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**DECLARATION OF CONDOMINIUM**

**OF**

**515 CHURTON CONDOMINIUM**

**PURSUANT TO CHAPTER 47C OF THE GENERAL STATUTES OF NORTH CAROLINA**

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PIN:

**Prepared by and after recording return to:**

Charles H. Thibaut  
Bagwell Holt Smith, PA  
111 Cloister Court, Suite 200  
Chapel Hill, NC 27514





**DECLARATION OF CONDOMINIUM  
OF  
515 CHURTON CONDOMINIUM**

**PURSUANT TO CHAPTER 47C OF THE GENERAL STATUTES OF NORTH CAROLINA**

**THIS DECLARATION OF CONDOMINIUM OF 515 CHURTON CONDOMINIUM** ("Declaration") is made this 31 day of December, 2018, by **515 NORTH CHURTON STREET, LLC**, a North Carolina limited liability company, 504 Meadowlands Drive, Hillsborough, North Carolina 27278 ("Declarant").

**Recitals**

Declarant is the owner of that certain tract or parcel of land lying and being in Hillsborough, Orange County, North Carolina, and more particularly described on the attached **EXHIBIT A**.

Declarant desires and intends to divide the Property (as hereinafter defined), including the Building (as hereinafter defined), the Improvements (as hereinafter defined) and any appurtenances thereto, into residential condominium units or "Units" and common elements in accordance with the provisions of and as those terms are defined under the provisions of, the Act (as hereinafter defined) and the provisions of this Declaration not inconsistent with the Act; and to sell and convey such Units subject to the provisions of the Act and the provisions of this Declaration not inconsistent with the Act.

Declarant further desires and intends, by the filing of this Declaration, to submit the Property, including the Building, the Improvements and any appurtenances thereto, to the provisions of the Act and the provisions of this Declaration not inconsistent with the Act.

The residential condominium created pursuant to this Declaration shall be known and referred to as "515 Churton Condominium".

**NOW, THEREFORE**, Declarant does hereby publish and declare that all of the Property shall be hereafter held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the provisions of the Act and the provisions, covenants, conditions, restrictions, charges, assessments, lien and easements, uses, limitations and obligations of this Declaration not inconsistent with the Act. The provisions of this Declaration are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division thereof into residential condominium units and common elements. The provisions of this Declaration, including any and all covenants, conditions, restrictions, charges, assessments, lien and easements, shall run with the Property, including the Units (as hereinafter defined) and the Common Elements (as hereinafter defined), and shall be a burden upon and a benefit to the Property, including the Units and the Common Elements, and the Declarant, including the Declarant's successors and assigns and all other persons who may hereafter purchase or otherwise acquire an interest in the Property, or any part thereof, including any Unit, and their respective grantees, heirs, executors, administrators, devisees, successors and assigns.





## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01** Definitions. To the extent applicable to this Declaration and not inconsistent herewith, all definitions contained and set forth in Chapter 47C of the General Statutes of North Carolina, as the same may be amended from time to time, (herein referred to as "the Act") are incorporated herein by reference and will have the same force and effect as if set forth verbatim and made a part hereof. In part and not by way of limitation, the following terms shall apply unless inconsistent with the Act, in which case the Act shall apply:

- (a) Act. "Act" shall mean the North Carolina Condominium Act, Chapter 47C of the General Statutes of North Carolina, and any amendment thereof.
- (b) Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association as same may be amended and/or modified from time to time as provided therein. The Articles of Incorporation shall be substantially in the form attached hereto as **EXHIBIT C**.
- (c) Association. "Association" shall mean 515 Churton Condominium Owners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.
- (d) Board of Directors. "Board of Directors" shall mean the duly appointed or elected Board of Directors of the Association.
- (e) Building. "Building" shall mean the building located on the Property containing the Units.
- (f) Bylaws. "Bylaws" shall mean the Bylaws of the Association as same may be amended and/or modified from time to time as provided therein. The initial Bylaws shall be substantially in the form attached hereto as **EXHIBIT D**.
- (g) Common Elements. "Common Elements" shall mean all of the Property, exclusive of the Units, and shall include, without limitation, the Building (exclusive of the Units) and the Improvements.
- (h) Common Expense. "Common Expense" shall mean any expenditure made by or any financial liability of the Association, including any allocation to reserves but excluding any expenditure made by or any financial liability of the Association which is charged to or assessed against any Unit or Units by the Association as a Special Assessment.
- (i) Common Expense Liability. "Common Expense Liability" shall mean a Unit's annual liability to the Association for the payment of its allocated share of Common Expenses.
- (j) Condominium. "Condominium" shall mean 515 Churton Condominium, the residential condominium created by this Declaration, and shall consist of all of the Property, including the Building, the Improvements, the Units, the Common Elements and any and all easements and other rights appurtenant to the Property.
- (k) Declarant. "Declarant" shall mean 515 North Churton Street, LLC, a North Carolina limited liability company, and its successors and assigns.





(l) Improvement. “Improvement” shall mean, not by way of limitation, any street, driveway, entranceway, parking lot, sidewalk, retaining wall, curb, culvert, structure or other improvement now existing or hereafter constructed in, on, under or upon the Property, or any part thereof, exclusive of the Building.

(m) Limited Common Elements. “Limited Common Elements” shall mean any Common Elements allocated by this Declaration, or by the Plat and Plans, or by operation of the Act, for the exclusive use of any one (1) or more but fewer than all of the Units.

(n) Main Floor Unit. “Main Floor Unit” shall mean any Unit located on the main (ground) floor of the Building (i.e., any of Units 101, 102, 103, 104, 105, 106 or 107).

(o) Owner. “Owner” shall mean any person who acquires a legal or equitable interest in any Unit other than as security for an obligation and shall include the Declarant for so long as the Declarant shall hold or retain a legal or equitable interest in at least one (1) Unit. Notwithstanding the foregoing, the term “Owner” shall not include any person who acquires (i) a legal or equitable interest in any Unit as security for an obligation, or (ii) a leasehold interest in any Unit, or (iii) an option, right of first refusal or other right to acquire or possess any Unit on a future date.

(p) Period of Declarant Control. “Period of Declarant Control” shall mean the period of time commencing upon the recordation of this Declaration in the office of the Register of Deeds of Orange County, North Carolina, and continuing thereafter, subject to the provisions of N.C.G.S. §47C-3-103(d) and (e), up to, through and including the date on which all Units shall have been conveyed to persons other than the Declarant.

(q) Plat and Plans. “Plat and Plans” shall mean the plat(s), plans and specifications for the Condominium, including, without limitation, the Building, the Units, the Improvements and the Common Elements, as recorded in the office of the Register of Deeds of Orange County, North Carolina, in Plat Book 119, Pages 162 through 165, as same may be amended, modified and/or supplemented from time to time.

(r) Property. “Property” shall mean that certain tract or parcel of land located in Hillsborough, Orange County, North Carolina, and more particularly described on the attached **EXHIBIT A**; together with and including any and all rights and easements appurtenant thereto.

(s) Parking & Access Easement & Mutual Covenants. “Parking & Access Easement & Mutual Covenants” shall mean that certain Parking & Access Easement & Mutual Covenants by and between Declarant and 105 West Corbin Street, LLC, a North Carolina limited liability company, dated August 30, 2017 and recorded in Book 6359, Page 3, and Book 6566, Page 428, Orange County Registry, as amended, modified and/or supplemented from time to time.

(t) Rules and Regulations. “Rules and Regulations” shall mean such rules and regulations regarding the use and occupancy of the Units and the Common Elements as may be adopted by the Declarant during the Period of Declarant Control or, thereafter, by the Association as provided in this Declaration.





(u) Second Floor Unit. "Second Floor Unit" shall mean any Unit located on the second floor of the Building (i.e., any of Units 201, 202, 203, 204, 205, 206, 207 or 208).

(v) Special Assessment. "Special Assessment" shall mean any charge to or assessment against any Unit or Units made or levied by the Association to fund any extraordinary expense or capital need of the Association or the Property.

(w) Third Floor Unit. "Third Floor Unit" shall mean any Unit located on the third floor of the Building (i.e., any of Units 301, 302, 303, 304, 305, 306, 307 or 308).

(x) Unit. "Unit" shall mean a physical portion of the Building designated for separate ownership and residential occupancy, the boundaries of which are described in this Declaration and/or on the Plat and Plans. Each Unit shall include, as a part of such Unit, the HVAC unit (including any and all associated ductwork, wires, conduits and other installations) dedicated to the exclusive service of such Unit.

(y) 105 West Corbin Property. "105 West Corbin Property" shall mean that certain tract or parcel of land designated as "Lot 2" on the Plat and Plans.

(z) 105 West Corbin Users. "105 West Corbin Users" shall mean, collectively, the owner(s) of the 105 West Corbin Property, the tenants of the commercial office building located on the 105 West Corbin Property and their respective officers, directors, managers, partners, employees, customers, guests, licensees, invitees and agents.

#### **Section 1.02** Rules of Construction.

(a) The Act. Unless otherwise expressly defined in this Declaration, or unless the context shall otherwise require, each term defined in the Act shall have the same meaning in this Declaration as is ascribed to it in the Act. In the event any provision of this Declaration shall conflict or be inconsistent with any mandatory provision of the Act, such mandatory provision of the Act shall be paramount and controlling.

(b) Gender. When and as used in this Declaration, words of the masculine gender shall be deemed and construed to include co-relative words of the feminine and neuter genders, words of the feminine gender shall be deemed and construed to include co-relative words of the masculine and neuter genders, and words of the neuter gender shall be deemed to include co-relative words of the masculine and feminine genders.

(c) Person. When and as used in this Declaration, unless the context shall otherwise require, the word "Person" or "person" shall include the plural as well as the singular, and shall mean any natural person, corporation, limited liability company, partnership, association, unincorporated organization, joint venture, joint-stock company, business or other trust, estate, government, governmental subdivision or agency or other legal or commercial entity.

(d) Captions. The captions and headings in this Declaration are for convenience only and in no way define, limit or describe the scope or intent of any article, section, paragraph or other provision of this Declaration.

(e) Reference. All references in this Declaration to articles, sections or paragraphs are references to articles, sections or paragraphs of this Declaration unless some other reference is expressly established.





**ARTICLE II**  
**NAME AND LOCATION OF THE CONDOMINIUM**

The name of the Condominium shall be 515 Churton Condominium. The Condominium is located at 515 North Churton Street, Hillsborough, Orange County, North Carolina.

**ARTICLE III**  
**PROPERTY INCLUDED IN THE CONDOMINIUM**

The Condominium shall consist of all of the Property, including the Building, the Improvements, the Units, the Common Elements and any and all easements and other rights appurtenant to the Property.

**ARTICLE IV**  
**THE BUILDING AND THE UNITS**

**Section 4.01** Location and Particulars of the Building. The Building is a three (3) floor steel frame, masonry and brick veneer construction residential use building. The location and particulars of the Building, including the layout and elevations of the Building, the identifying number, boundaries and dimensions of each Unit and the location of the Common Elements and Limited Common Elements within the Building, are as set forth in this Declaration and/or as shown on the Plat and Plans.

**Section 4.02** Location, Maximum Number and Identifying Numbers of Units. The Condominium shall contain a total of twenty-three (23) Units, including seven (7) Units located on the main (ground) floor of the Building, eight (8) Units located on the second floor of the Building and eight (8) Units located on the third floor of the Building. The maximum number of Units in the Condominium shall be twenty-three (23). The Units located on the main (ground) floor of the Building, sometimes collectively referred to herein as the Main Floor Units, shall be identified as Units 101, 102, 103, 104, 105, 106 or 107. The Units located on the second floor of the Building, sometimes collectively referred to herein as the Second Floor Units, shall be identified as Units 201, 202, 203, 204, 205, 206, 207 or 208. The Units located on the third floor of the Building, sometimes collectively referred to herein as the Third Floor Units, shall be identified as Units 301, 302, 303, 304, 305, 306, 307 or 308. Declarant reserves the right to combine, recombine, subdivide and/or reconfigure any Unit(s), Common Elements or any combination thereof prior to the conveyance of such Unit to any person other than the Declarant.

The location and particulars of each Unit, including its dimensions, approximate area, allocated Limited Common Elements and other data concerning its proper identification, shall be as set forth in this Declaration and/or as shown on the Plat and Plans.

