

This Public Offering Statement (Final Revision, Not Recorded) is the final version and is no longer subject to change. While it has not yet been officially recorded, all information contained herein is accurate and complete as of the final revision date.

**PUBLIC OFFERING STATEMENT
FOR
ALSTON URBAN RESIDENCES CONDOMINIUM**

This Public Offering Statement (“Statement”) is being offered to prospective purchasers of condominium units in the Alston Urban Residences Condominium (“Condominium”), as required by the North Carolina Condominium Act (“Act”). It contains a summary of the important features of the Condominium and must by law be delivered to each purchaser of a unit in the Condominium. An illustrative site plan of the proposed Condominium is attached to this Statement as **Exhibit A**. This Statement contains information known to MDRN PROPERTIES LLC (“Declarant”) as of the date this Statement was executed. Declarant intends to update this Statement, when appropriate, as new information becomes available. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration of Condominium for Alston Urban Residences Condominium (“Declaration”), which is attached hereto as **Exhibit B**.

The owner of each condominium unit (“Owner” or “Unit Owner”) owns all of the space within the Unit’s 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; 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 and exterior building surfaces (such as siding) are part of the Common Elements, and items such as exterior walls studs and sheathing, the foundation, structural components of the Unit, attics and crawlspaces 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.

Additionally, each Unit Owner owns an undivided percentage interest along with all other Unit Owners in all of the common elements in the Condominium. These common elements (“Common Elements”) may include, but are not limited to, the land on which the Condominium building is located, the roof of the building, exterior siding or surfaces of the building, common drives, and landscaped areas. There may also be limited common elements (“Limited Common Elements”) that are assigned specifically to a Unit and which are reserved for the exclusive use of the Unit to which they are assigned.

Each Unit Owner has the right to use and enjoy all the Common Elements located within the Condominium, and all the Limited Common Elements allocated to such Owner’s Unit, subject to the restrictions set forth in the Act or the Declaration or the rules and regulations imposed from time to time by the Alston Urban Residences Condominium Owners Association, Inc. (“Association”). Each Unit Owner is automatically a member of the

Association by virtue of such Owner's ownership of a Unit and must pay such Owner's share of the cost of maintaining the Common Elements, and of managing the Association, all as set forth in the Declaration. The Declaration contains important information regarding features of the proposed condominium project.

1. Name and Address of the Declarant and Condominium. The name of the Declarant is MDRN PROPERTIES LLC, which has a principal office address of 5125 W. Wendover Avenue, Jamestown, NC 27282. The Declarant's Registered Agent is Kata Walters, and the Registered Office is 5125 W. Wendover Avenue, Jamestown, NC 27282. The name of the Condominium is Alston Urban Residences Condominium. The Condominium consists of one (1) building containing a total of two (2) units which is more fully described in Section 2 below. The Units front Alston Avenue within the City of Raleigh. The specific street addresses for the units are set forth on Exhibit C to the Declaration. The vehicular entrance to the Condominium is located on Camden Street. The Condominium property is more specifically described on Exhibit A to the Declaration.

2. General Description of the Condominium.

(a) The Project. The Declarant intends to develop the Condominium as a residential community consisting of one (1) condominium building which will contain two (2) duplex-style condominium units. Each Unit will have its own parking pad. An illustrative site plan and depiction of the proposed Condominium is attached to this Statement as **Exhibit A**. This Site Plan shows the approximate locations of the buildings and certain other anticipated features of the project. The Units may be numbered on the Site Plan for convenience of reference. The Units may be assigned different numbers when the address plan for the project is completed and approved. Construction of the Condominium has already begun, and Declarant anticipates that construction will be completed by December 1, 2024. However, this construction schedule is an estimate, and because of the many variables in the construction process Declarant cannot warrant or guarantee the beginning or completion of construction by any certain date.

(b) Units. Not all Units have been completed as of the date of this Statement. The square footages of Units appearing in the sales materials that Declarant will present to prospective buyers may differ from the square footages of the Units as measured using the actual Unit boundaries of wall stud to wall stud. Any net square footages provided are based on the current development plans. The actual aggregate net square footages may differ on the final condominium documents because the method of measurement may be different. In any case, the method of measurement for all Units for purposes of preparing the final condominium documents will be the same. The term "net square footages" or "net square feet" as used in this Statement means the approximate heated square footages within the Units and does not include square footage within buildings but lying outside Units.

