaration or the other Condominium Documents.

19.02 Actions by Owners. Any Owner may also bring a civil action against any other Owner, or against the Association, or against the Board, or any one or more of them to enforce any obligation, covenant or restriction set forth in this Declaration or in the other Condominium Documents.

19.03 Attorneys Fees. If any action to enforce the terms of the Condominium Documents, the prevailing party shall be entitled to an award of its costs and reasonable attorney's fees.

ARTICLE XX EASEMENTS FOR GOVERNMENTAL AUTHORITIES

An easement is hereby established over the Common Elements for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, natural gas, cable antennae and other telecommunication lines, firefighting, garbage collection, postal delivery, emergency, rescue and public safety activities and law enforcement activities. The City of Raleigh shall not be responsible for failing to provide any emergency or regular fire, police or other public service to the Condominium or any Unit when such failure is due to lack of access to such areas due to inadequate design or construction, blocking of access routes, inadequate maintenance, or any other factor within the control of the Association or the Owners or occupants of the Units. Accordingly, the Board of the Association is empowered and authorized to make all efforts to assure that there is adequate access to all Units at all times and to correct any blocking of access or defects in access. In addition, neither the City of Raleigh nor the State of North Carolina shall be responsible for maintaining any private street. Such responsibility shall rest with the Association and the owners of the Units in that

such private streets will not be constructed to the minimum standards sufficient to allow their inclusion for public maintenance.

ARTICLE XXI MISCELLANEOUS PROVISIONS

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

21.02 Waiver. No provisions contained in the 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.

21.03 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

21.04 Law Controlling. This Declaration and the Condominium Documents shall be construed and controlled by and under the laws of the State of North Carolina.

21.05 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership as provided in the North Carolina Condominium Act. Throughout this Declaration wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.

21.06 Incorporation of Exhibits. Exhibits A, B, C, D and E attached hereto are hereby incorporated herein by this reference.

[SIGNATURE PAGE FOLLOWS]

CERTIFICATION OF VALIDITY OF AMENDMENT

By authority of its Board of Directors, the undersigned President of The Essex at Glen Eden Owners Association, Inc., hereby certifies that the foregoing instrument has been duly approved in writing by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and is, therefore, a valid amendment to the Declaration of Condominium for The Essex at Glen Eden.

THE ESSEX AT GLEN EDEN
OWNERS ASSOCIATION, INC.

By: Lucille C. McCarty
President

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I, Rommel Simon, a Notary Public of the County and State aforesaid, certify that Lucille C. McCarty, of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his/her signature and that he/she voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 10 day of FEBRUARY, 2021.

Rommel Simon
Notary Public

Rommel Simon
Printed Name

My commission expires: 03.28.2024



EXHIBIT A

DESCRIPTION OF PROPERTY

BEING all of Lot 1, containing 1.8421 acres, more or less, as shown on that plat by Timmons Group dated October 28, 2013, entitled "Essex at Glen Eden Subdivision, Phase 1" and recorded in Book of Maps 2013, Pages 1761-1762, Wake County Registry.

EXHIBIT B
VOTING AND ALLOCATED INTERESTS

Unit Number*	Votes	Allocated Interest	Share of Common Expense Liability
101	1	5.733%	5.733%
102	1	5.799%	5.799%
103	1	4.077%	4.077%
104	1	4.472%	4.472%
105	1	5.658%	5.658%
106	1	5.658%	5.658%
201	1	5.841%	5.841%
202	1	5.907%	5.907%
203	1	5.573%	5.573%
204	1	5.410%	5.410%
205	1	5.714%	5.714%
206	1	5.714%	5.714%
301	1	5.864%	5.864%
302	1	5.907%	5.907%
303	1	5.573%	5.573%
304	1	5.671%	5.671%
305	1	5.714%	5.714%
306	1	5.714%	5.714%
TOTALS:	18	100.00%	100.00%

*All Units are located at 3920 Essex Garden Lane.

EXHIBIT C

**ALLOCATION OF
LIMITED COMMON ELEMENTS**

<u>Unit</u>	<u>Parking Space #</u>	<u>Storage Space #</u>
101	P13	S8
102	P10A, P10B	S12
103	P22	S19
104	P23	S20
105	P2, P11A, P11B	S14
106	P16A, P16B	S13
201	P19	S3
202	P12A, P12B	S1, S2
203	P18	S4
204	P7	S5
205	P14, P15	S11
206	P21	S18
301	P9A, P9B	S22
302	P8A, P8B	S6, S7
303	P3, P4	S17
304	P1, P20	S15, S16
305	P5, P6	S9
306	P17A, P17B	S10

Storage Space S21 is a part of the general Common Elements and is not considered a Limited Common Element.