Each Unit shall be bounded, as to horizontal and vertical boundaries, by the interior surface of its perimeter walls, permanent ceiling (interior face of bottom of concrete or steel floor or roof above the Unit, as applicable) and permanent floor (interior face of concrete floor) as provided in N.C.G.S. §47C-2-102 and shown on the Plat and Plans; subject, however, to such encroachments as are contained in the Building, whether the same now exist or may be caused by settlement or movement of the Building, or by permissible repairs, construction or alterations, as provided in N.C.G.S. §47C-2-114. Each Unit shall include, as a part of such Unit, the HVAC unit (including any and all associated ductwork, wires, conduits and other installations) dedicated to the exclusive service of such Unit.

**Section 4.03** Nature of Interest in each Unit. Each Unit, together with the appurtenant undivided interest in the Common Elements set forth on the attached **EXHIBIT B**, shall for all purposes be, and is hereby declared to be, a separate parcel of real estate. Subject to the provisions of the Act, this Declaration (including any and all utility and other easements, if any, reserved or conveyed herein), any





and all easements, rights of way and other matters affecting the Property which may be of record, the Bylaws, the Rules and Regulations and such acts and resolutions as may be adopted from time to time by the Board of Directors as provided in the Bylaws, the Owner of each Unit shall be entitled to and shall have, hold and enjoy:

- (a) the sole and exclusive ownership, use and possession of such Unit;
- (b) the non-exclusive use of all Limited Common Elements serving such Unit jointly with the Owner of each other Unit served by such Limited Common Elements; and
- (c) the non-exclusive use of all Common Elements not designated as Limited Common Elements jointly with the Owner of each other Unit.

## **ARTICLE V**

### **THE COMMON ELEMENTS**

**Section 5.01** Declaration of Common Elements. The Common Elements shall consist of the following:

- (a) All of the Building, exclusive of the Units and each HVAC unit (including any and all associated ductwork, wires, conduits and other installations) dedicated to the exclusive use by any single Unit, including, without limitation,
  - (i) the foundation, footings and all columns, girders, beams, supports, support columns, floor slabs and other structural members of the Building;
  - (ii) all exterior walls of the Building, all interior load-bearing walls and all utility chases and shafts (including walls of all utility chases and shafts);
  - (iii) the main roof (including roof access door(s)) and roof terrace, all roof gutter and downspout systems and all porches, patios, balconies, decks, stoops, outside steps, stairwells (including stairs, landings, interior stairwell walls and interior access/fire doors), lobbies, foyers, hallways and elevators (including elevator shafts, interior elevator shaft walls, elevator equipment and appurtenant installations), and all entrances to and exits from the Building;
  - (iv) all HVAC systems (exclusive of any HVAC and any and all associated ductwork, wires, conduits and other installations dedicated to the exclusive service of any single Unit, the maintenance of which is the exclusive responsibility of the Unit Owner) and all central installations for electrical, telephone, cable or satellite television, internet, gas, hot and cold water, sewage, sprinklers, security systems and other utility services, and all exterior lighting affixed to the Building, including any and all ductwork, wires, cables, pipes, lines, conduits, mechanical equipment and other installations associated therewith;
  - (v) all utility, elevator and other mechanical control rooms and closets; and
  - (vi) all exterior doors to the Building (but not the Units), entrances, shutters, awnings, windows, window boxes and signage.





The Units and each HVAC unit (including any and all associated ductwork, wires, conduits and other installations) dedicated to the exclusive use by any single Unit shall not be considered Common Elements.

(b) All other parts of the Property, exclusive of the Building and the Units, including, without limitation,

(i) all Parking Areas, retaining walls, driveways, curbing, entrances, sidewalks, signage monuments and landscaped areas. However, the Parking Spaces shown on Exhibit F shall be considered Common Elements only for repair, maintenance and replacement purposes;

(ii) all gas, water, storm sewer, gray water, sanitary sewer, sprinkler, land saver, security, electrical (including parking area and other exterior lighting), irrigation, telephone, cable and/or satellite television, internet and other utility systems, including all pipes, wires, ducts, cables, conduits, lines, collection tanks, equipment, apparatus and/or installations; and

(iii) all other Improvements.

**Section 5.02** Undivided Interests in Common Elements and Allocated Shares of Common Expense Liability. The initial undivided interest in the Common Elements and the initial share of Common Expense Liability allocated to each Unit shall be as set forth on the attached **EXHIBIT B**. The initial undivided interest in the Common Elements and the initial share of Common Expense Liability allocated to each Unit as set forth on the attached **EXHIBIT B** shall not be altered except:

(a) by the Declarant in connection with any combination, recombination, subdivision or reconfiguration of any Unit(s), Common Elements or any combination thereof prior to the initial conveyance of any such Unit to a person other than the Declarant (subject to any limitation on the maximum number of Units set forth herein);

(b) by the relocation of boundaries between adjoining Units with the consent of the Owner of each affected Unit; or

(c) by amendment of this Declaration as provided below, provided, however, that a unanimous vote of the Owners of all affected Units shall also be required.

In the event of any such combination, recombination, subdivision or reconfiguration of any Unit(s), Common Elements or any combination thereof, or any such relocation of boundaries between adjoining Units as provided above, the undivided interest in the Common Elements and the share of Common Expense Liability allocated to each Unit shall be reallocated to reflect such changes. Each Unit's undivided interest in the Common Elements and allocated share of Common Expense Liability shall be determined by dividing the total number of heated square feet in such Unit by the total number of heated square feet in all Units.

**Section 5.03** Limited Common Elements. The following Common Elements (regardless of whether such Common Elements are located within or outside the Building) are hereby designated as Limited Common Elements and are allocated to each Unit serviced thereby for the sole and exclusive use and benefit of each such Unit and the Owner thereof:





- (a) the exterior doors and windows, patios, porches and decks of each Unit; the exterior hose bibs and spigots dedicated to the exclusive use by any single Unit; each HVAC unit (including any and all associated ductwork, wires, conduits and other installations) dedicated to the exclusive use by any single Unit
- (b) The Parking Space assigned and allocated to each Unit as shown on the attached Exhibit F, it being understood and agreed that the Parking Spaces are defined as Limited Common Elements solely and exclusively for the purpose of use, and shall remain as Common Elements for all other purposes, including, not by way of limitation, maintenance, repair and replacement; and
- (c) all other Common Elements properly designated as Limited Common Elements by operation of the Act.

The Limited Common Elements, exclusive of structural components, with the exception of Parking Spaces per Section 5.03 (b), shall be maintained, serviced, repaired and replaced, when and as reasonably necessary, by the Owners of the Units serviced thereby at their sole cost and expense (which costs and expenses shall not be included as a component of Common Expenses); provided, however, that in the event the Owners of the Units serviced by any Limited Common Elements shall fail to maintain, service, repair and/or replace any such Limited Common Elements when and as reasonably necessary as determined by the Association, the Association may, in its sole discretion and upon not less than thirty (30) days prior written notice to the Owners of the Units serviced by such Limited Common Elements, undertake to perform or have performed such maintenance, service, repair and/or replacement of such Limited Common Elements, or any part thereof, as may be reasonable and necessary, and charge or assess the cost of such maintenance, service, repair and/or replacement on an equal basis to each of the Units serviced thereby as a Special Assessment. The Association is granted an easement to access the Limited Common Elements to inspect and maintain the same. In addition, each Unit Owner shall clean and maintain the clothes washer water hose and dryer exhaust vent. The Association is granted an easement to access the clothes washer water hose and dryer exhaust vent annually. The structural components of each of the Limited Common Elements, if any, shall be maintained, serviced, repaired and replaced, when and as reasonably necessary, by the Association. The cost of any such maintenance, service, repair and/or replacement shall be a component of Common Expenses.

**Section 5.04** Partitioning. The Common Elements shall not be divided nor shall any person have any right to partition any portion thereof.

**Section 5.05** Liens. For so long as the Property, or any part thereof, remains subject to the provisions of the Act or this Declaration, no lien of any nature shall arise or be created against the Common Elements, or any part thereof, except upon the prior written consent of Owners representing not less than eighty percent (80%) of the total number of votes allocated to all Units by this Declaration, including not less than eighty percent (80%) of the total number of votes allocated to all Units not owned by the Declarant. The foregoing provision shall not, however, apply to any lien that may arise or be created against the several Units and their respective Common Elements under the provisions of the Act. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and that any right to file a mechanic's lien or other similar lien against the Common Elements, or any part thereof, by reason of labor performed or materials furnished is waived.





## **ARTICLE VI**

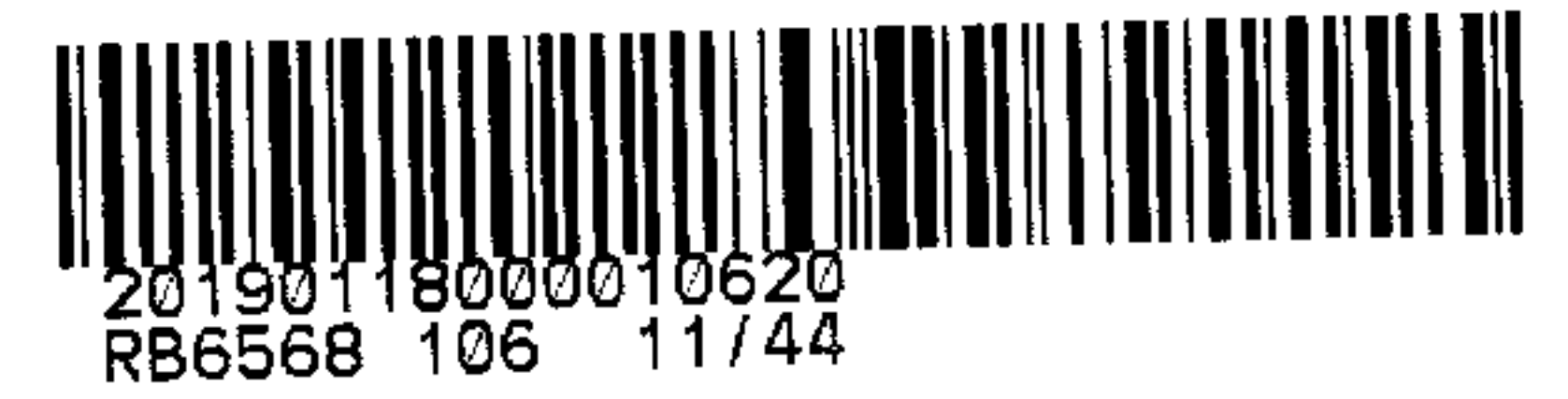
### **EASEMENTS**

**Section 6.01** Installation, Use, Maintenance, Repair and Replacement of Utilities. Each Owner and the Association are hereby granted (a) a perpetual, non-exclusive, limited easement over, under, across and/or through the Property, including each Unit and the Common Elements, as applicable, for the sole and exclusive purposes of installing, using, maintaining, servicing, repairing and/or replacing any gas, water, sewer, sprinkler, land saver, security, electrical, telephone, cable or satellite television, internet, irrigation, drainage or other utility system, including, not by way of limitation, any pipe, wire, duct, cable, conduit, line, collection tank, apparatus, equipment and/or other installation located in, on or upon any part of the Property, including each Unit and the Common Elements, which serves any Unit or Common Elements; and (b) a perpetual, non-exclusive, limited access easement over and upon the lobby and the stairs located on the south side of the Building for the sole and exclusive purpose of accessing the roof of the Building when and as reasonably necessary to perform any maintenance, servicing, repair or replacement to or of the roof or to install, maintain, service, repair or replace any utility component, apparatus or equipment servicing the Building, any Unit or any other Common Elements. The Property, including each Unit and the Common Elements, shall be subject to and burdened by each of the easements herein granted to each Owner and the Association. Notwithstanding the foregoing, (i) each Owner and the Association shall act fairly and reasonably with respect to matters of access to any Unit or Common Elements pursuant to any easement granted in this Section; (ii) any person obtaining access to any Unit or Common Elements pursuant to any easement granted in this Section shall use reasonable care to minimize any disruption to any person(s) residing in such Unit or otherwise using any Common Elements in the Building for their intended purpose(s) and shall be responsible for any and all damage to such Unit, and any and all damage to any other Unit or Common Elements, resulting from such access; and (iii) neither the Association nor any Owner shall unreasonably deny or delay access to any Unit or Common Elements pursuant to any easement granted in this Section.