The dimensions, area, configuration and general appearance of any Unit depicted in marketing materials supplied by Declarant are approximations and may vary in completed dimension, area, configuration or general appearance from that initially depicted in such materials. The marketing materials do not contain the final working drawings for the Unit, and the final plans and specifications may vary from the marketing materials in certain respects. In

the course of construction of the Units, certain minor changes, deviations, or omissions may be necessitated by governmental authorities having jurisdiction over the unit, job conditions, design changes by the contractor or architect, or availability of materials, including but not limited to, the location of heating and air conditioning systems, water heaters, mechanical systems, plumbing, electrical and fire protection systems and sprinklers. All such changes, deviations, and omissions are hereby authorized by you, provided the changes do not materially affect the size or the value of your Unit. Declarant expressly reserves the right to make substitutions of materials or products in the construction of the Units, provided such substitutions are substantially equal or superior to those shown in the marketing materials.

(c) Allocated Interests. Each Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Unit Owner of each Unit shall also own, as an appurtenance to the ownership of each said unit, an allocated interest in the Common Elements. Each Unit will be allocated an equal percentage interest in the Common Elements of the Condominium ("Allocated Interest"). The Allocated Interests of each Unit are set forth as Exhibit C to the Declaration. The Allocated Interest shall be used, among other things, to allocate certain Common Expenses among the Units, all as is more fully set out in the Declaration. The Allocated Interest in Common Elements appurtenant to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from such Unit, and the Allocated Interest in the Common Elements 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. Each Unit will be assigned on (1) vote in the Association, as set forth in the Declaration.

(e) Common Elements and Limited Common Elements. The Common Elements include all portions of the Condominium that are not part of the Units and are more fully described in the Declaration. The Limited Common Elements are a subset of the Common Elements that are allocated by the Declaration or by operation of the Act for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements are also further described in the Declaration.

(g) Amenities. No amenities are anticipated.

3. Copies of Declaration, Bylaws and Other Documents.

(a) Declaration of Condominium: A copy of the proposed Declaration of Condominium for Alston Urban Residences Condominium, which will be recorded in the Wake County Registry, is attached hereto as **Exhibit B**. The Declaration is recorded for the purpose of establishing the Condominium and creating the Condominium Units and the Common Elements. Surveys and architectural plans will be recorded as well.

(b) Association Documents: The Condominium will be governed by the Alston Urban Residences Condominium Owners Association ("Association"), a North Carolina nonprofit corporation. Each Owner will be a member of the Association. The operation of the Association is more particularly described in the Declaration and the proposed Articles of Incorporation and

Bylaws for the Association. A copy of the proposed Bylaws of Alston Urban Residences Condominium Owners Association, Inc. is attached hereto as **Exhibit C**. A copy of the proposed Articles of Incorporation of the Association is attached hereto as **Exhibit D**.

(c) **Contracts to be Signed at Closing:** There are no contracts or leases to be signed by purchasers at closing, other than closing documents to effectuate the sale of the unit.

(d) **Contracts and Leases Subject to Cancellation by the Association:** The Association is not anticipated to be a party to any contracts or leases that may be subject to cancellation pursuant to N.C. Gen. Stat. § 47C-3-105 other than potentially contracts of insurance, property management, and landscaping maintenance.

(e) **Revisions to Condominium Documents:** Declarant reserves the right to make changes in the Declaration, Articles of Incorporation, Bylaws and exhibits thereto as may be necessary to conform to applicable laws and governmental regulations, including, but not limited to, zoning ordinances and building codes, to meet requirements of lending institutions, including, but not limited to the requirements of the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation as they may exist from time to time, to expedite the sale of the Units in the Condominium and to establish or reconfigure the dimensions or design of the Common Elements. In addition, the Declaration, Bylaws and Articles of Incorporation contain provisions allowing for amendment of such documents, and nothing contained in this Statement shall serve as a bar to any amendment of such documents enacted pursuant to the provisions set forth therein.

4. Current Balance Sheet, Projected Budget and Assessments. The Association has not yet been formed but will be formed by Declarant prior to the first conveyance of a Condominium Unit, and hence no current balance sheet for the Association exists. The projected budget for the Association for the first year following the first conveyance of a Unit is attached hereto as **Exhibit E**. The budget includes, as required by the provisions of the Act: (i) an amount for repair and replacement reserves, (ii) any other reserve amounts, and (iii) the projected common expense assessment by category or expenditures for the Association. This projected budget assumes a 0% inflation assumption. For purposes of preparing the budget, the Declarant assumed construction of all Units was completed simultaneously such that all the Units were built and existing during the budget year.

5. Declarant Services. Declarant at the present time does not anticipate providing any services or paying any expenses which Declarant anticipates may become a subsequent Common Expense of the Association, except as set forth on the budget.