Exhibit C - Continued

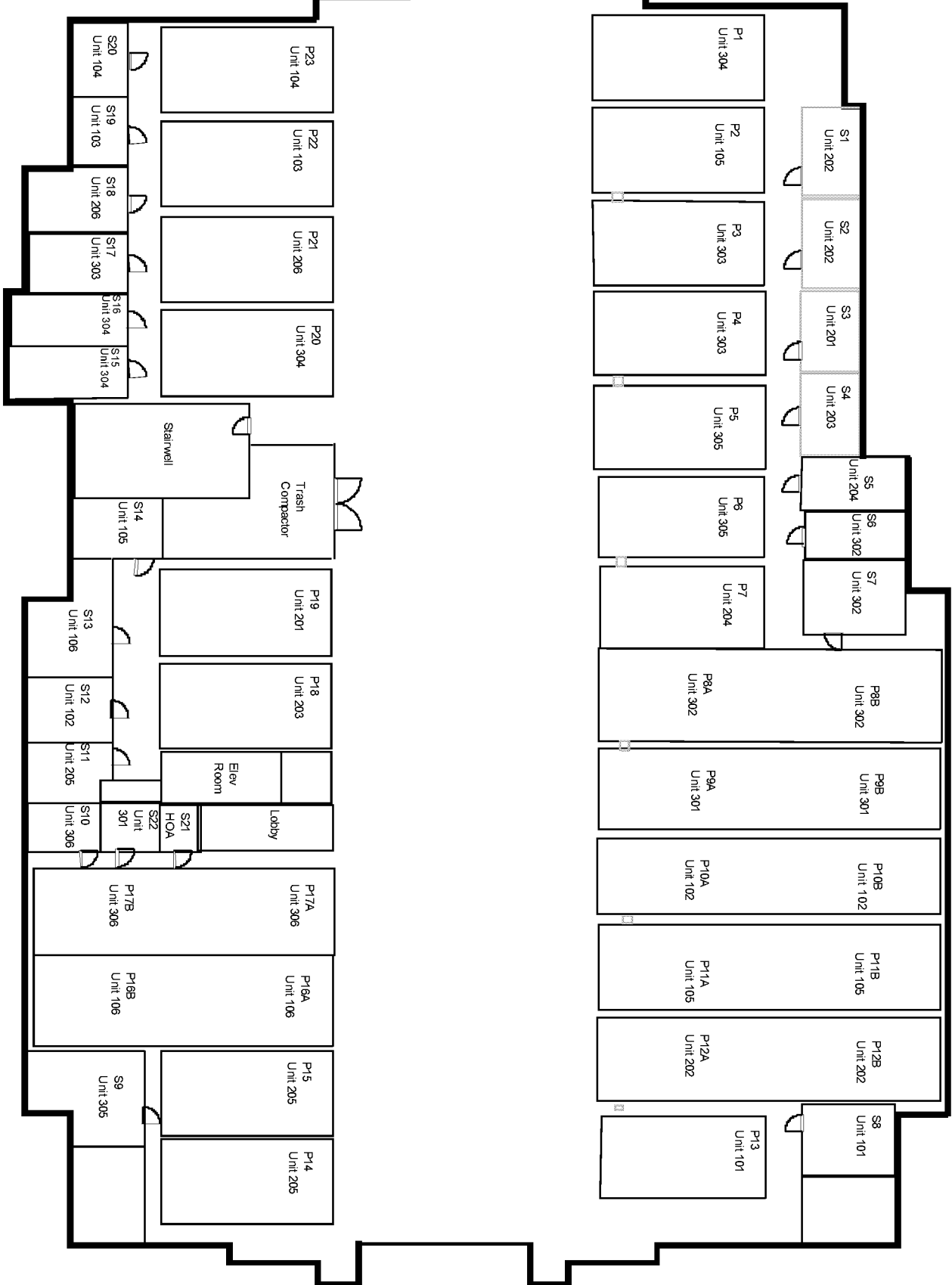


EXHIBIT D
MAINTENANCE RESPONSIBILITY CHART

Maintenance Item	Association Responsibility	Owner Responsibility
Balcony	XXX - Repair	Cleanliness
Doors, Building Entry	XXX	
Doors, Exterior Unit	XXX	
Door, Interior Unit		XXX
Ducts within Unit		XXX
Exterior Siding/Surfaces	XXX	
Floors, Unit		XXX
Foundation	XXX	
Garage	XXX	
Gutters	XXX	
HVAC System, Unit		XXX
Landscaping	XXX	
Paint, Unit		XXX
Parking Areas	XXX	
Pipes within Unit		XXX
Plumbing Fixtures, Unit		XXX
Porches/Stoops	XXX - Repair	Cleanliness
Roof	XXX	
Sheetrock, Unit		XXX
Subfloors, Unit	XXX	
Water/Sewer Lines	XXX	
Windows (excluding glass)	XXX	
Window Glass		XXX
Wiring within Unit		XXX

All pipes, ducts, wires, conduits, and similar equipment serving a single Unit becomes the responsibility of the Unit Owner at the point the pipe, duct, wire, conduit, etc. enters the Unit. If such item serves only one Unit and is located partially within and partially outside the Unit, it is a Limited Common Element.

Note that even though the Association may be responsible for physical repair and maintenance of a Limited Common Element, the cost of repair may be assessed against the Unit to which the Limited Common Element is allocated.

EXHIBIT E

AMENDED AND RESTATED BYLAWS FOR THE ESSEX AT GLEN EDEN OWNERS ASSOCIATION, INC.

ARTICLE I NAME AND LOCATION

The name of the corporation is The Essex at Glen Eden Owners Association, Inc., hereinafter referred to as the “Association”. The principal office of the corporation shall be located in North Carolina. Meetings of Members and directors may be held at suitable places convenient to the Members and the Board, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Unless otherwise specified, the words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized words shall have the same meaning as set forth in that certain Amended and Restated Declaration of Condominium for The Essex at Glen Eden Condominium, to which the Bylaws are attached as Exhibit D, which has been recorded in the Wake County Public Registry (“Declaration”).

ARTICLE III MEETINGS

Section 1. Annual Meetings. An annual meeting of the Members must be held at least once each year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president of the Association or by a majority of the Board, or upon written request of Owners having twenty percent (20%) of the votes in the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, not less than ten (10) nor more than sixty (60) days in advance of any meeting. Notice shall be hand-delivered or sent by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, or sent by electronic means, including electronic mail, to an electronic mailing addressed designated in writing by the Unit Owner. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes,

