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Prepared by and return to: Brian S. Edlin, Jordan Price, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA

WAKE COUNTY

DECLARATION OF CONDOMINIUM FOR 720 OAKWOOD AVE CONDOMINIUM

This Declaration of Condominium for 720 Oakwood Ave Condominium (the "Declaration") is made by Dukes Properties & Construction LLC, a North Carolina limited liability company ("Declarant"), pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, entitled the North Carolina Condominium Act.

WITNESSETH

WHEREAS, Declarant is the owner of that real property more particularly described on Exhibit A which is attached hereto and made a part hereof and which is further shown upon the Plans as defined herein; and,

WHEREAS, Declarant intends to develop the real property described on Exhibit A as a residential condominium project; and

WHEREAS, Declarant executes this Declaration for the purpose of submitting the real property described herein to Chapter 47C of the North Carolina General Statutes and to the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the real property described on Exhibit A, which is incorporated herein by reference, shall be held, transferred, sold, conveyed, occupied and used subject to the following covenants, conditions, easements, uses, limitations, obligations, and restrictions, and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in said property, and their grantees, successors, heirs, executors, administrators, devises and assigns.

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:

Section 1.1 "**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.

Section 1.2 "**Association**" shall mean and refer to the 720 Oakwood Ave Association, Inc., a North Carolina non-profit corporation, which shall manage the Condominium as specified in this Declaration, its Articles of Incorporation and corporate Bylaws, and the Act.

Section 1.3 "**Board**" 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.

Section 1.4 "**Building**" shall mean and refer to the building constructed on the Condominium Property, including all Units and Common Elements therein.

Section 1.5 "**Bylaws**" shall mean and refer to the Bylaws of the Association, and all amendments to such Bylaws which may from time to time be adopted. The initial Bylaws of the Association are attached as Exhibit B.

Section 1.6 "**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.

Section 1.7 "**Common Elements 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. Each Unit has an equal Common Element Interest.

Section 1.8 "**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: all sums lawfully assessed against Members by the Association; expenses of administration, maintenance, repair, or replacement of the Common Elements; expenses agreed upon as Common Expenses by the Members; expenses declared to be Common Expenses by the provisions of the Act, the Declaration, or by the Bylaws; hazard, and such other insurance premiums as the Act, the Declaration, and/or Bylaws may require or allow the Association to purchase; taxes and public assessments levied against the Common Elements not otherwise assessed against the Units; and any utilities which serve the Common Elements.

Section 1.9 "**Condominium**" shall mean and refer to the 720 Oakwood Ave Condominium, as established by the submission of the Condominium Property and all improvements thereon to the terms of the North Carolina Condominium Act by this Declaration.

Section 1.10 "**Condominium Documents**" shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws, and any rules or regulations governing the use of the Condominium Property, as amended and supplemented from time to time, and all attachments and exhibits thereto.

Section 1.11 "**Condominium Property**" or "**Property**" shall mean the real property described on Exhibit A, together with the Building and other improvements, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property, together with such improvements thereon as may be added to the Property.

Section 1.12 "**Declarant**" shall mean and refer to Dukes Properties & Construction LLC, a North Carolina limited liability company, its successors and assigns to whom any of its rights hereunder are expressly transferred, in whole or in part, or who succeeds to any Special Declarant Right.

Section 1.13 "**Declarant Control Period**" means the period commencing as of the date of recording of this Declaration, and terminating no later than the earlier of: (i) 120 days after conveyance of seventy-five percent (75%) of the Units to Owners other than Declarant; (ii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iii) two years after any development right to add new Units was last exercised; or (iv) the date upon which Declarant voluntarily surrenders control of the Condominium in writing.

Section 1.14 "**Declaration**" shall mean and refer to this Declaration of Condominium for 720 Oakwood Ave Condominium, as it may be amended or supplemented from time to time.

Section 1.15 "**Limited Common Elements**" shall mean and refer to those portions of the Common Elements allocated by this Declaration for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in Section 4.2 of this Declaration or as may be depicted on the Plans.

Section 1.16 "**Member**" shall mean any person or entity entitled to membership in the Association as provided herein.

Section 1.17 "**Mortgage**" shall mean and refer to a first mortgage or deed of trust constituting a lien on a Unit.

Section 1.18 "**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 XV.

Section 1.19 "**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.

Section 1.20 "**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.

Section 1.21 "**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 Condominium Drawer Number CM2026 at pages 184 in the Public Registry.

Section 1.22 "**Public Registry**" shall mean and refer to the office of the Register of Deeds of Wake County, North Carolina.

Section 1.23 "**Special Declarant Rights**" shall have the meaning set forth in N.C.G.S. §47C-1-103 and as more particularly described in Article VI below.

Section 1.24 "**Special Declarant Rights Period**" shall mean and refer to the period of time during which Declarant may exercise Special Declarant Rights, which period commences as of the recordation of this Declaration and, except as otherwise provided herein, shall continue for ten (10) years thereafter unless Declarant records a statement of termination of such rights in the Public Registry prior to such time.

Section 1.25 "**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 Article III below. The Units are townhome-style condominium units that share a wall.