6. Fees Due at Closing. In order to help ensure that the Association will have sufficient monies available to meet unforeseen 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 an amount equivalent to two (2) months of the current estimated annual assessment applicable to said Unit, or the amount of One Thousand Dollars (\$1,000.00), whichever is greater. 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. Additionally, if the Association has begun assessing the Units, the purchaser of a Unit will be required to pay the purchaser's share of the prorated assessments for the Association for the month in which the closing occurs and the full assessments for the following months. The assessments are more fully described in the Declaration.

7. Existing Liens or Encumbrances.

(a) The Plans will depict certain easements applicable to the Condominium Property, and the Declaration sets forth certain easements.

(b) Each Unit will be conveyed subject to the lien of Wake County taxes for the year of closing and subsequent years which are not yet due and payable, standard title exceptions for general utility service and the easements and restrictions set forth in the condominium documents that are referenced above.

(c) The Condominium Property is subject to liens for construction financing.

(d) Exhibit D to the Declaration contains a list of additional liens and encumbrances.

8. Warranties. Declarant shall issue to each purchaser a limited warranty in substantially similar form as the warranty attached as **Exhibit F**. Please review Exhibit F for details regarding coverage and exclusions. Declarant expressly disclaims any implied warranties relating to the appliances, heating and air conditioning systems, equipment and other personal property located in the Condominium. In addition, Declarant makes no representations or warranties as to the condition or health of any shrubs, trees, or plantings located within the Condominium, but will deliver to the Association any nursery's warranties with respect to those plants. No additional express or implied warranties, unless required by law, are or will be made by Declarant.

9. Public Offering Statement; Purchaser's Right to Cancel. Each purchaser of a Unit must receive this Public Offering Statement before signing a contract for purchase of a Unit. No conveyance of title by deed can occur until seven (7) calendar days following the signing of a contract for purchase. The purchaser has the absolute right to cancel the contract without penalty during that seven (7) day period. Under the Act, a purchaser electing to cancel a contract may do so by hand-delivering notice to the Declarant or by mailing notice by prepaid United States mail to Declarant at the Declarant's address specified in Section 1 of this Statement.

10. Judgment and Pending Suits. Declarant has no knowledge of any unsatisfied judgments or pending lawsuits against the Association, the Declarant, or pertaining in any way to the Condominium. There are no pending suits material to the Condominium of which the Declarant has actual knowledge.

11. Escrow Deposits. Any deposit made in connection with the purchase or reservation of a unit will be held under Declarant's name in a trust or in an insured bank or savings and loan association in North Carolina as required by N.C. Gen. Stat. § 47C-4-110 and as provided for by N.C. Gen. Stat. § 47C-4-108. The name and address of the escrow agent is Sterling Law, 3700 Glenwood Avenue, Suite 350, Raleigh, NC 27612. Payments held in such accounts shall be deemed to belong to the purchaser and not the seller. The deposit shall be held in such account until the seven (7) day period during which the purchaser may cancel the purchase contract expires, or the date of cancellation by the purchaser thereunder, whichever occurs first. After that date, the escrow agent shall have the right to transfer the deposit out of the escrow account and remit it to Declarant, without the prior written consent of the purchaser.

12. Restraints on Alienation. Common elements may be conveyed only in accordance with N.C. Gen. Stat. § 47C-3-112.

13. Insurance Coverage. The Declaration describes the insurance to be maintained by the Association, including:

- (a) The Association shall procure and maintain liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.
- (b) The Association shall procure and maintain at all times a policy or policies of property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.
- (c) The Association may also obtain and maintain (in amounts to be determined by the Board) (1) fidelity insurance covering all members of the Board, officers, or employees of the Association who handle funds of the Association; (2) directors and officers liability insurance; and (3) such other insurance coverages as it deems desirable and necessary.

Each Unit Owner is required to 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

14. Fees for Use of Common Elements. The Declaration describes assessments to be paid by Unit Owners. No other fees related to use of the Common Elements are contemplated at this time.

15. Completion of Improvements and Financing. The Declarant has obtained a firm loan commitment for construction of the project.

16. Zoning and Land Use Requirements. The land on which the Condominium will be situated is zoned R-10 under the terms of the City of Raleigh Zoning Ordinance. This is a residential district. Please see the City of Raleigh Unified Development Ordinance for additional information. The Condominium is also subject to all use restrictions as set forth in the Declaration, which contains various covenants, restrictions, conditions and limitations as to use and occupancy of the Condominium, which shall run with the land and be binding upon each Owner and the Owner's family, tenants, guests, and invitees. These use restrictions may be stricter than regulations contained in applicable governmental ordinances.