and any proposal to remove a director or officer. In the case of a special meeting, the notice of meeting shall include a description of the matter or matters for which the meeting is called.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. The quorum requirement shall continue to be reduced by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. If a meeting is adjourned to a different date, a new notice of meeting need not be given if the new date, time, and place is announced at the meeting before adjournment.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Unit Owner, and filed with the Secretary. An appointment in the form of an electronic record that bears the Member's electronic signature and that may be directly reproduced in paper form by an automated process shall be deemed a valid appointment form. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date unless it specifies a shorter term. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 6. Membership and Voting Rights. Membership in the Association shall be limited to the Owners, and every Owner of a Unit shall automatically be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from Unit ownership. Members shall be entitled to one (1) vote for each Unit owned. When more than one Person holds such interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit, and no fractional vote may be cast with respect to any Unit.

Section 7. Electronic Communications and Electronic Voting. The use of electronic transactions and transmissions by the Members or the Board is authorized in lieu of other forms of communication to the fullest extent allowed by North Carolina law, including without limitation, the North Carolina Condominium Act, Nonprofit Corporation Act and Article 40 of Chapter 66 of the North Carolina General Statutes. The Board may adopt a web-based or other electronic based method of voting which allows owners to cast votes electronically, and may also adopt measures allowing for virtual meetings and participation therein.

ARTICLE IV

EXECUTIVE BOARD OF DIRECTORS; SERVICE; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors who shall be Members of the Association.

Section 2. Term of Office. At the first annual meeting following the adoption of these Bylaws, two directors shall be elected for terms of two (2) years, and one director shall be elected for a term of one (1) year. Thereafter, directors shall serve for a term of two (2) years. Directors shall take office January 1 following their election and shall hold office until their respective successors shall have been elected by the Association. Each director may serve a maximum of three consecutive terms; otherwise, there shall be no limit on the total number of terms that an individual may serve. However, if there are an insufficient number of candidates to fill seats on the Board, a director who would otherwise be disqualified due to having served for three consecutive terms shall be an eligible candidate for that position. Only one (1) Member per Unit may serve on the Board at the same time.