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
DESIGNATION AND DESCRIPTION OF CONDOMINIUM; EXPANSION

Section 2.1 **The Condominium**. The Condominium is located in Wake County, North Carolina. The Condominium Property and all improvements thereon are together hereby subjected to the terms of the North Carolina Condominium Act by this Declaration. The name of the resulting Condominium is "720 Oakwood Ave Condominium."

Section 2.2 **Maximum Number of Units**. The Condominium shall consist of a total of two (2) townhome-style Units that share a wall. The total number of Units in the Condominium may not exceed two (2) Units.

ARTICLE III
DESCRIPTION OF BUILDING AND UNITS

Section 3.1 **Building**. One (1) building containing two (2) Units will be constructed. The Building location and dimensions are more particularly described in the Plans.

Section 3.2 **Units**. The location of Units within the Condominium, their dimensions, and their floor and ceiling elevations, are shown on the Plans. There are a total of two (2) Units within the Condominium. The identification number for each Unit is set forth on the Plans.

Section 3.3 **Unit Boundaries**. The upper boundary of the Unit is the innermost surface of the roof decking; the lower boundary of the Unit is the lowest plane of the foundation of the Unit, including the crawlspace; and the perimeter boundaries are the innermost surfaces of the exterior building covering. If the Units share a party wall, the boundary of the Unit is the mid-point of said party wall. The intent of this section is that the roof (including roof decking) and exterior building surfaces (such as fiber cement siding) are part of the Common Elements, and items such as exterior walls studs and sheathing, the foundation, structural components of the Units, attics and crawlspaces, if any, are a part of the Unit. The following, whether located within or outside the Unit's boundaries are considered to be part of the Unit: any portions of the heating, ventilating, and air-conditioning systems, including fans, compressors, return air grills and thermostats designed to serve a single Unit; all exterior doors and windows and components thereof; exterior light fixtures serving a single Unit; those portions of any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture located partially within and partially outside the designated boundaries of the Unit, but which exclusively serve the Unit; and all components forming the foundation of the Unit, including any footings, slabs, and foundation walls.

ARTICLE IV
COMMON ELEMENTS

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

Section 4.2 **Limited Common Elements**. The Limited Common Elements are a subset of the Common Elements that are allocated by the Declaration for the exclusive use of a single Unit. The Limited Common Elements include the following:

(a) Any shutters, awnings, window boxes, doorsteps, terraces, stoops, porches, decks, balconies, patios, steps, stairs, and all other fixtures or exterior improvements which serve a single Unit.

(b) Walkways and driveways which serve a single Unit.

(c) Fencing serving a single Unit.

(d) Any components of a building sprinkler system (if any) located within a Unit.

(e) Those areas indicated as Limited Common Elements on the Plans which shall be allocated as described therein.

(f) The side, front, and rear yard space immediately adjacent to each Unit. The side, front, and rear yard space allocated to a Unit shall be determined by extending a straight line through the shared wall to the front and rear boundary lines of the Property.

References in this Declaration to the "Common Elements" shall include the Limited Common Elements unless the context clearly indicates otherwise. The allocation of use of Limited Common Elements to the Units as provided for in this Declaration shall not be altered without the unanimous consent of the Owners whose Units are affected.

Section 4.3 Undivided Interests of Owners in Common Elements; Voting. The Common Elements Interest allocated to each Unit is calculated by dividing one hundred (100) by the total number of Units to arrive at each Unit's percentage interest in the Common Elements. Each Unit shall have an equal interest in the Common Elements. The Common Elements Interest allocated to each Unit shall not be changed except with the unanimous consent of all the Owners of all the Units, except as may be specifically authorized by the Act or elsewhere in this Declaration. There shall be one (1) vote in the Association allocated to each Unit.

Section 4.4 Partitioning. The interests in the Common Elements allocated to each Unit shall not be conveyed, devised, encumbered, partitioned or otherwise dealt with separately from said Unit, and the interests in the Common Elements allocated to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such interests are not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon the Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit's allocated interests in the Common Elements unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the identifying number assigned thereto on the Plans without limitation or exception 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 interest in the Common Elements by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety or any other form permitted by law.

ARTICLE V
MAINTENANCE

Section 5.1 Maintenance of Common Elements. The Association is responsible for maintenance and repair of the Common Elements. All Limited Common Elements shall be maintained, replaced and repaired by the Owner of the Unit to which the Limited Common Element is allocated.

Section 5.2 **Incidental Damage; Negligence.** Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Elements, the Association shall, at its 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 the Owner or by the Owners employees, servants, guests, invitees or lessees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductible provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. 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.

Section 5.3 **Maintenance Responsibilities of the Unit Owner**. Each Unit Owner shall be responsible for the maintenance and repair of all portions of the Owner's Unit and the Limited Common Elements allocated to that Unit. Any conduit, pipe, wire, or any other fixture serving a single Unit is the responsibility of that Unit Owner to maintain, no matter the location of such conduit, pipe, wire, or fixture.

In case of damage or destruction of any Unit or any part thereof by any cause whatsoever, the Owner of such Unit shall cause with due diligence the Unit to be repaired and restored, applying the proceeds of insurance, if any, for that purpose. Such Unit shall be restored to a condition comparable to that prior to the damage.