17. Alienation of Common Elements. Under the Act and the terms of the Declaration, portions of the Common Elements of the Condominium may be conveyed by the Association or subjected to a security interest only if persons entitled to cast at least eighty percent (80%) of the votes allocated to units, not owned by the Declarant, agree to the action.

18. Condominium Subject to Development Rights. The Condominium is subject to certain special declarant rights or development rights as set forth in the Declaration. Until the expiration of the Special Declarant Rights Period, Declarant will have the right to, among other things:

(a) Exercise all "development rights" as defined from time to time in the Act with respect to all of the Condominium;

(b) Complete any improvements shown on the Plans;

(c) 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;

(d) Locate, relocate and maintain within the Condominium, one sales office, one management 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 or removed by Declarant from time to time, and in any event promptly after the expiration of the Special Declarant Rights Period;

(e) Appoint any officer or director of the Association, as provided in the Declaration or the Bylaws, but subject to the limitations of the Act;

(f) Unilaterally amend the Declaration during the Declarant Control Period, except where expressly prohibited by the Act.

19. Exhibits.

The following exhibits are attached to and are an integral part of this Public Offering Statement:

Exhibit A: Illustrative Site Plan

Exhibit B: Declaration of Condominium

Exhibit C: Bylaws of the Association

Exhibit D: Articles of Incorporation of the Association

Exhibit E: Projected budget for the Association

Exhibit F: Warranty

THE STATEMENTS SET FORTH ABOVE ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO THE ENTIRE SET OF DISCLOSURE MATERIALS AND HIS OR HER PURCHASE CONTRACT. ALL DISCLOSURE MATERIALS AND CONTRACTS ARE IMPORTANT DOCUMENTS AND IF NOT UNDERSTOOD, THE PROSPECTIVE PURCHASER SHOULD SEEK COMPETENT ADVICE.

This the ____ day of _____, 2024.

**DECLARANT:
MDRN PROPERTIES LLC**

By: _____
Kata Walters, Manager

EXHIBIT A
ILLUSTRATIVE SITE PLAN

For Illustrative Purposes Only:



EXHIBIT B
DECLARATION OF CONDOMINIUM

Prepared by and return to: Lori P. Jones, Jordan Price, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA

DECLARATION OF CONDOMINIUM
FOR ALSTON URBAN RESIDENCES
CONDOMINIUM

WAKE COUNTY

**NOTICE IS HEREBY GIVEN THAT THIS DOCUMENT
REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.**

This Declaration of Condominium for Alston Urban Residences Condominium (the “Declaration”) is made this ____ day of _____, 2024, by MDRN PROPERTIES 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, devisees 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 Alston Urban Residences Condominium Owners 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 **“Building”** shall mean and refer to the building constructed on the Condominium Property, including all Units and Common Elements therein.

Section 1.4 **“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 1.5 **“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 1.6 **“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 1.7 **“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 1.8 “Condominium” shall mean and refer to the Alston Urban Residences 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 1.9 “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 1.10 “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 1.11 “Declarant” shall mean and refer to MDRN PROPERTIES, 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 1.12 “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 (including units which may be created pursuant to any other special declarant right) 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 1.13 “Declaration” shall mean and refer to this Declaration of Condominium for Alston Urban Residences Condominium, as it may be amended or supplemented from time to time.

Section 1.14 “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 1.15 “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 _____ at pages _____ 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 garage wall and are identified as Unit 1106 and Unit 1104 on the Plans.

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 “Alston Urban Residences 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/sheathing; the lower boundary of the Unit is the lowest plane of the foundation of the Unit; 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 and exterior building surfaces (such as siding) are part of the Common Elements, and items such as exterior walls studs and sheathing, the foundation, structural components of the Unit, attics and crawlspaces 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 (including garage doors, if any) 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, balconies, patios, porches, 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. The only permitted fencing is black, aluminum fencing which shall be the same design for each Unit.
- (d) 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. The yard space allocated to Unit 101 consists of all yard space on the left side of the imaginary line if one is facing the front of the dwelling, and the yard space allocated to Unit 102 consists of all yard space on the right side of the imaginary line if one is facing the front of the dwelling. Within this space, and with the permission of Declarant during the Declarant Control Period, Owners are permitted to install landscaping, hardscaping, fences, privacy screens, and invisible pet fences – all of which shall be the responsibility of the Owner in question to maintain, except as set forth in Section 5.2.
- (e) Roofs and rooftop decks serving a single Unit.
- (f) Any components of a building sprinkler system (if any) located within a Unit.
- (g) Those areas indicated as Limited Common Elements on the Plans which shall be allocated as described therein.