**Section 6.02** Access Easements. Each Owner and the Association are hereby granted a perpetual, non-exclusive easement in common with one another and each of the 105 West Corbin Users over and upon (a) each part of the Property designated as a driveway or a walkway on the Plat and Plans, and (b) each part of the 105 West Corbin Property designated as a driveway or a walkway on the Plat and Plans (collectively the "Access Area"), for the purpose of providing vehicular and pedestrian ingress, egress and regress to and from North Churton Street and West Corbin Street and the Parking Area (as hereinafter defined), the Building and the other Common Elements exterior to the Building. Each part of the Property designated as a driveway or a walkway on the Plat and Plans shall be subject to and burdened by each of the easements herein granted to each Owner and the Association. The access easements herein granted to each Owner and the Association shall be subject to the terms, covenants and conditions set forth in the Parking & Access Easement & Mutual Covenants, which terms, covenants and conditions are incorporated herein by this reference and made a part hereof. The Association shall maintain, repair and replace all of the Access Area located on the Property when and as reasonably necessary. Except to the limited extent expressly set forth in the Reciprocal Easement Agreement, if at all, the Association shall not have any duty, obligation or responsibility to maintain, repair and/or replace any part of the Access Area located on the 105 West Corbin Property.

**Section 6.03** Parking Easements. Each Owner and the Association are hereby granted a perpetual, non-exclusive easement in common with one another and each of the 105 West Corbin Users over and upon (a) each part of the Property designated as a parking area on the Plat and Plans, and (b) each part of the 105 West Corbin Property designated as a parking area on the Plat and Plans (collectively the "Parking Area"), for the purpose of providing vehicular parking. Each part of the Property designated as a parking area on the Plat and Plans shall be subject to and burdened by the parking easements herein





granted to each Owner and the Association. Notwithstanding anything to the contrary contained herein, access over the Parking Space area as shown on Exhibit F shall be limited to providing an Owner with access to their individual Parking Space. The parking easements herein granted to each Owner and the Association shall be subject to the terms, covenants and conditions set forth in the Parking & Access Easement & Mutual Covenants, which terms, covenants and conditions are incorporated herein by this reference and made a part hereof. The Association shall maintain, repair and replace all of the Parking Area located on the Property when and as reasonably necessary. Except to the limited extent expressly set forth in the Parking & Access Easement & Mutual Covenants, if at all, the Association shall not have any duty, obligation or responsibility to maintain, repair and/or replace any part of the Parking Area located on the 105 West Corbin Property.

**Section 6.04** Common Elements. The Association shall have the right, the power and the authority, in its sole discretion, to grant non-exclusive rights of way, common driveway or access agreements and/or or easements for utility purposes over and across the Common Elements, exclusive of any Limited Common Elements, for the benefit of the Property or adjacent tracts, including the right to install, lay, maintain, repair and/or replace, not by way of limitation, water lines, pipes, sewer lines, gas mains, telephone wires and equipment, electrical conduits and wires, common drives, shared buffers and landscaping under, upon or within any portion of the Common Elements, exclusive of any Limited Common Elements. Each Owner hereby grants unto the Association an irrevocable power of attorney to execute, acknowledge and record, for and in the name of each such Owner, such instruments as may be necessary to effectuate the foregoing. Any right of way or easement hereafter granted over or across any Limited Common Elements shall require the written approval of the Owner of each Unit to which such Limited Common Elements are appurtenant. All of the Common Elements, exclusive of the Limited Common Elements, shall be subject to and burdened by each of the easements herein granted to the Association. Each Unit Owner hereby grants the Association an easement to access its Unit for the purpose of making emergency repairs to Units located above, below and adjacent to its Unit.

**Section 6.05** Declarant's Reserved Easements. The Declarant hereby reserves for itself and its successors and assigns such perpetual, non-exclusive easements over, across, upon, under and through the Property, including each Unit and the Common Elements, as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising any Special Declarant Rights whether arising under the Act or reserved in this Declaration.

The Property, including each Unit and the Common Elements, shall be subject to and burdened by the easements herein reserved by the Declarant.

**Section 6.06** Easements Appurtenant to Units. Each of the easements described in **Sections 6.01, 6.02 and 6.03** above shall be appurtenant to and run with title to each Unit and shall inure to the benefit of each Unit and the Owner thereof and such Owner's family members, tenants, guests and invitees and the Association. Each such easement shall be subject to any and all restrictions and limitations set forth elsewhere in this Declaration.

TO HAVE AND TO HOLD EACH OF THE FOREGOING EASEMENTS GRANTED OR RESERVED IN THIS ARTICLE AND ALL PRIVILEGES AND APPURTENANCES THERETO BELONGING TO EACH PERSON BENEFITTED THEREBY AS HEREINABOVE PROVIDED.

## **ARTICLE VII**

### **RESTRICTIVE COVENANTS**

**Section 7.01** Permitted Uses. Each Unit shall be owned, occupied and used for single family residential only and for no other purpose. Notwithstanding the foregoing, no provision of this Declaration





shall be deemed or construed to limit or interfere with, nor shall the Declarant or the Association interfere with, any Owner's freedom to determine the composition of his or her household; provided, however, that the Declarant during the Period of Declarant Control and, thereafter, the Association, may enforce the following occupancy limits. If a Unit is occupied by directly related parties then no more than two (2) persons shall occupy a bedroom. If a Unit is occupied by unrelated parties then no more than one (1) person shall occupy a bedroom or study. No Unit shall be rented or leased for a term of less than six (6) months. No Unit shall be used for any commercial or business purpose or for any other purpose or in any manner which violates the provisions of this Declaration, the Rules and Regulations and/or any local, state or federal ordinance, regulation, code, statute or law. The Owner of each Unit may delegate to its tenant(s), in accordance with this Declaration and the Bylaws, such Owner's rights of possession, use and enjoyment of his or her Unit and the Common Elements appurtenant thereto for any purpose not inconsistent with this Section or any other provision of this Declaration.

**Section 7.02** Unsightly Conditions. It shall be the responsibility of each Owner and the Association to prevent any unclean, unsightly or unkept condition in, on or upon any Unit or Common Elements.

**Section 7.03** Sound Transmission and Abatement. No Owner or other occupant of any Unit shall engage in any activity in such Unit or permit the occurrence of any activity in such Unit which results in a nuisance to any other Unit Owner or their occupants. The Owner of each Unit shall implement such reasonable measures, at his or her sole cost and expense (including, without limitation, the installation of sound absorbing carpet and carpet padding) as may be necessary to ensure compliance with the provisions of this Section. The Association reserves the right to determine if Unit Owners or their occupants are causing sound transmission in excess of reasonable levels as determined in the Associations sole discretion and to require the Unit Owner and/or their occupants to cease the sound transmission in violation of the level determined by the Association. The Association reserves the right to abate and penalize Unit Owners for repeated violations of this Section.

**Section 7.04** Pets. Except as provided below, pets shall not be prohibited in or upon any Unit or Common Elements; provided, however, that (a) in no event shall any pet be or become a nuisance to any person residing in or otherwise occupying any Unit or Common Elements, (b) each pet shall be restrained by a leash or other restraint device whenever located outside of the Unit where such pet resides, and (c) each Owner shall be responsible for cleaning up after his or her pet whenever his or her pet is outside the Unit in which such pet resides. Notwithstanding the forgoing, no more than two pets shall be permitted in or upon any Unit or Common Element, and in no event shall any bully-breed dog or any snake, reptile, spider, chicken, pig or any other animal not suited to a multi-family living environment or that would pose a risk to neighbors be permitted as a pet anywhere on the Property.

**Section 7.05** Prohibited Activities. No illegal, noxious or offensive activity shall be carried on by any person in, on or upon any Unit or Common Elements, nor shall anything be done therein or thereon tending to cause any nuisance to any Owner. No person shall keep or maintain in, on or upon any Unit or Common Elements any plant, animal or device or thing of any sort that is illegal, noxious, dangerous, unsightly or otherwise of a nature that may unreasonably diminish or destroy the enjoyment of any Unit or Common Elements by any other person. Open fires, gas or charcoal grills, or gas or oil heaters of any kind are prohibited in the Building and/or Units or within 50 feet of the Building and/or Units including any patio or balcony area.

**Section 7.06** Signs. Any and all property identification and other signs erected on, affixed to or maintained on the of any Common Elements shall comply with the sign plan for the Property, if any. Any and all property identification and other signs erected on, affixed to, maintained on or otherwise





visible from any Unit or Common Elements shall comply with all applicable codes, ordinances, regulations, statutes and laws.

**Section 7.07 Garbage.** Garbage and trash shall be disposed of only in areas specifically designated for garbage and trash removal and shown on the Plats and Plans and as designated by the Declarant and/or Association from time to time.

**Section 7.08 Structures.** No structure of any kind, whether temporary or permanent, shall be placed upon any part of the Common Elements unless with the prior written consent of the Declarant during the Period of Declarant Control or, thereafter, the Association. In no event shall any such structure violate any special use permit, conditional use permit or other permit, variance or approval pertaining to the Property issued by any governmental authority or any ordinance, regulation, code, statute or law.

**Section 7.09 Vehicles.** No trailer, camper, boat, mobile home or other motor vehicle other than conventional passenger automobiles, pickup trucks, motorcycles and motor scooters shall be operated, parked or otherwise used on or upon any Access Area or Parking Area located on the Property; provided, however, that the reasonable and necessary use of any such Access Area and/or Parking Area (other than designated reserved parking spaces) by any motor vehicle for the purposes of (a) enabling any Owner to move into or out of his or her Unit, (b) repairing, maintaining and/or replacing any Unit or Common Elements, or any part thereof, (c) providing utility, delivery and/or other services to any Unit or Common Elements, (d) providing emergency and/or law enforcement services to any part of the Property, and/or (e) complying with any requirement set forth in this Declaration, shall not be prohibited. No motor vehicle shall unreasonably impede or prevent any Owner's use of the Access Area and/or the Parking Area.

**Section 7.10 Parking.** No motor vehicle shall be parked anywhere on the Property except in the Parking Area. Subject to the provisions of **Sections 6.03 and 7.09** and any other pertinent provisions of this Declaration or the Rules and Regulations, the Parking Area shall be available for the exclusive use of (a) the Owners of all Units and their respective family members, tenants, guests, licensees, invitees and agents, (b) the 105 West Corbin Users while conducting business on the 105 West Corbin Property, and (c) the Association and its officers, directors, employees, contractors and agents. The Declarant and the Association reserve the right to assign parking in the future and/or on an as-need basis for handicap or special needs occupants.

**Section 7.11. Alterations.** The Owner of a Unit may make alterations to the interior of such Owner's Unit from time to time; provided, however, that no such alteration or the installation and/or construction thereof shall (a) violate any provision of this Declaration or any of the Rules and Regulations, (b) unreasonably disturb any other Owner's quiet and peaceful enjoyment of his or her Unit or in any manner impair access to any Unit, the Building or any Common Elements, (c) impact or result in any change or modification to any exterior part of the Building or to any Common Elements, (d) in any manner adversely affect the structural integrity of the Building or the integrity or operation of any utility pipes, conduits, cables, wires, equipment or systems in the Building or otherwise upon the Property, or (e) result in the filing of any mechanic's or materialmen's lien against any part of the Property other than the Unit in which the alterations are being installed and/or constructed. In addition, the Owner of a Unit may not make any alterations to the interior walls of such Owner's Unit unless and until the Owner of a Unit provides the Association with written plans and/or drawings of the proposed alterations and receives written permission from the Association to proceed with said alterations. Furthermore, no such alteration and/or construction within any Unit subsequent to the initial upfit of such Unit shall increase the cost of fire and/or other casualty insurance on the Building or result in the termination of any such insurance. The Owner or its contractor shall obtain and maintain in place, at all times during installation and/or construction of the alterations, builder's risk and worker's compensation insurance providing reasonably





sufficient coverage for the alterations being installed and/or constructed. All alterations shall be installed and/or constructed and completed in a good and workmanlike manner in accordance with all applicable local, state and federal rules, regulations, ordinances, codes and laws, and accordance with any and all reasonable requirements, guidelines and procedures adopted by the Association (in the event such alterations shall include the installation of a natural or synthetic wood floor, the installation thereof shall comply with any and all rules and/or guidelines reasonably required by the Association pertaining to sound insulation). The Owner shall be responsible for any and all costs of such alterations, including permits, licenses, approvals and clean-up, and shall indemnify and hold harmless, to the extent permitted by law, the Association and each other Owner from and against any claim, loss, damage, penalty and/or liability, including reasonable attorneys' fees, incurred or suffered as a consequence of the installation, construction and/or maintenance of such alterations.