Any repair and replacement of a party wall between adjoining Units shall be the joint responsibility of those Unit Owners, each to pay an equal share of the cost of such repair and replacement. If a party wall is destroyed or damaged by fire, termite infestation or other casualty, the owner of either Unit of which such party wall is a part may restore it to its former condition and, in that event, the parties sharing the structure shall contribute equally to the expense of such restoration.

Upon the failure of an Owner to maintain the Owner's Unit in accordance with this Declaration, the Association shall be authorized (but shall not be obligated) to maintain, repair or restore such Unit, and the cost thereof shall be charged to such Owner and constitute a lien on the Unit until paid.

ARTICLE VI
SPECIAL DECLARANT RIGHTS

Until the expiration of the Special Declarant Rights Period, Declarant will have the right to exercise the following Special Declarant Rights and all Special Declarant Rights described in the Act with respect to all of the Condominium, in addition to any other such rights reserved in this Declaration:

(a) Development Rights. The right to exercise all "development rights" as defined from time to time in the Act with respect to all of the Condominium, including without limitation the right or combination of rights hereby reserved by Declarant, as follows:

(1) The right to complete any improvements shown on the Plans.

(2) The right to subdivide Units, combine Units and alter Unit boundaries, and to create Common Elements (including Limited Common Elements), so long as the maximum number of Units does not exceed two (2) Units.

(3) The right to locate, relocate and maintain within the Condominium, a sales office, a model Unit, and signs advertising the Condominium. The office, model Unit and signs will be of sizes and styles determined by Declarant and may be relocated by Declarant from time to time.

(4) The right to appoint any officer or director of the Association, as provided in this Declaration or the Bylaws, but subject to the limitations of the Act.

(b) Easements to Facilitate the Exercise of Special Declarant Rights. Declarant hereby reserves for itself and its successors and assigns a non-exclusive easement upon, across, over, in, and under the Condominium Property as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or this Declaration, including, without limitation: easements for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, and the installation of cable and satellite dishes and their communications systems and indoor sprinkler systems; and easements to store materials on the Common Elements and to make such other use of the Common Elements as may be reasonably necessary or incident to the construction and renovation of the Building and other improvements within the Condominium. The location of these easements and rights-of-way may be made certain by Declarant and the Association by instruments recorded in the Public Registry. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, reservations, exceptions and exclusions necessary or convenient for the development, use and operation of the Project and of any other property of Declarant or any affiliate of Declarant.

(c) Supplemental Provisions Regarding Declarant's Rights. Declarant reserves the right to amend this Declaration and any Plans, in its sole and absolute discretion without need for additional consent of any Person, including, without limitation, any Owner, the Association or any Mortgagee, in connection with the exercise of any development rights or any other Special Declarant Rights to the extent permitted by the Act, and the Declarant also reserves the additional rights retained for the benefit of Declarant in this Article and in other provisions of this Declaration.

ARTICLE VII
RESTRICTIONS ON USE

The following covenants, restrictions, conditions and limitations as to use and occupancy shall run with the Condominium Property and shall be binding upon each Owner, the Owner's family members residing in or occupying the Unit, guests, invitees, tenants, licensees, heirs, executors, administrators, successors and assigns.

Section 7.1 **Residential Use**. Except as otherwise set forth herein, no Unit may be used for any purpose other than residential use and other purposes ancillary to such use. Leasing of a Unit for residential purposes in accordance with this Declaration shall not be considered a business or business activity. In addition, Declarant or its assigns may maintain and operate any Unit as a sales or management office or as a model Unit, for the marketing of Units for sale or lease, or for marketing its other projects, and such use shall be permitted.

Section 7.2 **Compliance with Laws**. All laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed.

Section 7.3 **Garbage**. Trash, garbage and other waste shall be kept in sanitary containers within each Unit or deposited in appropriate trash collection bins for pickup. No trash or garbage shall be kept or stored on balconies, porches, patios, or decks.

Section 7.4 **Animals**. No animals, livestock or poultry of any kind shall be kept or maintained in any Unit or upon the Property except that dogs, cats or other household pets may be kept or maintained as long as they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances. For purposes of this section, the term "household pet" shall not include chickens, pigs, horses, goats, sheep, cows, or other type of livestock of any size, including pygmy and miniature varieties, whether or not the owner considers the animal to be a pet, and shall not include any venomous snake. 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. Pets shall not at any time be left unattended nor tied or chained in the Common Elements or any patio or porch or other 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.

Section 7.5 **Utilities; Sub-metering.** The Association shall be responsible for costs of water, sanitary sewer, and electrical service which serve the Common Elements, if any. Each Unit Owner is responsible for the costs of such utilities serving the Owner's Unit, including any repair or maintenance of the submeter serving said Unit.

Section 7.6 **Insurance**. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

Section 7.7 **Rules and Regulations**. In addition to the use restrictions set forth in this Declaration, reasonable rules and regulations governing the use of the Condominium Property, including the Units, may be established and amended from time to time by the Board.

Section 7.8 **Subdivision**. No Unit may be further subdivided.

Section 7.9 **Alteration.** No addition, alteration, or improvement of a structural nature to a Unit is permitted without the prior written consent of the Board.

ARTICLE VIII
ASSESSMENTS

Section 8.1 **Organization of Association**. The Association has been organized to provide for the administration of the Condominium Property and shall have the authority to administer the operation and maintenance of the Condominium and the Condominium Property and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation, the Bylaws, and the North Carolina Condominium Act. Every Owner shall be required to be and shall automatically be a Member of the Association by virtue of the Owner's ownership interest in a Unit.