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; provided, however, all Limited Common Elements shall be maintained by the Owner of the Unit to which the Limited Common Element is allocated.

Section 5.2 Landscaping Responsibility. Each Owner is responsible for landscaping of the Limited Common Element yard space allocated to that Owner's Unit in Section 4.2 of this Declaration. The landscaping and related maintenance to be performed by each Owner is as follows:

- a. Prompt removal of all litter, trash, refuse and waste from the Owner's allocated yard space;
- b. Seeding, fertilizing and watering of any lawns and mowing, edging, clipping, sweeping, pruning, raking and otherwise caring for any lawns on a regular basis, including any portions of a street right of way adjacent to the Lot and not maintained by any governmental entity;
- c. Pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians, do not cause unsightly or unkempt conditions and do not trespass onto the property of others, including any street tree located within the road right of way;
- d. Removal of dead or diseased trees, shrubs and other plant material, and care, removal, and replacement of any street tree located within the road right of way; and
- e. Maintenance of flower and plant gardens;

Section 5.3 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 5.4 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 except as otherwise set forth in this Declaration. Such maintenance shall include, but is not limited to, maintenance, repair, and replacement of all windows and doors and components thereof and all other glass surfaces and screens; maintenance, repair, and replacement of any heating, ventilating, and air conditioning systems serving the Unit; removing and replacing dead or diseased trees, shrubs and plants; and removing trash and debris. 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. Each Unit Owner is also responsible for the roof and rooftop deck allocated to that Owner's Unit.

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 and 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 N.C.G.S. § 47C-1-103(23) 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 VIII 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 8.1 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 8.2 Compliance with Laws. All laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed.

Section 8.3 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 8.4 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 terrace or patio 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 8.5 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 8.6 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 8.7 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 8.8 Subdivision. No Unit may be further subdivided.

Section 8.9 Alteration. No addition, alteration, or improvement of a structural nature to a Unit is permitted without the prior written consent of the Board.

ARTICLE IX ASSESSMENTS

Section 9.1 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 9.2 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 9.3 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 9.4 Manner of Payment. Assessments provided for herein shall be payable annually or in quarterly installments, as determined by the Board.

Section 9.5 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 9.6 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 9.7 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 9.8 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 9.9 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 9.10 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 owed 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 9.11 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 9.12 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 9.13 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 9.14 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, or 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 9.15 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 9.16 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 9.17 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 9.18 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 9.19 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 9.20 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 owing to the Association. All of the rights accruing to the Association shall be deemed cumulative.

Section 9.21 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 an amount equal to two months of the then current annual assessment, or the amount of One Thousand Dollars (\$1,000.00), whichever is greater. No such payments 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 X EASEMENTS AND PROPERTY RIGHTS

Section 10.1 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 10.2 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 Property, 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 10.3. 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 parking pad(s) allocated for use of that Unit as shown on the Plans.

Section 10.4 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 located on the Property 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 10.5 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 areas within the Property to the extent necessary for performance of its obligations of maintenance, repair, or replacement, as provided in this Declaration.

Section 10.6 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 10.7 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 Building 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 10.8 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 10.9 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 10.10 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 any property within the Condominium an easement over the Common Elements as may be reasonably necessary to develop the Condominium, or any portion or portions thereof, whether the 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 Condominium.

Section 10.11 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 10.12 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 10.13 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 10.14 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 10.15 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 or any part thereof.

Section 10.16 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 XI INSURANCE

Section 11.1 Owner Insurance. 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. The proceeds of any applicable insurance policy shall be used to repair or restore any damage or destruction to a Unit unless restoration would be illegal under any health or safety statute or ordinance. If no insurance proceeds are available, or insufficient insurance proceeds are available, repair or replacement shall be at the Owner's expense. Any repair or restoration shall be consistent with the plans and specifications of the Unit in its original state.

Section 11.2 Association Insurance. The Association shall procure and maintain insurance as set forth below, and the premiums for such insurance shall be a Common Expense:

- a. **Liability Insurance.** The Association shall procure and maintain liability insurance in reasonable amounts, covering all occurrences commonly insured

against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

- b. Property Insurance – Common Elements. The Association shall procure and maintain at all times a policy or policies of property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.
- c. Other. The Association may also obtain and maintain (in amounts to be determined by the Board) (1) fidelity insurance covering all members of the Board, officers, or employees of the Association who handle funds of the Association; (2) directors and officers liability insurance; and (3) such other insurance coverages as it deems desirable and necessary.