## **ARTICLE VIII** **THE ASSOCIATION**

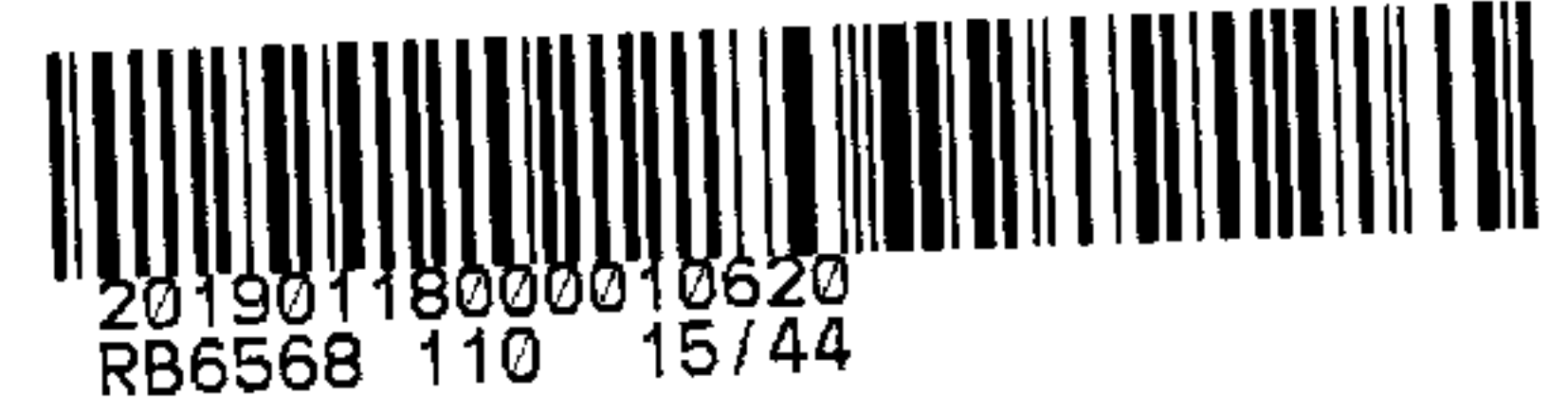
**Section 8.01** The Association. The administration and management of the Condominium shall be vested in the Association which shall be incorporated as a North Carolina nonprofit corporation in accordance with the Articles of Incorporation substantially in the form attached as **EXHIBIT C** and the initial Bylaws substantially in the form attached as **EXHIBIT D**. The name of the Association shall be 515 Churton Condominium Owners Association, Inc.

**Section 8.02** Membership. The Association's membership shall consist of all Owners, including the Declarant for so long as the Declarant shall retain ownership of at least one (1) Unit. Each Owner shall, upon acquiring a legal or equitable interest in a Unit (exclusive of (i) any legal or equitable interest in any Unit acquired by any person as security for an obligation, or (ii) any leasehold interest in any Unit, or (iii) any option, right of first refusal or other right to acquire or possess any Unit on a future date), automatically become a member of the Association and remain a member of the Association until such time as his or her ownership of such Unit shall terminate for any reason. Each Owner's membership in the Association is mandatory. Each Owner's membership in the Association shall automatically terminate immediately upon such Owner's transfer of his or her interest in his or her Unit to another person. In the event the Owner of a Unit shall consist of more than one (1) person, each such person shall be a member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit. The Association's operation of the Condominium, including, without limitation, the maintenance, repair, replacement and operation of the Common Elements, and any additions and alterations thereto, the assessment and collection from Owners of any Common Expense Liability, Special Assessment and/or other fee, charge or expense, and the filing of a lien against any Unit to secure any unpaid Common Expense Liability, Special Assessment and/or other fee, charge or expense, shall be in accordance with the provisions of the Act, this Declaration, the Articles of Incorporation and the Bylaws.

**Section 8.03** Allocation of Votes. Each Unit shall be allocated the number of votes set forth on the attached **EXHIBIT B** on any and all actions taken by the members of the Association. The Owner of each Unit shall have the right to cast the vote(s) allocated to his or her Unit on each action taken by the members of the Association. In the event more than one (1) person shall be the Owner of any Unit, such persons shall not cast more than the number of votes allocated to their Unit as set forth on the attached **EXHIBIT B** on any action taken by the members of the Association and such vote(s) shall not be split among the persons who own the Unit. Unless otherwise provided in this Declaration, each vote by the members of the Association on any action taken by the members of the Association shall be cumulative.

**Section 8.04** Common Expense Liability, Special Assessments and Charges.





(a) Authority. The Association shall have the duty, power and authority to levy, assess or charge to or against each of the Units, and to collect from the Owner(s) of each of the Units, such Common Expense Liability, Special Assessments and/or other fees, charges and expenses (to the extent such fees, charges and expenses are not otherwise expressly allocated in this Declaration to the Owner(s) of any specific Unit(s)) as the Association may from time to time deem reasonable and necessary for the upkeep, maintenance, repair, servicing and/or replacement of the Common Elements or for any extraordinary expense or capital need of the Association or the Property (exclusive of the Units).

(b) Imposition of Common Expenses and Lien. Each Unit's Common Expense Liability shall be determined in accordance with the allocation set forth on **EXHIBIT B**. The Association shall assess and collect each Unit's Common Expense Liability on such annual or other basis as shall be established by the Association. Each Unit's Common Expense Liability shall be paid in full not later than the date established by the Association; provided, however, that the Association may make provisions for payment of Common Expense Liability in monthly or other installments. The purchaser of each Unit shall be required to pay a capital assessment equivalent to two (2) months of their Condominium Assessment to the Association at closing. In addition, the purchaser of each Unit shall be required to pay an initial annual assessment to the Association, pro-rated as of the closing date, at closing. Each Unit's Common Expense Liability (or installment thereof) shall, when due, and to the extent permitted by law, become a lien against such Unit at the time the Common Expense Liability is assessed by the Association. Upon demand, the Association shall furnish to any Owner, or to the mortgagee or trustee under a deed of trust of any Unit, a certificate stating the amount of such Unit's Common Expense Liability (or installments thereof) due as of any given date. To the extent permitted by law, each Unit is hereby made subject to a continuing lien to secure payment of each Unit's Common Expense Liability (or installment thereof) when due.

(c) Establishment of Budget and Common Expenses. The Association shall establish a budget for each calendar year (unless the Association shall adopt some other fiscal year) which shall incorporate the expected annual costs and expenses to maintain, service, repair, replace and insure the Common Elements (to the extent such costs and expenses are not otherwise expressly allocated in this Declaration to the Owner(s) of any specific Unit(s)), including, without limitation,

(i) the costs and expenses associated with the repair, maintenance and upkeep of the Improvements;

(ii) the cost of reserves for capital replacement and such other reserves as the Association in its sound business judgment shall establish;

(iii) the costs and expenses of grounds-keeping and landscaping services;

(iv) the cost of insurance for such coverage as is required by **ARTICLE IX**;

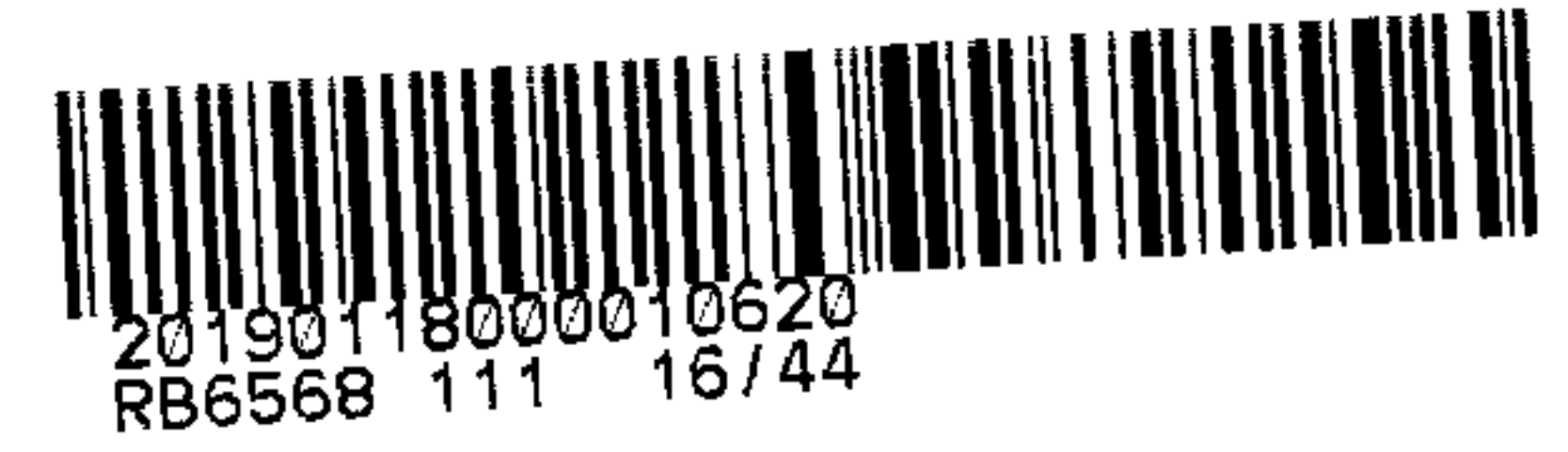
(v) the cost of utility service to the Common Elements;

(vi) the cost of all real and personal property ad valorem taxes and all other taxes applicable to the Common Elements;

(vii) the cost of expenses of protecting the Property from erosion;

(viii) the cost of expenses associated with the removal of snow or debris;





(ix) the costs of expenses associated with the collection and disposal of trash, garbage, rubbish and other refuse;

(x) the costs of management by any management firm hired by the Association in its sound business judgment;

(xi) the costs and expenses associated with the repair, maintenance and upkeep of the Building; and

(xii) all other necessary and reasonable costs including payments on any borrowings by the Association which, in the sound business judgment of the Association, must be incurred in order to keep the Property (exclusive of the Units) in a neat, sanitary and efficient working order, and to provide for the health, safety and welfare of Owners.

Common Expenses shall be established by the Association in such amount as shall be necessary to fund the Association's annual budget.

(d) Special Assessments. In addition to Common Expense Liability, the Association shall have the power to charge, assess and/or levy Special Assessments for any purpose expressly set forth in this Declaration or otherwise deemed necessary or appropriate by the Association. Special Assessments shall be used to fund extraordinary expenses of the Association or capital needs of the Property (exclusive of the Units), including the replacement of any Improvement. A Special Assessment may be charged, assessed and/or levied by the Association and shall be collected and paid as the Association shall direct. Unless the Association or this Declaration shall otherwise expressly provide, each Unit's allocated share of any Special Assessment shall be determined in the same manner as each Unit's Common Expense Liability. To the extent permitted by law, a lien for any Special Assessment shall encumber each Unit subject to such Special Assessment, which lien shall, to the extent permitted by law, be enforceable as provided elsewhere herein for Common Expense Liability.

(e) Purposes. The revenues, funds and sums collected by the Association from any Common Expense Liability, Special Assessment and/or other fee, charge or expense may be used to pay for, not by way of limitation, any or all of the following (to the extent such costs and expenses are not otherwise expressly allocated in this Declaration to the Owner(s) of any specific Unit(s)):

(i) the costs and expenses associated with the repair, maintenance, upkeep and/or replacement of the Improvements;

(ii) the cost of reserves for capital replacement and such other reserves as the Association in its sound business judgment shall establish;

(iii) the costs and expenses of grounds-keeping and landscaping services;

(iv) the cost of insurance for such coverage as is required by **ARTICLE IX**;

(v) the cost of utility service to the Common Elements;

(vi) the cost of expenses of protecting the Property from erosion;

(vii) the cost of expenses associated with the removal of snow or debris;





(viii) the costs of expenses associated with the collection and disposal of trash, garbage, rubbish and other refuse;

(ix) the costs of management by any management firm hired by the Association in its sound business judgment;

(x) the costs and expenses associated with the repair, maintenance, replacement and upkeep of the Building;

(xi) all other necessary and reasonable costs including payments on any borrowings by the Association which, in the sound business judgment of the Association, must be incurred in order to keep the Property (exclusive of the Units) in a neat, sanitary and efficient working order, and to provide for the health, safety and welfare of Owners; and

(xii) the replacement of any Improvement.