Section 8.2 **Authority to Assess Owners**. The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners certain Common Expenses. To provide the funds necessary for such proper operation, management and capital improvement, the Association is granted the right to make, levy, and collect assessments against the Owners and their Units. In furtherance of this grant of authority to the Association to make, levy, and collect assessments to pay the costs and expenses for the operation, management of, and capital improvements to the Condominium, the following provisions shall be operative and binding upon the Owners of all Units. Until the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses.

Section 8.3 **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 Common Elements Interest multiplied by the Common Expenses (the "Common Assessment").

Section 8.4 **Manner of Payment**. Assessments provided for herein shall be payable annually or in quarterly installments, as determined by the Board.

Section 8.5 **Commencement**. In accordance with the Act, until the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses. After any assessment has been made by the Association, assessments thereafter must be made at least annually by the Association as to all Units then subject to this Declaration.

Section 8.6 **Annual Budget**. Declarant shall establish the initial budget for the payment of Common Expenses. Thereafter, the Board shall establish an annual budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Unit). Such budget shall project all expenses (including ad valorem taxes and public improvement assessments levied against the Common Elements) for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year.

Section 8.7 **Modification of Assessment**. Should the Board at any time determine, in its sole discretion, that the Common Assessment levied is, or may prove to be, insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments it may deem to be necessary.

Section 8.8 **Default; Interest**. 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 established by the Association 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 Association not to exceed eighteen percent (18%) per annum, commencing on the date of default and continuing until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association.

Section 8.9 **Late Payment Penalty**. 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.

Section 8.10 **Liability of Owners for Assessments and Other Charges**. The Owner 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 is in default in payment of any assessment or installment thereof owned to the Association, such Owner shall be personally liable, jointly and severally, for interest and

penalty on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

Section 8.11 **No Exemption**. No Owner may exempt himself from liability from any assessment levied against him or his Unit by waiver of the use of enjoyment of any of the Common Elements or by abandonment of the Unit or in any other way.

Section 8.12 **Assessments Against Specific Owners**. Notwithstanding the requirement of Section 9.3 that assessments be levied against each Owner according to the Common Elements Interest of each Owner, the Association shall assess any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element against the Unit or Units to which that Limited Common Element is assigned; any Common Expense, or portion thereof, benefiting fewer than all of the Units exclusively against the Units benefited; 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; the cost of utilities, if not separately metered to each Unit, in proportion to usage if it can be reasonably determined that any Unit or Units use an unusually disproportionate share of any utility; 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 Common Expense Liabilities; and any Common Expense caused by the misconduct of any Owner exclusively against the Owner.

Section 8.13 **Assessment Lien Granted**. Recognizing the proper operation and management of the Condominium requires the continuing payment of costs and expense thereof, and that such proper operation and maintenance results in benefit to all of the Owners, and that the payment of such Common Expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Owner, the Association is hereby granted a lien upon each Unit and its appurtenant Common Elements Interest, 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 penalties and 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 costs and expenses, including a reasonable attorneys' fee and management fee, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant Allocated Interest.

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.

Section 8.14 Enforcement of Lien. The lien herein as granted unto the Association shall be enforceable pursuant to the Act, Article 2A of Chapter 45 of the General Statutes, and any other applicable law, from and after the time of recording a claim of lien in the Office of the Clerk of the Superior Court of Wake County. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid.

Section 8.15 Other Remedies. This Section does not prohibit the Association from bringing an action to recover sums due it as an assessment independent of any lien filed or claimed, nor does it prohibit the Association from taking a deed in lieu of foreclosure.

Section 8.16 Judgments. Any judgment brought hereunder to enforce the lien or the collection of any assessment must include the costs and reasonable attorneys' fees for the prevailing party.

Section 8.17 Lien Subordinate to Mortgage. The lien provided for herein shall be subordinate to the lien of any mortgage or deed of trust recorded before docketing the lien and the lien for real estate taxes but shall be superior to all other liens. Any person acquiring title to any Unit and its appurtenant Common Elements Interest by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale resulting from such prior lien, mortgage or deed of trust shall be liable and obligated only for assessments which shall accrue and become due and payable for said Unit and its appurtenant Common Elements Interest subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Units, including such purchaser, his successors and assigns, as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

Section 8.18 Statement of Assessments Due. Whenever any Unit may be leased, sold or mortgaged by the Owner thereof, 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 which shall be due and payable to the Association by such Unit. Such statement 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, and the Association shall be bound by such statement. The Association may charge reasonable fees for the provision of such statements.

Section 8.19 Purchaser Liable for Delinquent Assessments. In any voluntary conveyance of a Unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser therefore.

Section 8.20 **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 owning to the Association. All of the rights accruing to the Association shall be deemed cumulative.

Section 8.21 **Working Capital Fund**. To help ensure that the Association will have sufficient monies available to meet initial expenditures, the Association has established a working capital fund ("Working Capital Fund"). At the time of the closing of the first sale of each Unit to a purchaser (other than Declarant or a successor declarant), the purchaser thereof shall pay into the Working Capital Fund in the amount of One Thousand Dollars ($1,000.00). No such payments made into the Working Capital Fund shall be considered an advance or current payment of other assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of the Condominium Documents.