Any loss covered by the property policy under subsection (b) shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any Mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Proceeds shall be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Condominium is terminated.

Section 11.2 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 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 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 and collectible in the same manner as annual assessments hereunder.

ARTICLE XII

DUTY TO REPAIR OR RECONSTRUCT

The Association shall promptly replace or repair any damage or destruction to the portions of the Condominium for which the Association is required to maintain insurance under this Declaration unless (1) the Condominium is terminated, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) the Unit Owners decide not to rebuild by a unanimous vote. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated or to lienholders, as their interest may appear, and (3) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interest may appear, in proportion to their Common Element interest.

ARTICLE XIII

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 XIV

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 with the unanimous consent 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.

Notwithstanding the above, any amendment of a material adverse nature to Mortgagees must be agreed to by Mortgagees that represent at least fifty-one percent (51%) of the votes allocated to Units that are subject to mortgages. Approval may be assumed if a

Mortgagee fails to submit a response to any written proposal for amendment within sixty (60) days after receiving proper notice of the proposed amendment, provide that notice was delivered by certified or registered mail, with a return receipt requested.

Except to the extent expressly permitted by the Act or other provisions of this Declaration, 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, changes the use to which any Unit is restricted, or modifies the terms of this Article shall require the written approval of all Owners. Unless otherwise provided herein or in the Act, 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. 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 amend the Declaration as necessary in its sole and absolute discretion, including 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 XV TERMINATION

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

Notwithstanding the foregoing, unless at least fifty-one percent (51%) of institutional lenders holding first Mortgages on Units within the Condominium, based on one vote for each first Mortgage owned, and Owners of units to which at least eighty percent (80%) of the votes in the Association are allocated, have given their prior written approval, the Association and its Members shall not be entitled to, by act or omission, seek to abandon or terminate the Condominium, except as otherwise provided herein in the event of substantial destruction by fire or other casualty or in the event of a taking by condemnation or eminent domain.

Approval may be assumed if a Mortgagee fails to submit a response to any written proposal for termination within sixty (60) days after receiving proper notice of the proposed termination, provide that notice was delivered by certified or registered mail, with a return receipt requested.

ARTICLE XVI RIGHTS RESERVED TO MORTGAGEES

Section 16.1 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 16.2 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 XVII 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 XVIII MISCELLANEOUS PROVISIONS

Section 18.1 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 18.2 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 18.3 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 18.4 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 18.5 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 18.6 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. The prevailing party in any civil action shall be entitled to an award of reasonable attorneys' fees and costs associated with the civil action.

[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 ____ DAY OF _____, 2024.

MDRN PROPERTIES LLC

By: _____
Kata Walters, Manager

STATE OF _____

ACKNOWLEDGEMENT

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that Kata Walters of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is her signature and that 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 ____ day of _____, 2024.

Notary Public

Printed Name

My Commission Expires: _____

CONSENT OF MORTGAGEE

Loan Funder LLC, Series 75728, a Delaware limited liability company, is the Beneficiary under that certain Commercial Deed of Trust, Security Agreement and Fixture Filing recorded in Book 19643, Page 398 of the Wake County Registry, conveying the property described on Exhibit A attached to this Declaration; that Collateral Assignment of Leases and Rents recorded in Book 19643, Page 422 of the Wake County Registry encumbering the property described on Exhibit A; and that UCC Financing Statement recorded in Book 19643, Page 431 of the Wake County Registry related to the property described on Exhibit A. The Beneficiary consents to the recordation of this Declaration and the imposition of the provisions hereof and the provisions of the North Carolina Condominium Act to the real property described on Exhibit A. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between the Beneficiary and the Declarant the relationship of partnership or of joint venture, nor shall it be deemed to impose upon the Beneficiary any of the liabilities, duties or obligations of Declarant under the Declaration. Beneficiary executes this Consent of Mortgagee solely for the purposes set forth above. The Trustee under the foregoing Deed of Trust executes this Consent for the same purposes subject to the same limitations.

BENEFICIARY:

LOAN FUNDER LLC, SERIES 75728

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

ACKNOWLEDGEMENT

I, _____, a Notary Public of the County and State aforesaid, certify that _____ 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 ____ day of _____, 2024.

Notary Public

Printed Name

My Commission Expires: _____

TRUSTEE:

By: _____
Stephanie Cooper Roberts

STATE OF _____

ACKNOWLEDGEMENT

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that Stephanie Cooper Roberts of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is her signature and that 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 ____ day of _____, 2024.