**Section 8.05** Common Expense Liability, Special Assessments and Charges as Personal Obligation of Owner. Payment of any Common Expense Liability, Special Assessment or other fee, charge or expenses levied, assessed or charged by the Association to or against any Unit pursuant to any provision of this Declaration, together with any late charge, interest and collection cost, including reasonable attorneys' fees, shall be the personal obligation of the Owner of such Unit at the time such Common Expense Liability, Special Assessment or other fee, charge or expenses becomes due and payable. If there is more than one Owner of a particular Unit, each Owner of such Unit shall be jointly and severally liable. Each Owner shall pay any Common Expense Liability, Special Assessment or other fee, charge or expenses levied, assessed or charged by the Association to or against his or her Unit pursuant to any provision of this Declaration and shall, to the extent permitted by law, allow the Association to enforce any lien for non-payment in accordance with the provisions of this Article.

**Section 8.06** Unpaid Common Expense Liability, Special Assessments and Charges. Any Common Expense Liability, Special Assessment or other fee, charge or expenses levied, assessed or charged by the Association to or against any Unit pursuant to any provision of this Declaration remaining unpaid for a period of thirty (30) days after the due date shall bear interest from the due date until paid at a rate of eighteen percent (18%) per annum or such lower rate as may be set by the Association or provided for by the Act. A late charge not to exceed \$25.00 may also be imposed by the Association for each installment of Common Expense Liability or any Special Assessment or other fee, charge or expense not paid within thirty (30) days after the due date.

In addition, any Common Expense Liability, Special Assessment or other fee, charge or expense levied, assessed or charged by the Association to or against any Unit pursuant to any provision of this Declaration shall, to the extent permitted by law, constitute a lien against such Unit, which lien shall be perfected when filed of record in the Office of the Clerk of Superior Court of Orange County, North Carolina in the manner provided in Article 8 of Chapter 44 of the General Statutes of North Carolina. Such lien shall also secure the payment of any interest, late charge and cost incurred by the Association or by the management firm, if any, including reasonable attorneys' fees, incident to the collection of any Common Expense Liability, Special Assessment or other fee, charge or expense as well as all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, deeds of trust, liens or other encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien. Such lien shall be filed and enforced in accordance with the terms and provisions contained in N.C.G.S. §47C-3-116.





Any such lien may, to the extent permitted by law, be foreclosed as provided in Article 29A of Chapter 1 of the General Statutes of North Carolina, N.C.G.S. §1-339.1 et. seq., and the Association may take such action as it deems necessary to collect any Common Expense Liability, Special Assessment or other fee, charge or expense levied, assessed or charged by the Association to or against any Unit pursuant to any provision of this Declaration, either by personal action against the Owner of such Unit or by foreclosing its lien, or both, and may settle and compromise its claim or lien if deemed to be in the Association's best interest. The Association shall be entitled to bid at any sale held pursuant to a foreclosure of its lien and to apply as a cash credit against its bid all sums due as provided herein and secured by such lien.

In the event a mortgagee or other person obtains title to any Unit as a result of the foreclosure of any mortgage or deed of trust having priority over any Association lien for any Common Expense Liability, Special Assessment or other fee, charge or expense or as a result of any conveyance or other process in lieu of foreclosure, such mortgagee or other person shall not be liable for any Common Expense Liability, Special Assessment or other fee, charge or expense levied, assessed or charged by the Association to or against such Unit which became due prior to the acquisition of title as a result of foreclosure or conveyance in lieu of foreclosure. Any such unpaid Common Expense Liability, Special Assessment or other fee, charge or expense shall be deemed a Common Expense for which all Owners, including the mortgagee or other person acquiring title by foreclosure of a mortgage or deed of trust having priority, or conveyance in lieu of foreclosure, shall be responsible on an allocated basis as provided herein.

## **ARTICLE IX** **INSURANCE**

**Section 9.01** Ownership of Policies. All insurance policies insuring the Common Elements, including the Building and the Improvements, shall be purchased by the Association for the benefit of the Association, the Owners and their respective mortgagees as their interests may appear. Reasonable provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagee of any Unit. Each Owner may, at his or her option, obtain insurance coverage, at his or her own expense, on his or her personal property and such additional liability and/or other coverage as he or she may desire.

**Section 9.02** Coverage. The Building, the Improvements and any and all personal property, if any, comprising any part of the Common Elements shall be insured by the Association in an amount equal to the maximum insurable replacement value thereof as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage; provided, however, that the amount of such coverage after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the Buildings, the Improvements and all personal property comprising any part of the Common Elements. Such coverage shall provide protection against (a) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and (b) such other risks, including not by way of limitation liability insurance, as from time to time shall be customarily covered with respect to buildings similar in construction, location and use.

(a) Insurance policies carried pursuant to this Section 9.02 must provide that:

- (1) Each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association;
- (2) The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;





- (3) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy; and
- (4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
- (b) Any loss covered by the property policies 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. Subject to the provisions of subsection (e), the 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.
- (c) An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his/her own benefit.
- (d) An insurer that has issued an insurance policy under this Section shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a deed of trust to whom certificates or memoranda of insurance have been issued at their respective last known addresses.
- (e) Any portion of the Condominium for which insurance is required under this Section which is damaged or destroyed shall be repaired or replaced promptly by the Association 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 an eighty percent (80%) vote, including one hundred percent (100%) approval of Owners of Units not to be rebuilt or owners assigned to limited Common Elements not to be rebuilt.

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. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned under G.S. 47C-1-107(a), and the Association promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, G.S. 47C-2-118 governs the distribution of insurance proceeds if the Condominium is terminated.





**Section 9.03** Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

**Section 9.04** Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Owners and the Owners' respective mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or in the Bylaws and for the benefit of the Owners and their respective mortgagees in the following shares:

(a) Proceeds on account of damage to Common Elements shall be held as and in the nature of an undivided share for the Owner of each Unit, such share being the same as each Owner's undivided interest in the Common Elements as set forth herein.

(b) Proceeds on account of damage to the Building shall be held as follows:

(i) When the Building is to be restored - for the Owner of each damaged Unit in the Building in proportion to the cost of repairing the damage suffered by each Unit, which cost shall be determined by the Board of Directors, such proceeds to be held in undivided shares.

(ii) When the Building is not to be restored - an apportioned share for the Owner of each damaged Unit with such apportionment to be a ratio identical to the ratio which the undivided interest in the Common Elements appurtenant to such Unit bears to the total undivided interests of all Units in the Common Elements.

(c) In the event a mortgage endorsement has been issued as to a Unit, the share of the Owner of such Unit shall be held in trust for the mortgagee and such Owner as their interests may appear.

**Section 9.05** Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) All expenses of the insurance trustee shall be first paid or provision made therefor.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided in **Section 9.06**. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners.

(c) If it is determined as provided herein that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof.

**Section 9.06** Damage and Destruction. Except as hereinafter provided, damage to or destruction of the Building shall be promptly repaired and restored by the Association using the proceeds of insurance on the Building for that purpose and the Owner of each Unit shall be liable for assessment of any deficiency; provided, however, if the Building shall be more than two-thirds (2/3) destroyed by fire or other casualty and the Owners of the Units resolve, in the manner prescribed below, not to proceed with reconstruction or restoration, then, in that event, the Property shall either be (a) sold or otherwise





transferred as provided in N.C.G.S. §47C-2-118, or (b) deemed to be owned by the Owners of all Units as tenants in common and subject to the provisions of N.C.G.S. §47C-2-118 as same may be amended. The determination of whether to sell the Property or to make the Property subject to the provisions of N.C.G.S. §47C-2-118 shall be made by Owners in the manner prescribed below. Any resolution or determination of the Owners contemplated by this Section shall be made (i) by the affirmative vote of the Owners who represent not less than eighty percent (80%) of the total number of votes allocated to all Units by this Declaration, which votes shall be cast by such Owners present in person or by proxy at an annual or special meeting of the members of the Association duly held in accordance with the provisions of the Bylaws with respect to which notice of the purpose of the meeting shall have been given and at which meeting a quorum shall be present, or (ii) by written consent of Owners representing not less than eighty percent (80%) of the total number of votes allocated to all Units by this Declaration.

Any reconstruction or repair shall be, to the extent economically feasible, substantially in accordance with the Plat and Plans of the original Building.

**Section 9.07 Public Liability Insurance.** Public liability insurance shall be secured by the Association in such amount and with such coverage as shall be deemed necessary by the Board of Directors, including, but not limited to, an endorsement to cover liability of the Owners as a group to any single Owner. There shall also be obtained by the Association such other insurance coverage as the Board of Directors shall, from time to time, determine to be desirable and necessary.

#### **ARTICLE X**

#### **RESERVATION OF SPECIAL DECLARANT RIGHTS**

At all times during the Period of Declarant Control, Declarant reserves the following exclusive Special Declarant Rights and other rights:

1. The right to exercise any development rights reserved in this Declaration and/or as provided in N.C.G.S. §§47C-2-105(a)(8) and 47C-2-110, including, but not limited to, the right to combine, recombine, subdivide or reconfigure any Unit(s) or Common Elements or any combination thereof, prior to the initial conveyance of any such Unit to a person other than the Declarant.
2. The right to combine, recombine, subdivide and/or reconfigure any Unit(s), or any Unit(s) and adjoining Common Elements, prior to the conveyance of such Unit to any person other than the Declarant and to amend, modify and/or supplement this Declaration and/or the Plat and Plans, as reasonably necessary, to reflect such combination, recombination, subdivision and/or reconfiguration.
3. The right to complete the Building or any Improvement as shown on the Plat and Plans as provided in N.C.G.S. §47C-2-109.
4. The right to maintain sales offices, management offices, signs advertising the Condominium and models in Units or on Common Elements as provided in N.C.G.S. §47C-2-115, provided that not more than two (2) Units shall be used for any such purposes at any one time.
5. The right to use easements through the Common Elements for the purpose of making improvements within the Condominium as provided in N.C.G.S. §47C-2-116.





6. The right to appoint or remove any officer of the Association or any member of the Board of Directors, subject to the limitations contained in this Declaration or in N.C.G.S. §47C-3-103(d) and (e).

7. The right to adopt Rules and Regulations which are consistent with the provisions of this Declaration.

8. The right to lease any Unit or part thereof without the consent of the Association.

## **ARTICLE XI**

### **VIOLATIONS AND REMEDIES**

In the event of any violation or breach of any provision of this Declaration, the Bylaws or the Rules and Regulations by any Owner, or by any tenant, guest, invitee, licensee or agent of any Owner, the Association and each other Owner shall have the right, individually or collectively, to proceed at law or in equity to compel compliance with the provisions of this Declaration, the Bylaws or the Rules and Regulations, as applicable, or to prevent the violation or breach thereof. In addition, in the event any person shall violate any provision of this Declaration, the Bylaws or the Rules and Regulations at any time prior to expiration of the Period of Declarant Control, the Declarant shall have the right to (a) proceed at law or in equity to compel compliance with the provisions of this Declaration, the Bylaws or the Rules and Regulations, as applicable, or to prevent the violation or breach thereof, or (b) to summarily abate or remove any condition constituting a violation of this Declaration, the Bylaws or the Rules and Regulation at the expense of the offending Owner if such violation shall not have been cured by such Owner within thirty (30) days after the date Declarant or the Association shall have delivered to such Owner(s) written notice of such violation and demand for cure. No such entry and abatement or removal by Declarant shall be deemed a trespass. The failure of the Declarant, the Association or any Owner to enforce any right, reservation or provision contained in this Declaration, however long continued, shall not be deemed a waiver of the right to enforce any such right, reservation or provision in the future as to the same breach or violation or as to any other breach or violation occurring prior thereto or subsequent thereto, and shall not bar or affect the subsequent enforcement thereof.

## **ARTICLE XII**

### **MISCELLANEOUS**

**Section 12.01 Subordination.** Nothing contained in this Declaration shall impair or defeat the lien of any mortgage or deed of trust against any Unit made in good faith and for value, but title to such Unit or any interest therein, including the lien of any deed of trust or mortgage, shall be subject to this Declaration.

**Section 12.02 Amendment of Declaration.** Except as otherwise provided in **Section 5.02**, or in **ARTICLE X** or by N.C.G.S. §47C-2-117(a), this Declaration may only be amended (a) by the affirmative vote of the members of the Association representing not less than sixty-seven percent (67%) of the total number of votes allocated to all Units by this Declaration, which votes shall be cast by the members of the Association present in person or by proxy at an annual or special meeting of the members of the Association duly held in accordance with the provisions of the Bylaws with respect to which notice of the purpose of the meeting shall have been given and at which meeting a quorum shall be present, or (b) by written consent of the Owners representing not less than sixty-seven percent (67%) of the total number of votes allocated to all Units by this Declaration. No such amendment shall be effective until it is recorded in the Office of the Register of Deeds of Orange County, North Carolina.