ARTICLE IX
EASEMENTS AND PROPERTY RIGHTS

Section 9.1 **Cross Access Easements**. Subject to the terms of this Declaration, Declarant does hereby grant, declare and establish, for the benefit of (or to burden) all of the Units, and the Unit Owners, a perpetual non-exclusive easement for ingress, egress, and regress, over, across and through those portions of the Common Elements designated as and consisting of roadways, parking areas, entrances and exits, driveways, drive aisles, sidewalks, walkways and similar improvements designed for common use for pedestrian and vehicular access to and from the Condominium Property to public or private rights-of-way benefitting the Condominium Property, to provide access to public rights-of way surrounding the Property, and for such other purposes for which those common improvements are designed.

Section 9.2 **Drainage, Utility and Other Easements**.

(a) Subject to the terms of this Declaration, Declarant does hereby grant, declare and establish, for the benefit of (or to burden) all of the Units, and the Unit Owners, a perpetual, non-exclusive easement over the Property for the flow of storm water, generally, and for the flow of storm water into, together with the use and benefit of, the stormwater facility or facilities benefitting the Condominium Property.

(b) Subject to the terms of this Declaration, the Declarant does hereby grant, declare and establish an easement under, across, over, and through the Condominium Property for the location, use, operation, maintenance, repair and replacement of public utilities, including without limitation, underground water, electric, gas, and telecommunication facilities and utilities, to serve or benefit the Buildings and other improvements within the Condominium.

(c) Subject to the terms of this Declaration, Declarant (until such time as Declarant no longer owns any Property) reserves the right to grant easements over the Property, without the consent of any Person (including, without limitation, the applicable Owner or Unit Owner, any Occupant, the Association or any Mortgagee), for services and public and private utilities, including without limitation, storm water, sanitary sewer, domestic water, fire protection water, natural gas, electric, telecommunications, cable television and other utility lines and facilities located or to be located on or within the Project Property (including, without limitation, the Easement Areas), but outside of Buildings, including those facilities (if any) shown and identified on any Plat, but subject to the following limitations:

(i) In no event shall any utility line be installed under any Building constructed within the Property, except as permitted by applicable law and sound engineering practices.

(ii) To the extent reasonably required for the development of the Condominium, if it is determined by Declarant, in Declarant's sole discretion, that the Condominium Property shall have located upon it a temporary stormwater facility or permanent stormwater facility, or reasonable access to such storm water facility, then the Declarant hereby reserves the right to grant, or to allow the Association, as applicable, upon request, to grant to the City (or such other local governmental authority) easement rights for ingress, egress, access, installation, construction, operation, maintenance, repair and replacement over such portion of the Condominium Property as is necessary to meet local requirements for granting such rights to the City for similar storm water facilities.

Section 9.3. **Parking Easement; Charging Station**. Each Unit Owner, his or her family members, guests, invitees, and tenants shall have a right, privilege and easement to park automobiles in the driveway allocated for use of that Unit as shown on the Plans, and each Unit Owner is authorized to install and use an electric car charging station within the Owner's garage or located immediately adjacent to the Owner's allocated driveway. Notwithstanding any provisions of the Declaration or Bylaws to the contrary, the Unit Owner shall provide all maintenance of the car charging station, including, without limitation, painting, repairing, replacing, and maintaining the station, and further, shall be responsible for payment of all utility costs associated with the car charging station. The installing Owner also covenants and agrees to bear responsibility for repairing and replacing any portion of the Common Elements or any item for which the Association would bear maintenance responsibility pursuant to the terms of the Declaration or Bylaws if such repair or replacement is due to damage caused by or attributable to the presence or use of the car charging station.

Section 9.4 **Construction Easements**. Declarant, the Association and each Owner shall have full rights of ingress and egress to and through, over and about the access ways and drives (and otherwise as reasonably necessary) located on the Easement Areas during such period of time as such Declarant, Unit Owner, or the Association is engaged in any construction or improvement work permitted under this Declaration, provided that the

constructing party complies with the standards set forth in this Declaration. No other Owner, Unit Owner or Occupant, shall in any way interfere with or hamper such constructing party, its employees, successors or assigns in connection with such construction.

Section 9.5 **Easement for Maintenance**. The Declarant and the Association, or any person authorized by it (including, but not limited to, its management firm) shall have the right of access over all Easement Areas and Common Elements and any other areas within the Property to the extent necessary for performance of its obligations of maintenance, repair, or replacement, as provided in this Declaration.

Section 9.6 **Easements to Serve Withdrawn Property**. To the extent all, or any portion of the Property is withdrawn from this Declaration, the easement rights set forth in this Article benefiting and encumbering the Withdrawn Property shall survive such withdrawal without modification, unless the Supplemental Declaration filed in connection with the withdrawal of such Withdrawn Property expressly states otherwise.