Section 3. Removal. A director may be removed from the Board (i) with or without cause, by a majority vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present or (ii) by a majority of the Board in the event that director shall be absent from three (3) consecutive meetings of the Board of Directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents signed by each director describing the action taken, which are to be included in the minutes or filed with the corporate records. Such consents may be in electronic form and delivered by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6. Participation in Meetings. Members of the Board or of any committee that the Board appoints may participate in a meeting of the Board or committee by conference telephone, video conference, or similar method of communication, provided all persons participating in the meeting can hear each other

simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee if one is appointed by the Board, or by any Member of the Association in advance of the meeting at which election is to take place. Nominations may also be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. In the event the nominations for directors do not exceed the vacancies to be filled, the slate of directors may be elected by acclamation by a show of hands or voice vote.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE EXECUTIVE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have all powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the

Declaration, the Articles of Incorporation, these Bylaws, and otherwise by law, including, but not limited to, the power to:

(a) establish reasonable rules and regulations concerning the use of the Common Elements and the personal conduct of the Members and their guests thereon, as well as rules and regulations concerning use of the Units. Copies of such rules and regulations and amendments thereto shall be furnished by the Board of Directors to all Members prior to the rule's effective date. Such regulations shall be binding upon the Members, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, cancelled, or modified by the Board, or by Members holding at least two-thirds (2/3) of the votes in the Association;

(b) impose reasonable monetary fines not to exceed one hundred dollars (\$100.00) per day per violation, or the maximum amount allowed by law, for a violation of the Declaration, these Bylaws or the rules and regulations of the Association. No such monetary fine shall be imposed except following a hearing before the Board of Directors, which shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence;

(c) make or contract for the making of capital improvements upon the Common Elements;

(d) enforce the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the Board and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Declaration;

(e) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of for violation of the Declaration, these Bylaws, or the rules and regulations of the Association;

(f) suspend the community privileges (including use of recreational facilities, if any) of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of for violation of the Declaration, these Bylaws, or the rules and regulations of the Association;

(g) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(h) exercise for the Association all powers, duties and authority vested in or delegated to the Association by virtue of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes; the Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes; and by virtue of any other applicable statute;

(i) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors; and

(j) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to, without limitation:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a summary thereof to the Members at the annual meeting of the Members, or at any special meeting, when such summary is specifically requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(b) supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration or by statute, levy and collect assessments;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause the Common Elements to be maintained; and

(f) pay all ad valorem taxes and public assessments relating to the Common Elements.

ARTICLE VIII OFFICERS

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. All officers must be Members of the Association.

Section 2. Election of Officers; Term. The officers of the Association shall be elected annually by the Board. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Each officer shall hold office for one (1) year unless the individual shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by a majority of the Board. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. No person shall simultaneously hold more than one of the offices outlined in Section 1 above.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors and the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall prepare, execute, certify and record amendments to the Declaration in accordance with the amendment provisions set forth therein.

(b) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the

Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(c) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual compilation, audit or review of the Association books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 8. Management Company. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set out in Article VII, Section 2.

ARTICLE IX INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify any director or officer against liabilities and reasonable litigation expenses, including attorney's fees, incurred by him/her in connection with any action, suit or proceeding in which he/she is made or is threatened to be made a party by reason of being or having been such director or officer, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to have acted in bad faith or outside the scope of his/her duties as a director, or to have been liable or guilty by reason of willful misconduct in the performance of duty.

ARTICLE X COMMITTEES

The Board of Directors may appoint such committees as are authorized in the Declaration or as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Such committees may include, but are not limited to, a Nominating Committee and an Audit Committee.

ARTICLE XI BOOKS AND RECORDS

The books and records of the Association shall be subject to inspection by any Member in accordance with Chapter 55A of the North Carolina General Statutes. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Such documents shall also be made available to lenders, holders, insurers, and guarantors of any first mortgages or deed of trust on a Unit.

ARTICLE XII AMENDMENTS AND CONFLICTS

Section 1. These Bylaws may be amended at a regular or special meeting of the Members at which a quorum is present by two-thirds of the votes cast or a majority of the votes entitled to be cast on the amendment, whichever is less. There is no requirement that amendments to the Bylaws be recorded, though the Board may, in its discretion, record an amendment to these Bylaws.

Section 2. In the case of any conflicts, the provisions of North Carolina law, the Declaration, the Articles of Incorporation, and these Bylaws, in that order, shall prevail.

ARTICLE XIII MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.