**Section 12.03 Invalidity.** The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions never had been included herein.

**Section 12.04 No Waiver of Provisions of this Declaration.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

**Section 12.05 Law Controlling.** This Declaration and the Bylaws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

**Section 12.06 Term.** The term of this Declaration shall commence on the date this Declaration is recorded in the Office of the Register of Deeds of Orange County, North Carolina, and continue thereafter for a period of twenty (20) years, after which time the term of this Declaration shall be automatically extended for successive periods of ten (10) years each unless and until the Condominium is terminated as provided in N.C.G.S. §47C-2-118.

**Section 12.07 Binding Effect.** All of the provisions of this Declaration, the Bylaws and the Rules and Regulations shall (a) run with title to the Property, including each Unit and the Common Elements, and shall be binding upon and encumber the Property, including each Unit and the Common Elements, and (b) be binding upon the Association, each Owner, all tenants and occupants of each Unit and all guests, licensees and invitees of each Owner, tenant or occupant of each Unit, and all such persons shall be subject to and shall comply with all of the provisions of this Declaration, the Bylaws and the Rules and Regulations. Each person who shall accept a deed or other instrument conveying a legal or equitable interest in any Unit to him or her, or who shall enter into a lease or other agreement to lease, rent or occupy any Unit, shall thereby acknowledge, agree to and ratify each of the provisions of this Declaration, the Bylaws and the Rules and Regulations, and each such person shall be bound thereby as fully and to the same extent as though each such provision was made a part of such deed or other instrument of conveyance, lease or other agreement, whether written or oral.

**Section 12.08 Exhibits.** Each exhibit attached to this Declaration is hereby incorporated into this Declaration as fully and to the same extent as if set forth in this Declaration in its entirety.

**IN WITNESS WHEREOF,** the Declarant has caused this Declaration to be executed by its duly authorized Managers effective as of the day and year first above written.

**515 NORTH CHURTON STREET, LLC,**  
a North Carolina limited liability company

By: Housewright Building Company,  
A North Carolina corporation, Manager

By: J. Allen Knight (Seal)  
J. Allen Knight, President

By: Hillsborough Development Partners, LLC,  
a North Carolina limited liability company, Manager

By: George A. Horton, III (Seal)  
George A. Horton, III, Manager





By: [Signature] (Seal)  
James W. Parker, Jr., III, Manager

STATE OF NORTH CAROLINA  
COUNTY OF Orange

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: J. Allen Knight, President

Witness my hand and official stamp or seal, this 10<sup>th</sup> day of January, 2018.

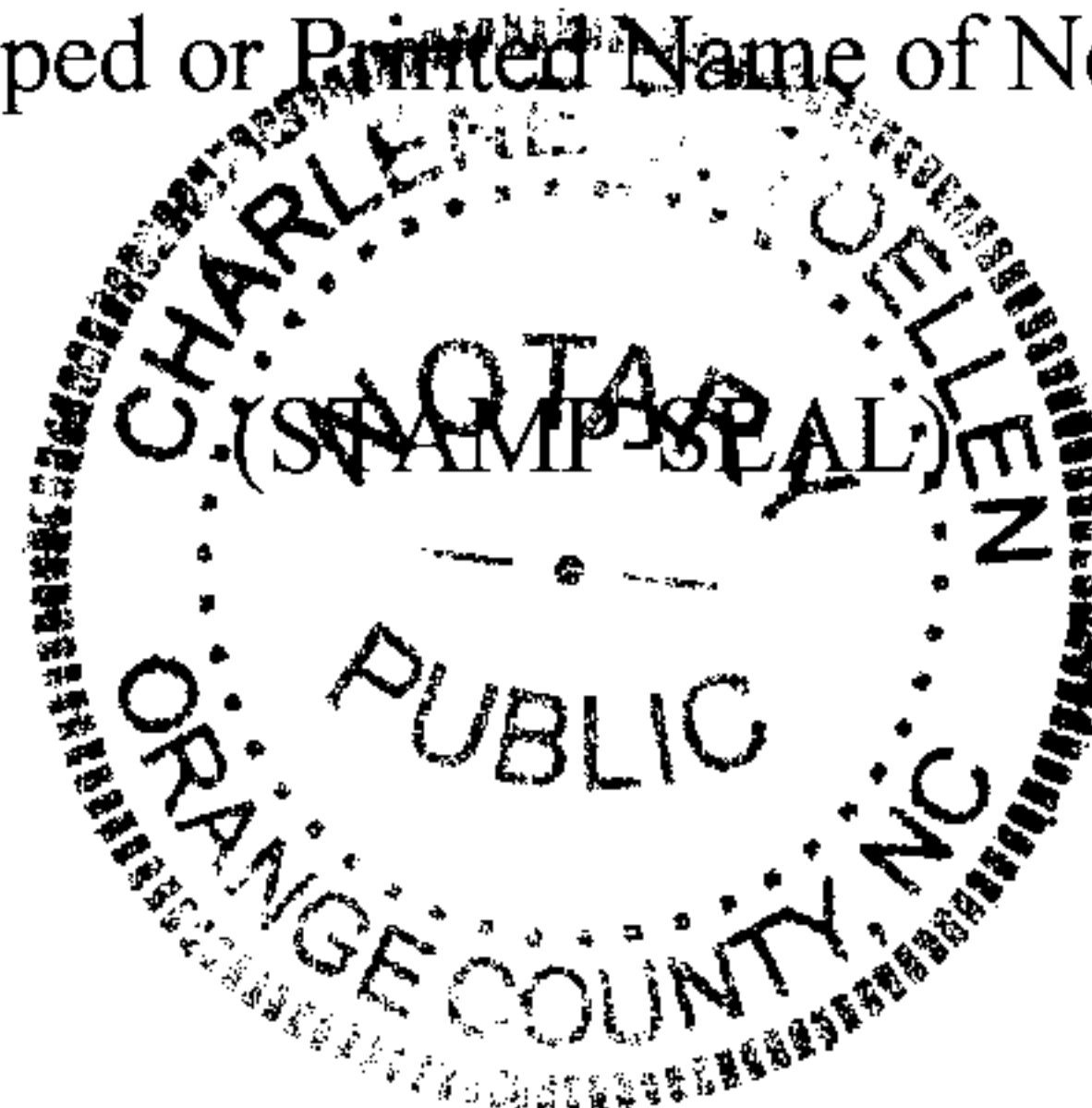
Charlene D. Toellen

Notary Public

Charlene D. Toellen

Typed or Printed Name of Notary Public

My commission expires: 2/23/20



STATE OF NORTH CAROLINA  
COUNTY OF Orange

I, the undersigned Notary Public of the State and County aforesaid, do hereby certify that **GEORGE A. HORTON, III** and **JAMES W. PARKER, JR.** each personally appeared before me this day and acknowledged that he is a Manager of Hillsborough Development Partners, LLC, a North Carolina limited liability company; that Hillsborough Development Partners, LLC is a Manager of **515 NORTH CHURTON STREET, LLC**, a North Carolina limited liability company; and that, by authority duly given, he voluntarily signed the foregoing instrument for and on behalf of Hillsborough Development Partners, LLC in his capacity as a Manager of the limited liability company.

Witness my hand and official stamp or seal, this 10<sup>th</sup> day of January, 2018.

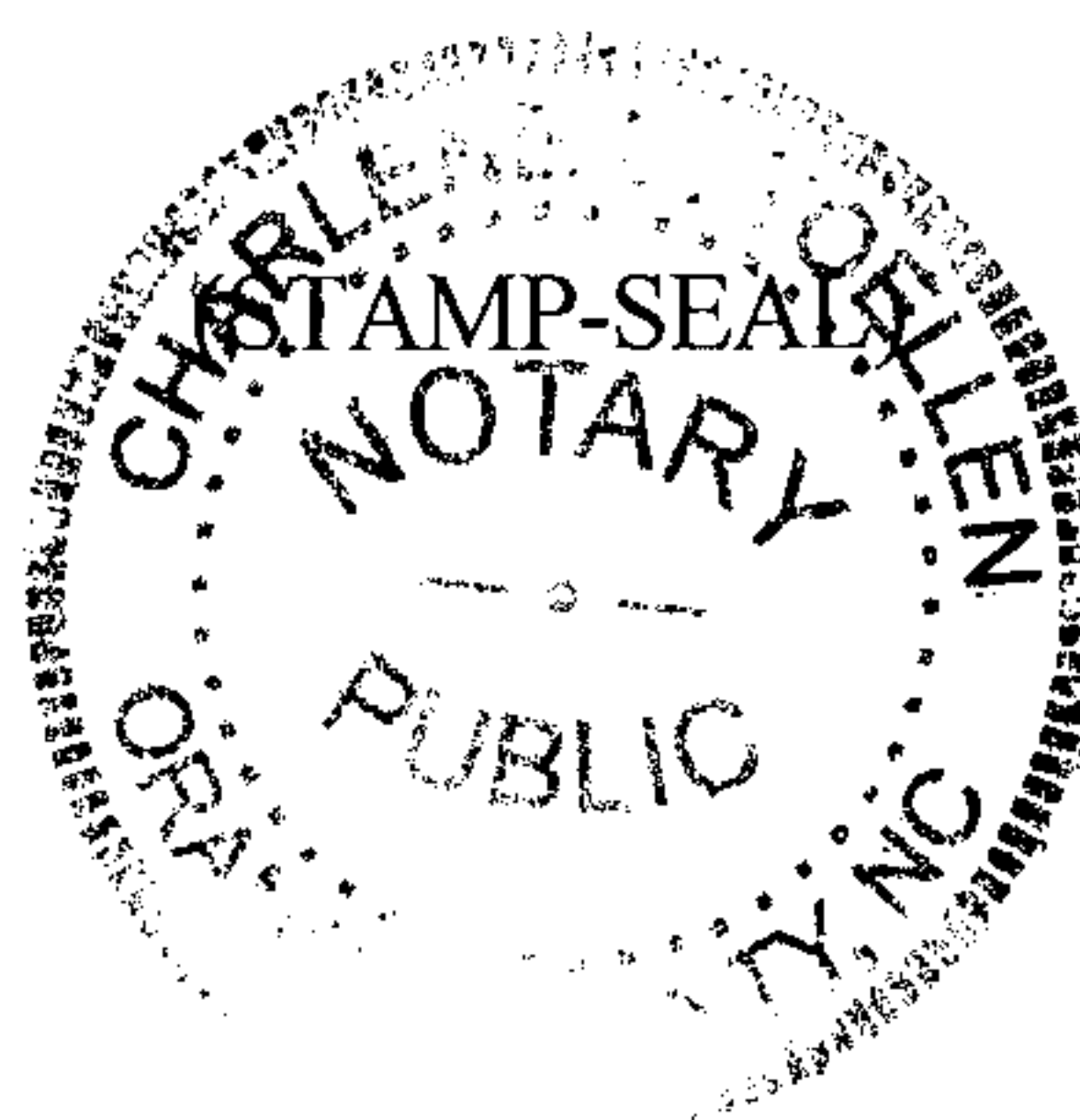
Charlene D. Toellen

Notary Public

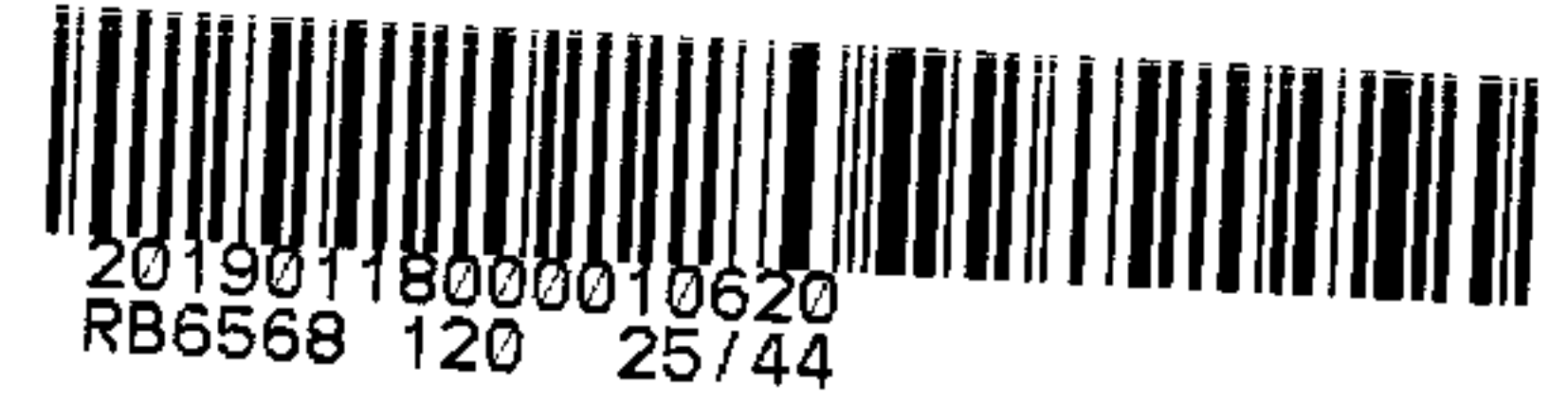
Charlene D. Toellen

Typed or Printed Name of Notary Public

My commission expires: 2/23/20







**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Being all of that property described in Deed Book 6358, Page 570, and Deed Book 6358, Page 573, Orange County Registry, to which reference is made for a more complete description.