Section 9.7 **Right of Entry**. The Association shall have the right, but not the obligation, to enter upon any Unit or Common Element (and if necessary, upon any Buildings or other improvements contained thereon) for emergency, security, and safety reasons, to perform maintenance pursuant to this Declaration, and to inspect for the purpose of ensuring compliance with this Declaration and rules and regulations, which right may be exercised by the Association, its officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and only after notice at least 24-hours in advance to the applicable Unit Owner as provided herein, and commercially reasonable efforts shall be made to minimize interference with the Unit Owner's possession and enjoyment of its Unit. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Association. Any governmental agency, their agents, and employees, shall have the right of immediate access to the Common Areas at all times if necessary for the preservation of public health, safety and welfare.

Section 9.8 **Cooperation, Repair and Indemnification**. All easements granted in this Declaration, and the use thereof, shall be deemed to be limited to the extent reasonably necessary to accomplish the purposes for which such easements are granted. Declarant, the Association, and each Unit Owner agree to cooperate with the reasonable requests of the others in furtherance of the spirit and intent of the matters addressed in this Declaration. To this end, the Association, Declarant and other Unit Owners may enter into cooperative agreements with each other for the common provision of services and systems, so long as such agreement is consistent with the other terms and conditions contained in this Declaration.

Section 9.9 **Encroachment Easements**. If any portion of the Common Elements now encroaches upon any Unit; or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements; or if such encroachment shall occur hereafter as a result of the settling or shifting of the Building; then there shall exist a valid easement for the encroachment and for the maintenance of same for so long as the Building shall stand. If the Building or any Unit, or any portion of the Common Elements, is partially or totally

destroyed by fire or other casualty, or as a result of condemnation or eminent domain proceedings, and subsequently is rebuilt, encroachments of parts of the Common Elements upon any Unit, or of any Unit upon any other Unit or parts of the Common Elements due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

Section 9.10 **Easements Over Common Elements**. Declarant, for so long as it owns any Unit in the Condominium, and the Board, at any time, may grant easements for utility purposes for the benefit of the Condominium Property including the right to install, lay, maintain, repair and replace water lines; pipes; ducts; sewer lines; gas mains; telephone and television or cable television wires, cables, fiber optic lines and equipment; and electrical conduits and wires, over, under, along and on any portion of the Common Elements (including but not limited to those areas within the plenum areas between Units). For so long as Declarant owns any Unit in the Condominium, Declarant shall have an easement over the Common Elements as may be reasonably necessary to complete the construction of the Buildings and the other improvements within the Condominium. Furthermore, Declarant shall have, and does hereby reserve, for the benefit of itself, and the owner or owners of the Additional Property an easement over the Common Elements as may be reasonably necessary to develop the Condominium and the Additional Property, or any portion or portions thereof, whether the Additional Property or such portion or portions thereof is to be annexed into the Condominium, or is developed as a separate project; and also non-exclusive permanent easements for access, ingress, egress, and regress, and for the furnishing of utilities, over the Condominium for the benefit of the Project and the Additional Property. The Association may in its discretion require that the owner or owners of the Additional Property (or portion or portions thereof) exercising such easements pay a pro rata share of the cost to maintain any facilities used in the exercise of such easements, based upon the square footage of improvements sharing in the use of such facilities.

Section 9.11 **Emergency Access**. In case of any emergency originating in or threatening any Unit or the Common Elements, regardless of whether the Owner is present at the time of such emergency, the Association, or any other person authorized by the Board, shall have the right to enter any Unit or Limited Common Element for the purpose of remedying or abating the cause of such emergency and making any other necessary repairs not performed by the Owners, and such right of entry shall be immediate.

Section 9.12 **Conveyance or Encumbrance of Common Elements**. While the Condominium remains subject to this Declaration and to the provisions of the North Carolina Condominium Act, no conveyances of or security interests or liens of any nature shall arise or be created against the Common Elements without the unanimous consent of Unit Owners. Nothing in this Section shall be construed to limit the right of any Owner to convey or to encumber such Unit Owner's allocated interest in the Common Elements as an appurtenance to and in connection with the conveyance or mortgaging of such Unit Owner's Unit.

Section 9.13 **Construction Inspection and Correction of Defects**. Without limiting any of other rights conferred herein, Declarant reserves for and grants to any of its architects, engineers, contractors, general contractors, prime contractors, or agents, and to their designees, including any of its subcontractors (collectively, a "Contractor") the following:

(a) A perpetual, nonexclusive easement throughout the Condominium to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion thereof, including without limitation the Building, Units and Common Elements. Declarant shall have the unilateral right, at any time to redesign, correct, modify or improve any part of the Condominium, including the Building, Units and Common Elements, to the extent reasonably necessary to correct any design defect, construction related defect, or other construction related problem; to change or improve the operational efficiency and structural integrity of any improvement located on the Condominium; and to otherwise provide a modified, superior or enhanced product within the Condominium; and

(b) A right of entry over any Unit upon reasonable notice to the Owner thereof, provided however, notice shall not be required in the event of an emergency. Except in the event of an emergency, entry into a Unit shall be only after Declarant or a Contractor notifies the Owner of the Unit (or the occupant thereof) and agrees with the Unit Owner as to a reasonable time to enter the Unit to perform such activities. Unit Owners shall cooperate in a reasonable manner with Declarant or a Contractor in the exercise of its rights provided for in this Section. Entry upon the Common Elements may be made by Declarant or a Contractor at any time with advance notice to the Association; provided, however, in an emergency no such notice shall be required and Declarant or a Contractor shall be permitted to enter upon any portion of the Condominium without advance notice or consent.