Notary Public

Printed Name

My Commission Expires: _____

EXHIBIT A

Property Subject to Declaration

That certain Lot or tract, located in Raleigh Township, Wake County, North Carolina, adjoining Alston Street and Camden Street, and described as follows:

Begin at an iron pin in the eastern margin of the right-of-way for Alston Street; Northwestern corner of Lot 3, which iron pin is also the southwestern corner of Lot 2 of the plat of Two Apples Properties, LLC as recorded in Book of Maps 2022 at Page 429; Wake Co. Registry; and run thence along and with the southern margin of Lot 2 South 84° 42' 54" East 76.76 feet to an iron pin found in the western line of William G. Kaufmann, et ux, (being Lot 3 as shown on Book of Maps 2020 at page 1141) (Deed Book 17992, Page 271); run thence along and with the Kaufmann's line South 06° 04' 44" West 2.29 feet to an iron pin found; continue thence along the Kaufmann's line South 06° 04' 44" West 10.00 feet to an iron pin set, southwestern corner for the Kaufmanns; run thence along and with the Kaufmann's southern boundary South 84° 07' 07" East 66.01 feet to a mag nail set in the western margin of the right-of-way for Camden Street; cornering, run thence along and with the western margin of the right-of-way for Camden Street South 05° 36' 31" West 32.02 feet to a rebar set; northeastern corner of Lot 4, Book of Maps 2022, Page 429; run thence along and with a new line for Two Apples Properties, LLC, and along the northern boundary line of Lot 4, Book of Maps 2022, Page 429, North 84° 42' 54" West 142.46 feet to an iron pin found in the eastern margin of the right-of-way for Alston Street, northwest corner of Lot 4, Book of Maps 2022, page 429; cornering, run thence North 05° 20' 28" East 45.00 feet to an iron pin found in the southwestern corner of Lot 2, Book of Maps 2022 at Page 429; the point and place of beginning.

Said tract being that certain LOT described as "Lot 3 of BM 2022 P 429" and designated "409" and shown on the Plat entitled "Recombination Survey of Lot 3 of Book of Maps 2020 Page 1141 and Lots 3 & 4 of Book of Maps 2022 Page 429" as prepared for Two Apples Properties, LLC by James L. Peacock, P.L.S., dated March 15, 2022 and recorded in Plat Book 2023, Page 319; Wake County Registry and now known as 409 Alston Street.

EXHIBIT B
BYLAWS
OF
ALSTON URBAN RESIDENCES CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is **Alston Urban Residences Condominium Owners 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 Alston Urban Residences 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 either 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 address 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.

[end of Bylaws]

EXHIBIT C

COMMON ELEMENTS INTEREST and VOTING POWER

Unit Number	Common Element Percentage Interest	Votes in the Association
409 Alston Street, Unit 101	50.0	1
409 Alston Street, Unit 102	50.0	1
TOTALS	100	

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. Matters shown on Book of Maps 2023, Page 319 in the Wake County Registry.
5. Commercial Deed of Trust, Security Agreement and Fixture Filing recorded in Book 19643, Page 398 of the Wake County Registry.
6. Collateral Assignment of Leases and Rents recorded in Book 19643, Page 422 of the Wake County Registry.
7. UCC Financing Statement recorded in Book 19643, Page 431 of the Wake County Registry.
8. All other restrictions and liens of record.

EXHIBIT C
BYLAWS

**BYLAWS
OF
ALSTON URBAN RESIDENCES CONDOMINIUM OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **Alston Urban Residences Condominium Owners 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 Alston Urban Residences 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 either 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 address 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.

[signature page follows]

IN WITNESS WHEREOF, we, being all of the directors of the Alston Urban Residences Condominium Owners 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 ____ day of _____, 2024.

Kata Walters

Marinus Leach

EXHIBIT D
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION

OF

ALSTON URBAN RESIDENCES CONDOMINIUM OWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purposes of forming a nonprofit corporation:

ARTICLE I

Name of Corporation

The name of the Corporation is **Alston Urban Residences Condominium Owners Association, Inc.**, hereinafter called the "Association".

ARTICLE II

Initial Principal Office

The street and mailing address of the principal office of the Association is located at 5125 West Wendover Avenue, Jamestown, NC 27282. The location of the principal office may be changed at any time by the Board of Directors.

ARTICLE III

Initial Registered Office and Registered Agent

The street address and mailing address and county of the initial registered office of the Association is 5125 West Wendover Avenue, Jamestown, NC 27282. The name of the initial registered agent at such address is Kata Walters. The location of the initial registered office as well as the initial registered agent may be changed at any time by the Board of Directors.