**EXHIBIT B**

**INITIAL UNDIVIDED INTEREST IN COMMON ELEMENTS, SHARE OF COMMON  
EXPENSE LIABILITY AND ASSOCIATION VOTES ALLOCATED TO EACH UNIT**

nit#	Heated Sq. Feet	Undivided % Interest In Common Elements	Allocated % Share of Common Expenses Liability	Allocated Votes
101	989	3.36	3.36	1
102	1424	5.0	5.0	1
103	989	3.36	3.36	1
104	1307	4.6	4.6	1
105	867	3.36	3.36	1
106	1361	4.6	4.6	1
107	1361	4.6	4.6	1
201	1371	4.6	4.6	1
202	1165	4.0	4.0	1
203	1047	3.36	3.36	1
204	1483	5.0	5.0	1
205	1131	4.0	4.0	1
206	1323	4.6	4.6	1
207	1459	5.0	5.0	1
208	1459	5.0	5.0	1
301	1371	4.6	4.6	1
302	1165	4.0	4.0	1
303	1047	3.36	3.36	1
304	1483	5.0	5.0	1
305	1130	4.0	4.0	1
306	1323	4.6	4.6	1
307	1459	5.0	5.0	1
308	1459	5.0	5.0	1
Totals:	29173sf	100%	100%	23





**EXHIBIT C**

**FORM OF ASSOCIATION ARTICLES OF INCORPORATION**

ARTICLES OF INCORPORATION  
OF

515 CHURTON CONDOMINIUM OWNERS ASSOCIATION, INC., a North Carolina  
Nonprofit Corporation

The undersigned does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the North Carolina Nonprofit Corporation Act, N.C.G.S. §55A-1-01 et seq.

ARTICLE I  
NAME

The name of the corporation is 515 Churton Condominium Owners Association, Inc.

ARTICLE II  
DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III  
INITIAL REGISTERED OFFICE AND AGENT

The street (and mailing) address and county of the initial registered office of the corporation are 504 Meadowlands Drive, Hillsborough, Orange County, North Carolina 27278. The name of the initial registered agent of the corporation at that address is George A. Horton, III.

ARTICLE IV  
INCORPORATOR

The name, address and county of the incorporator are Charles H. Thibaut, 100 Cloister Court, Suite 200, Chapel Hill, Orange County, North Carolina 27514.

ARTICLE V  
MEMBERS

Any person or entity who holds record title to any condominium unit ("Unit") at 515 Churton Condominium, a residential condominium located at 515 North Churton Street, Hillsborough, Orange County, North Carolina (the "Condominium"), created in accordance with, and subject to, the provisions of the Declaration of Condominium of 515 Churton Condominium recorded or to be recorded in the office of the Register of Deeds of Orange County, North Carolina, as same may be amended, supplemented and/or modified from time to time (the "Declaration"), shall be and remain a member ("Member") of the corporation for so long as such person or entity shall hold record title to such Unit. No lienholder, judgment creditor, trustee or other person or entity holding legal or beneficial title to, or any other interest in, any Unit or Common Element (as defined in the Declaration) merely as security for an obligation or pursuant to a lease or any option, right of first refusal or other agreement to purchase or otherwise possess any Unit on a future date shall be qualified for or entitled to membership in the





corporation. Upon termination of the Condominium, the Members shall consist of those persons and entities entitled to distributions of proceeds pursuant to N.C.G.S. §47C-2-118.

## ARTICLE VI DISTRIBUTION OF ASSETS ON DISSOLUTION

Any assets of the corporation shall, upon dissolution of the corporation, be distributed in accordance with the applicable provisions of N.C.G.S. §47C-2-118 and the North Carolina Nonprofit Corporation Act.

## ARTICLE VII PRINCIPAL OFFICE

The street (and mailing) address of the principal office of the corporation is 504 Meadowlands Drive, Hillsborough, North Carolina 27278. The principal office may, however, be located at such other places as may be designated from time to time by the corporation's Board of Directors.

## ARTICLE VIII PURPOSES

The corporation does not contemplate pecuniary gain or profit to the Members and is formed solely for the purposes for which a nonprofit corporation may be formed pursuant to the North Carolina Nonprofit Corporation Act. The specific purposes for which the corporation is formed are as follows:

(a) to have all of the powers granted to the corporation by the North Carolina Condominium Act and the Declaration not inconsistent therewith;

(b) to enforce any valid restriction, condition or covenant set forth in the Declaration and to perform the functions and duties and exercise the powers set forth in the North Carolina Condominium Act and the Declaration not inconsistent therewith;

(c) to receive, acquire, hold, retain, encumber, sell, transfer and/or convey legal or beneficial title to the Common Elements (as defined in the Declaration), or any part thereof, and any tangible or intangible personal property, as provided in the Declaration;

(d) to exercise all powers deemed by the Board of Directors of the corporation to be necessary to the corporation's objectives and purposes or which reasonably may be implied therefrom, including, but not limited to, the power to solicit, collect, receive, administer and disburse funds and file liens in such manner as, in the sole discretion of the Board of Directors of the corporation, will operate most effectively to further the mutual benefit of the Members of the corporation consistent with the provisions of the North Carolina Condominium Act and the Declaration not inconsistent therewith; and

(e) to have and exercise any and all other powers, rights and privileges which a corporation organized pursuant to the North Carolina Nonprofit Corporation Act may lawfully now or hereafter have or exercise.





## ARTICLE IX INITIAL BOARD OF DIRECTORS

The corporation's initial Board of Directors shall consist of three (3) directors. The names and addresses of the corporation's initial directors are as follows:

Name	Address
George A. Horton, III	504 Meadowlands Drive Hillsborough, North Carolina 27278
Allen Knight	PO Box 786 Carrboro, NC 27510
James W. Parker, Jr.	504 Meadowlands Drive Hillsborough, North Carolina 27278

## ARTICLE X BYLAWS

The initial Bylaws of the corporation shall be adopted by the corporation's initial Board of Directors. The power to amend or repeal the initial Bylaws or to adopt new Bylaws shall be in the Members. The Bylaws may contain any provisions for the regulation and management of the corporation which are not inconsistent with the North Carolina Condominium Act, the North Carolina Nonprofit Corporation Act, the Declaration or these Articles of Incorporation.

## ARTICLE XI TAX EXEMPT STATUS

The corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles of Incorporation, the corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The corporation shall not carry on any activities prohibited by a corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law or of any analogous law of the State of North Carolina. No part of the net earnings of the corporation shall inure to the benefit of its Members, directors, officers or other persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the corporation.

## ARTICLE XII INDEMNIFICATION

To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be personally liable to the corporation or any of its Members for monetary damages for breach of duty as a director. No amendment or repeal of this provision, nor the adoption of any provision to these Articles of Incorporation inconsistent with this provision, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.





ARTICLE XIII  
AMENDMENT

These Articles of Incorporation may be amended at any annual or special meeting of the Members duly held in accordance with the provisions of the Bylaws of the corporation with respect to which notice of such purpose has been given, and at which a quorum is present, by the affirmative vote of Members entitled and qualified to vote present at such meeting in person or by proxy who represent (a) not less than two-third (2/3) of all votes cast at such meeting, or (b) not less than a majority of the total number of votes allocated to all of the Units as provided in the Declaration, whichever is less. These Articles of Incorporation may also be amended, without a meeting, by written consent of Members entitled and qualified to vote who represent the total number of votes allocated to all Units as provided in the Declaration. In the event there are no Members entitled and qualified to vote, these Articles of Incorporation may be amended as provided by the applicable provisions of the North Carolina Nonprofit Corporation Act.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_(Seal)  
Charles H. Thibaut, Incorporator





## **EXHIBIT D**

### **FORM OF ASSOCIATION INITIAL BYLAWS**

INITIAL BYLAWS OF  
515 CHURTON CONDOMINIUM OWNERS ASSOCIATION, INC., a North Carolina  
Nonprofit Corporation

#### **ARTICLE I NAME**

Section 1.01 Name. The name of the corporation is 515 Churton Condominium Owners Association, Inc. (the "Association").

#### **ARTICLE II OFFICES**

Section 2.01 Principal Office. The principal office of the Association shall be located at the address provided in the Articles of Incorporation or at such other place in the State of North Carolina as may be designated from time to time by the Board of Directors.

Section 2.02 Registered Office. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but not need be, identical with the principal office.

Section 2.03 Other Offices. The Association may have offices at such other places, either within or without the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

#### **ARTICLE III MEMBERSHIP**

Section 3.01 Membership. Any person or entity who holds record title to any condominium unit ("Unit") at 515 Churton Condominium, a residential condominium located at 515 North Churton Street, Hillsborough, Orange County, North Carolina (the "Condominium"), created in accordance with, and subject to, the provisions of the Declaration of Condominium of 515 Churton Condominium recorded or to be recorded in the Office of the Register of Deeds of Orange County, North Carolina, as same may be amended, supplemented and/or modified from time to time (the "Declaration"), shall be and remain a member ("Member") of the Association for so long as such person or entity shall hold record title to such Unit. No lienholder, judgment creditor, trustee or other person or entity holding legal or beneficial title to, or any other interest in, any Unit or Common Element (as defined in the Declaration) merely as security for an obligation or pursuant to a lease or any option, right of first refusal or other agreement to purchase or otherwise possess any Unit on a future date shall be qualified for or entitled to membership in the Association. Upon termination of the Condominium, the Members shall consist of those persons or entities entitled to distributions of proceeds pursuant to N.C.G.S. §47C-2-118. All defined terms in the Declaration shall have the same meanings in these Bylaws unless otherwise defined herein.





#### ARTICLE IV MEETINGS OF MEMBERS

Section 4.01 Annual Meeting. The annual meeting of the Members shall be held on such date as may be designated by the Board of Directors for the purpose of transacting any business authorized to be transacted by the Members.

Section 4.02 Substitute Annual Meeting. If the annual meeting of the Members is not held as provided in Section 4.01, any business, including the election of Directors, which might properly have been acted upon at the annual meeting may be acted upon at any subsequent meeting of the Members held pursuant to these Bylaws or pursuant to a court order requiring a substitute annual meeting.

Section 4.03 Special Meetings. Special meetings of the Members may be called at any time by the President, a majority of the Board of Directors, or upon written request of Members entitled and qualified to vote representing not less than ten percent (10%) of the votes allocated to all Units as provided in the Declaration.

Section 4.04 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting by mailing a copy of such notice, postage prepaid, no fewer than ten (10) days nor more than sixty (60) days in advance of any annual or special meeting to each Member entitled and qualified to vote thereat, addressed to each such Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed as provided above, with postage thereon prepaid.

Section 4.05 Qualification to Vote. Any Person who does not hold record title, individually or with others, to any Unit shall not be entitled or qualified to vote on any action taken by the Members unless such person is given the authority to vote for and on behalf of a Member by written proxy complying with the provisions of Section 4.08. No Member who is delinquent in the payment of any Common Expense Liability (as defined in the Declaration), Special Assessment (as defined in the Declaration) and/or other fee, cost, charge or expense, or any part thereof, properly levied by the Board of Directors shall be entitled or qualified to vote on any action taken by the Members at any time during which any such Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense, or any part thereof, is delinquent.