Section 9.14 Nature of Interest in Unit. Every Unit, together with its allocated interest in the Common Elements, shall for all purposes be and it is hereby declared to be and to constitute a separate parcel of real property. The Owner of each Unit shall be entitled to the exclusive fee simple ownership, access to and possession of such Unit Owner's Unit subject to the covenants, conditions, restrictions, easements, uses, limitations, obligations, Rules and Regulations set forth in the Condominium Documents or adopted by the Board and/or the board of directors of the Association.

Section 9.15 Easements Run with Condominium. All such easement rights described in this Article, unless otherwise provided, shall be appurtenant to, and shall run with title to, the Condominium.

Section 9.16 Other Easements, Restrictions, and Liens of Record. The Property is subject to those easements, restrictions, and liens of record listed on Exhibit D, and all easements depicted on the Plans.

ARTICLE X
INSURANCE

Section 10.1 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 insuring against all risks of direct physical loss commonly insured against

including fire and extended coverage perils, in an amount not less than one hundred percent (100%) of the replacement cost of the Building and as well as all Common Elements 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 need not cover any improvements and betterments installed by Unit Owners. 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 his Unit and his allocated interest in the Common Elements. If available, the policy shall provide 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.

Section 10.2 **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.

Section 10.3 **Other Insurance Coverage**. The Association shall have the right, in the Association'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 or administered by the Board.

Section 10.4 **Premiums & Deductibles**. Premiums upon insurance policies purchased by the Board shall be paid by the Association and charged as a Common Expense. Each Unit Owner shall be responsible for payment of the costs and repairs to his 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.

Section 10.5 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 submit evidence of such insurance upon request of the Association.

Section 10.6 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 Common Elements Interest.

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

(1) 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.

(2) 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:

(1) If it is determined pursuant to this Declaration 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.

(2) 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 XI
DUTY TO REPAIR OR RECONSTRUCT

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 unanimously decide not to rebuild. Unless one of the preceding three conditions occurs, the Association shall arrange for the prompt repair and restoration of the Buildings 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 per the provisions of the Act.

ARTICLE XII
UNITS SUBJECT TO CONDOMINIUM DOCUMENTS

All present and future Owners, tenants, occupants and/or guests of the Units shall be subject to and shall comply with the provisions of the Condominium Documents, and any Rules and Regulations as may be adopted in accordance with the same, as all of the foregoing may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of all of the above are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the Condominium and shall bind any person having at

any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

ARTICLE XIII
AMENDMENT TO DECLARATION

These covenants and restrictions shall run with, burden, and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Except in cases of amendment by the Declarant pursuant to other provisions in this Declaration, or amendment as provided for in the Act, this Declaration may be amended only by the unanimous agreement of Owners. When more than one Person holds ownership interest in any Unit, the vote or written agreement for any proposed amendment shall be exercised as they among themselves determine. If only one of the multiple Owners of a Unit casts a vote or executes written agreement to a proposed amendment, said vote or written agreement shall be binding on all record owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the votes allocated to that Unit or executes a written agreement without protest being made prior to the recording of the amendment. Except for amendments which Declarant is authorized to execute, no amendment to the Declaration shall be effective until executed on behalf of the Board by any officer designated for that purpose and recorded in the Public Registry, and during the Declarant Control Period, no amendment to this Declaration shall be effective without the written consent of Declarant. Further, during the Declarant Control Period, Declarant may unilaterally without the consent of any Person, including, without limitation, any Owner, the Association or any Mortgagee, amend the Declaration as necessary in its sole and absolute discretion in order to comply with financing requirements of any lender, the Department of Veterans Affairs or the Department of Housing and Urban Development, or the rules or guidelines (including "Selling Guidelines") of Fannie Mae or Freddie Mac, and may execute and record such amendment in the Public Registry.

ARTICLE XIV
TERMINATION

The Condominium may be terminated, and the Condominium Property removed from the provisions of the North Carolina Condominium Act only in accordance with the Act.

ARTICLE XV
RIGHTS RESERVED TO MORTGAGEES

Section 15.1 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.

Section 15.2 **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.

(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 XVI
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 the Act. 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 the Act. 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 XVII
MISCELLANEOUS PROVISIONS

Section 17.1 **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.

Section 17.2 **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.

Section 17.3 **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.

Section 17.4 **Law Controlling**. This Declaration and the Condominium Documents shall be construed and controlled by and under the laws of the State of North Carolina.

Section 17.5 **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.

Section 17.6 **Actions by the Association and Owners**. In addition to and not in lieu of the other remedies for default provided in this Declaration and the other Condominium Documents, 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. Any Owner may also bring a civil action against any other Owner to enforce any obligation, covenant or restriction set forth in this Declaration or in the other Condominium Documents. In any such action, the prevailing party shall be entitled to an award of its attorneys' fees.

[Signature Page Follows]

IN WITNESS WHEREOF, DECLARANT HAS HEREUNTO CAUSED THIS INSTRUMENT TO BE EXECUTED BY ITS MANAGER, ALL AS AN ACT AND DEED OF THE DECLARANT THIS THE 16 DAY OF June, 2026.