ARTICLE IV

Purpose and Powers

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Alston Urban Residences Condominium and other properties that may be annexed thereto, as described in that certain Declaration of Condominium for Alston Urban Residences Condominium which has or will be recorded in the Wake County Registry (hereafter, "Declaration"), as amended, and to promote the health, safety, and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for these purposes to have and exercise the following powers:

(a) Exercise all the powers and privileges and perform all the duties and obligations of the Association as set forth in that certain Declaration applicable to the property, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments; to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire real or personal property, tangible or intangible, by gift, purchase, contribution, request, devise, lease, exchange or by any other manner;

(d) Own, hold, improve, buy, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with affairs of the Association;

(e) Borrow money and mortgage, pledge, deed in trust, or hypothecate any or all its personal property as security for money borrowed or debts incurred;

(f) Borrow money, and with the assent of eighty percent (80%) of the members, mortgage, pledge, deed in trust, or hypothecate any or all its real property as security for money borrowed or debts incurred;

(g) Dedicate, sell or transfer all or any part of the Common Elements to any public agency, authority, utility or other non-profit corporation for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by eighty percent (80%) of the members agreeing to such dedication, sale or transfer;

(h) Participate in mergers and consolidations and with other non-profit corporations organized for the same purposes or annex additional residential or commercial property and Common Elements;

(i) Perform all acts which may be deemed necessary, expedient or proper by the corporation for the successful carrying out of the objects and purposes for which the corporation is formed; and

(j) Have and exercise any and all powers, rights, and privileges which a nonprofit corporation organized under the laws of the State of North Carolina may now or hereafter have or exercise, including those powers, rights and privileges set forth in Chapters 47C and 55A of the North Carolina General Statutes, as may be amended.

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or Member of the corporation, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes. In the event of the liquidation or dissolution of the corporation, either voluntary or involuntary, no director or officer of the corporation or any private

individual shall be entitled to any distribution or division of its remaining property or its proceeds, except as may be otherwise required by law, and the balance of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in this Article IV and within the intendment of Section 528 of the Internal Revenue Code of 1986 and the regulations thereunder as the same now exist or as they may be hereafter amended from time to time or to an appropriate public agency to be or used for purposes similar to those stated in this Article IV or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding the corporation shall not possess or exercise any power or authority either expressly, by implication, or by operation of law that will prevent it at any time from qualifying as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1986 as amended and the regulations thereunder, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

ARTICLE V **Membership**

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

ARTICLE VI **Voting Rights**

The members shall be entitled to vote per unit in accordance with the Declaration and the Bylaws of the Association.

ARTICLE VII **Board of Directors**

The Association shall be managed by a Board of two (2) directors as is more fully set forth in the Bylaws of the Association. The initial directors of the Association are Kata Walters and Marinus Leach whose addresses are both 5125 West Wendover Avenue, Jamestown, NC 27282. The method for election and removal of directors shall be as set forth in the Bylaws of the Association. 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 to the provisions of Chapter 47C of the North Carolina General Statutes.

ARTICLE VIII
Dissolution

The Association may be dissolved with the assent given in writing and signed by members holding not less than one hundred percent (100%) of the votes in the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, and unless otherwise required by law, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE IX
Limitation of Liability

No person who is serving or who has served as a director of the Association shall be personally liable to the Association or any of its members for monetary damages for breach of duty as a director, except for liability with respect to (i) acts or omissions that the director at the time of such breach knew or believed were clearly in conflict with the best interests of the Association, (ii) any transaction from which the director derived an improper personal benefit or (iii) acts or omissions with respect to which the North Carolina Nonprofit Corporation Act does not permit the limitation of liability. As used herein, the term “improper personal benefit” does not include a director’s reasonable compensation, if allowed per the Bylaws, or other reasonable incidental benefit for or on account of his service as a director, officer, employee, independent contractor, attorney, or consultant of the Association.

ARTICLE X
Duration

The corporation shall exist perpetually.

ARTICLE XI
Amendments

Amendment to these Articles shall require the assent of one hundred percent (100%) of the entire membership.

ARTICLE XII
Incorporator

The incorporator of the Association is Kata Walters, 5125 West Wendover Avenue, Jamestown, Guilford County, North Carolina 27282.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this _____ day of _____, 2024.

Kata Walters, Incorporator

EXHIBIT E
PROJECTED BUDGET

EXHIBIT F
SAMPLE WARRANTY