DUKES PROPERTIES & CONSTRUCTION LLC

By: _____
Nasir Dukes, Manager

STATE OF North Carolina

COUNTY OF Wake

ACKNOWLEDGEMENT

I, Estefany M Palacios Espinoza, a Notary Public of the County and State aforesaid, certify that Nasir Dukes of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his signature and that he 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 16th day of June, 2026.



_____
Notary Public

Estefany M Palacios Espinoza
Printed Name

My Commission Expires: June 20, 2028

EXHIBIT A

Property Subject to Declaration

BEGINNING at a point in the southern line of Oakwood Avenue about 48 feet West from the southwest corner of the intersection of Oakwood Avenue and what is now known as Haywood Street, runs thence West 50 feet to a point in the southern line of Oakwood Avenue; thence Southwardly in a line parallel with Haywood Street 76 feet to a point; thence East 50 feet to a point; thence North in a line parallel with Haywood Street 76 feet to Oakwood Avenue the point of BEGINNING. Being a part of the land conveyed to William J. Crain and wife, Maude U. Crain by Deed dated February 22, 1950 and recorded in Book 1038, Page 607, Wake County Registry. Haywood Street as referred to in this description is now known as Cooke Street.

For Informational Purposes:
REID: 0034965
Parcel Number: 1714002652
Address: 720 Oakwood, Avenue, Raleigh, NC 27601

EXHIBIT B

BYLAWS

[TO BE INSERTED]

BYLAWS
OF
720 OAKWOOD AVE ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is **720 Oakwood Ave Association, Inc.**, hereinafter referred to as the "Association". The principal office of the corporation shall be located in North Carolina.

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 Declaration of Condominium for 720 Oakwood Ave Condominium recorded or to be recorded in the Wake County Registry, as it may be amended from time to time (collectively, "Declaration").

ARTICLE III
MEETINGS

Section 1. Annual Meetings. An annual meeting of the Members must be held at least once each year and shall be held at the Condominium or other location mutually agreed to in writing by the Members.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by any Unit Owner.

Section 3. Notice of Meetings. Written notice of each meeting shall be given by, or at the direction of the 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, sent by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner, or sent by electronic means including electronic mail to an electronic mailing addressed designated in writing by the Lot 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. 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, 100 percent (100%) 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.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and signed by the Lot Owner. 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 Lot.

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 Planned Community Act, Nonprofit Corporation Act and Article 40 of Chapter 66 of the North Carolina General Statutes. The Board, in its discretion, may require that meetings of the Members or Board be held virtually.

ARTICLE IV
BOARD OF DIRECTORS; SERVICE; TERM OF OFFICE

The affairs of the Association shall be managed by a Board of two (2) directors, one of whom shall be appointed by the Owner of Unit 101, and the other appointed by the Owner of Unit 102. Directors shall hold office until their successors shall have been appointed by their respective Owners. Notwithstanding the foregoing, during the Declarant Control Period, the Declarant, or persons designated by the Declarant, may appoint, remove and replace the members of the Board in its sole discretion; subject, however to the limitations set forth in the Act.

ARTICLE V
MEETINGS OF DIRECTORS

Regular or special meetings of the Board of Directors shall be held when called by any Director after not less than three (3) days' notice to the other Director. All meetings shall be held at the Condominium, unless otherwise agreed by both Directors. 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. Both directors must be present to constitute a quorum for the transaction of business. Every act or decision done or made by both directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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 of Condominium, the Articles of Incorporation, these Bylaws, and otherwise by law, including, but not limited to, contracting for the maintenance of the Common Elements and enforcing the provisions of the Declaration and these Bylaws. The Board of Directors shall cause to be kept a complete record of all its acts and corporate affairs.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify any director against liabilities and reasonable litigation expenses, including attorney's fees, incurred by the director in connection with any action, suit or proceeding in which the director is made or is threatened to be made a party by reason of being or having been such director, except in relation to matters as to which the director 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 VIII
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.

ARTICLE IX
AMENDMENTS AND CONFLICTS

These Bylaws may be amended at a regular or special meeting of the Members upon unanimous approval of the Members. 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 X
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.

IN WITNESS WHEREOF, we, being all of the directors of the 720 Oakwood Ave Association, Inc., certify that the foregoing Bylaws were adopted by the Board of Directors at its initial meeting, and have hereunto set our hands this 11e day of June, 2026.

Nasir Dukes

Adina Safta

4938-9934-6349, v. 2

EXHIBIT C

COMMON ELEMENTS INTEREST and VOTING POWER

Unit Number	Unit Address	Common Element Percentage Interest	Votes in the Association
101	720 Oakwood Avenue, Unit 101 Raleigh, NC 27610	50.0	1
102	720 Oakwood Avenue, Unit 102 Raleigh, NC 27610	50.0	1
TOTALS		100	2

EXHIBIT D
EASEMENTS AND ENCUMBRANCES OF RECORD

1. Easements of record, including those depicted on the Plans.

2. Rights of way of public streets, including those depicted on the Plans.

3. All general utility and service easements affecting the land.

4. Deed of Trust, Security Agreement, Assignment of Leases and Rents, Assignment of Contracts and Plans, and Fixture Filing Security Instrument recorded in Book 19872, Page 1861 of the Wake County Registry.

5. Deed of Trust recorded in Book 19872, Page 1885 of the Wake County Registry.

6. All other restrictions and liens of record.