Section 4.06 Voting List. Beginning two (2) business days after notice of any annual or special meeting of the Members is given, the Secretary shall prepare an alphabetical list of the Members entitled and qualified to vote at such meeting, which list shall be kept on file at the principal office of the Association through such meeting, and shall be subject to inspection by any Member at any time during usual business hours. This list shall also be subject to inspection by any Member during the whole of the meeting. Any Member otherwise entitled and qualified to vote at any meeting shall be entitled to vote; provided, however, that the owner(s) of each Unit shall not cast more than the number of votes allocated to such Unit by the Declaration on any action taken by the Members, regardless of the number of record owners of such Unit.

Section 4.07 Quorum. The presence at any meeting in person or by proxy of Members entitled and qualified to vote who represent not less than twenty percent (20%) of the votes allocated to all Units as provided in the Declaration shall constitute a quorum for any action; provided, however, that no Unit may be represented by more than one (1) Member for the purpose of determining whether a





quorum is present, regardless of the number of record owners of such Unit. If a quorum shall not be present or represented at any meeting, the Members entitled and qualified to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The presence of a Member at the beginning of a meeting, in person or by proxy, shall constitute the presence of that Member for the duration of such meeting for the purpose of determining whether a quorum is present for any action.

Section 4.08 Proxies. At all meetings of the Members, each Member may vote in person or by proxy; provided, however, that the record owner(s) of each Unit, whether one (1) or more, shall not be entitled to cast more than the number of votes allocated to such Unit as provided in the Declaration, regardless of the number of record owners of such Unit. All proxies shall be in writing and filed with the Secretary; provided, however, that a proxy in electronic form that is compliant with the provisions of N.C.G.S. §55A-7-24(a) shall be deemed a valid proxy pursuant to this Section. Every proxy shall be revocable and shall automatically cease upon expiration or termination of the Member's membership in the Association or suspension of his eligibility to vote. Any local government member proxy shall be exercised by the position (i.e., Manager, Department Director) authorized by resolution of the elected board of the local government.

Section 4.09 Order. The order of business at annual meetings of the Members, and, as far as practical, at all other meetings of the Members, shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Unfinished business.
- e. Committee reports.
- f. New business.
- g. Adjournment.

Section 4.10 Conduct of Meetings. The President shall preside over all meetings of the Members. The Secretary shall keep a minute book with all resolutions adopted by the Members, minutes of all meetings, and all written consents to actions taken without a meeting. Robert's Rules of Order (latest edition) shall govern the conduct of each meeting.

Section 4.11 Adjournments. Any meeting of the Members at which a quorum is present may be adjourned by a majority of the Members present at such meeting, in person or by proxy, to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted if the time and place of the reconvened meeting are announced at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned if a quorum is present at the reconvened meeting. The presence of a Member at the beginning of a meeting, in person or by proxy, shall constitute the presence of that Member for the duration of such meeting for the purpose of determining whether a quorum is present for any action.

Section 4.12 Action of Members Without a Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting, by electronic means pursuant to N.C.G.S. §55A-1-70 or otherwise, if one or more written consents setting forth with reasonable detail the action authorized are signed, either before or after such action, by all of the Members then entitled and qualified to vote who represent the total number of votes allocated to all of the Units as provided in the Declaration. Facsimile or electronic signatures and delivery of any written consent by facsimile or electronic means shall be permitted and shall have the same validity and effect as original signatures. Each consent shall



be filed in the minute book or other appropriate records of the Association by the Secretary. A consent signed pursuant to the provisions of this Section shall have the same effect as a vote of such Members at a special meeting called for the purpose of considering the action authorized.

Section 4.13     Vote Required for Action. The total number of votes that may be cast by the membership on any action which may be taken by the Members, whether at an annual or special meeting or by written consent without a meeting, shall not exceed the total number of votes allocated to all of the Units as provided in the Declaration. The record owner(s) of each Unit, whether one (1) or more, shall cast not more than the number of votes allocated to such Unit as provided in the Declaration on any action taken by the Members. Any votes cast or a written consent signed by a record owner of any Unit having more than one (1) record owner shall be deemed to be votes cast or a written consent signed by all record owners of such Unit and shall be binding upon each of them as fully and to the same extent as if each of them had voted on such action or signed such written consent. Except as otherwise provided by law, the Articles of Incorporation, these Bylaws or the Declaration, and subject to the above-stated voting provisions, the act of Members entitled and qualified to vote who represent not less a majority of the total number of votes present in person or by proxy at any meeting of the Members at which a quorum is present, shall be the act of all of the Members.

## ARTICLE V BOARD OF DIRECTORS

Section 5.01     General Powers. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors shall have all powers of the Association that are not required by law, the Articles of Incorporation, these Bylaws or the Declaration to be exercised by the Members. The powers of the Association include those set forth in Article 3 of the North Carolina Nonprofit Corporation Act, in Article 3 of the North Carolina Condominium Act and in the Declaration not inconsistent therewith.

Section 5.02     Number, Term and Qualifications. The number of Directors shall be not less than one (1) nor more than five (5). Except to the extent otherwise expressly provided in the Declaration, each Director shall serve a term of two (2) years and, subject to removal, disqualification or resignation, until his or her successor has been elected and qualified. Any natural person being not less than eighteen (18) years of age shall be eligible for election or appointment as a Director, regardless of whether such person is a Member.

Section 5.03     Nomination. Nominations for election of Directors by the Members shall be accepted by the Secretary, in writing, not more than thirty (30) days prior to the annual meeting of the Members. Nominations may also be made orally by any Member at the annual meeting of the Members. Nominations for election of Directors shall be made and accepted according to procedures adopted by the Board of Directors.

Section 5.04     Election. Directors shall be elected as provided in Section 5.02. Those persons who receive the highest number of Votes shall be deemed to be elected. If any Member so demands, the election of Directors by the Members shall be by written ballot.

Section 5.05     Removal. Any Director may be removed from office, with or without cause, by a vote of the Members at any annual or special meeting of the Members duly held in accordance with the provisions of these Bylaws with respect to which notice of such purpose has been given and at which a quorum is present by the affirmative vote of Members entitled and qualified to vote who represent not less than a majority of all Units present in person or by proxy.





Section 5.06 Vacancies. Any vacancy occurring on the Board of Directors may be filled by a majority of the Directors remaining in office though less than a quorum of the Board of Directors. Any Director so elected by the remaining Directors to fill the vacancy of a removed Director shall, subject to removal, disqualification or resignation, serve the remaining term of such removed Director and until his or her successor has been elected and qualified.

Section 5.07 Compensation. Directors shall not receive compensation for their services on the Board of Directors. A Director may serve the Association in another capacity and receive compensation, if disclosed to the Board of Directors in advance in writing.

Section 5.08 Committees. The Board of Directors may, by resolution adopted by a majority of the Directors, establish such committees and the terms, purposes and authorities thereof, as it may, in the exercise of its sole discretion, deem appropriate. Each such committee shall consist of at least one (1) Member, but need not consist of a Director unless so provided by the Board of Directors. Non-Members may serve on any committee unless expressly prohibited by the Board of Directors. No committee may exercise the authority of the Board of Directors in the conduct of the business or affairs of the Association.

## ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section 6.01 Place of Meetings. The Board of Directors may hold its meetings at any place as the Board of Directors by resolution may establish.

Section 6.02 Regular Meetings. A regular meeting of the Board of Directors shall be held at least once each year at such time(s) as the Board of Directors by resolution may provide.

Section 6.03 Special Meetings. Special meetings of the Board of Directors may be called by the President, the Secretary or any Director.

Section 6.04 Notice of Meetings. No notice shall be required for regularly scheduled meetings. Notice of each special meeting shall be given to each Director stating the time, place and purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by telephone, facsimile, electronic mail (email) or personal delivery at least three (3) days before the meeting. Notice by facsimile or telegram or cablegram shall be deemed delivered at the time indicated on the transmission verification. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director.

Section 6.05 Quorum. A quorum shall be deemed present throughout any meeting of the Board of Directors when a majority of all Directors then holding office are present in person or by proxy at the beginning of the meeting.

Section 6.06 Voting. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Each Director shall have one (1) equal vote on all matters considered and/or voted upon by the Board of Directors.

Section 6.07 Adjournments. Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be





transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 6.08 Action by Board of Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting by electronic means pursuant to N.C.G.S. §55A-1-70 or otherwise, if one or more written consents are signed, either before or after such action, by all of the Directors. Facsimile or electronic signatures and delivery of any written consent by facsimile or electronic means shall be permitted and shall have the same validity and effect as original signatures. Each consent shall be filed with the minutes of the Board of Directors. A consent signed pursuant to the provisions of this Section shall have the same force and effect as a unanimous vote of the Board of Directors at a meeting.

Section 6.09 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors. The Secretary shall keep a minute book with all resolutions adopted by the Board of Directors, minutes of all meetings, all written consents to actions taken without a meeting, all memoranda of emergency actions taken without a meeting, and proceedings occurring at all such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

## ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01 Powers. The Board of Directors shall have power to:

- (a) suspend the voting rights of any Member during any period in which such Member shall be delinquent in the payment of any Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense levied against any Unit owned by such Member;
- (b) to the extent permitted by law, file a lien on behalf of the Association against any Unit in the event payment of any Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense levied against such Unit shall become delinquent, and/or commence appropriate legal action to enforce such lien and/or effect collection of any such delinquent Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense;
- (c) declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive meetings of the Board of Directors;
- (d) elect and employ a President, who shall be the chief executive officer of the Association, and such other employees as it may deem necessary, and to prescribe their duties;
- (e) elect such other Officers of the Association as it may deem necessary;
- (f) elect a successor Director to fill the vacancy of any Director removed by the Members or declared vacant by the Board of Directors;
- (g) establish such committees as it may deem appropriate; and
- (h) exercise for the Association any and all other powers, duties and authority vested in, conferred upon or delegated to the Association pursuant to the North Carolina Nonprofit Corporation Act, the North Carolina Condominium Act, the Articles of Incorporation, these Bylaws and/or the Declaration and not expressly reserved to the Members by the North Carolina Nonprofit Corporation Act, the North Carolina Condominium Act, the Articles of Incorporation, these Bylaws and/or the Declaration.



Section 7.02 Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting which such statement is requested in writing any Member;
- (b) supervise all Officers, agents and employees of the Corporation, and to see that their duties are properly performed;
- (c) issue, or to cause an appropriate Officer to issue, upon demand by any Member, a certificate setting forth whether any Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense required to be paid by any Member has been paid. Such certificate shall be conclusive evidence of such payment;
- (d) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (e) cause any property of the Association to be properly maintained and insured;
- (f) cause any and all necessary registrations, licenses and permits to be obtained and maintained by the Association;
- (g) submit a proposed annual budget, including any proposed Common Expense Liability, Special Assessment and/or other fee, cost, charge or expense, to the Members for their consideration and approval at the annual meeting of the Members;
- (h) submit a proposed special assessment and justification therefor to the Members for their consideration and approval when and as the Board of Directors may deem necessary;
- (i) pay any license fees or governmental charges levied or imposed against any property of the Association; and
- (j) perform such other duties as are imposed by the North Carolina Nonprofit Corporation Act, the North Carolina Condominium Act, the Articles of Incorporation and/or the Declaration.

ARTICLE VIII  
OFFICERS

Section 8.01 Number. The Officers of the Association shall consist of a President, one or more Vice Presidents as designated by the Board of Directors, a Secretary, a Treasurer and one or more Assistant Secretaries and Treasurers as designated by the Board of Directors. The Association shall not be required to have at any time any Officers other than a President, a Secretary and a Treasurer. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. Any natural person being not less than eighteen (18) years of age shall be eligible for election or appointment as an Officer, regardless of whether such person is a Member.

Section 8.02 Election and Term. Except to the extent otherwise expressly provided in the Declaration, all Officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board of Directors.





Section 8.03 Compensation. Any compensation of Officers shall be fixed by the Board of Directors.

Section 8.04 Removal. Any Officer or agent elected by the Board of Directors may be removed by the Board of Directors, with or without cause, at any meeting with respect to which notice of such purpose has been given to the Directors.

Section 8.05 President. The President shall be a Director and the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. The President shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall perform such other duties as may from time to time be assigned or delegated to him or her by the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8.06 Vice Presidents. The Vice President shall be a Director and, in the absence or disability of the President, or at the direction of the President, shall have the duties and powers of the President. If the Association has more than one Vice President, the Board of Directors shall designate one of them to act for the President. Each Vice President shall have whatever additional duties and powers as may from time to time be assigned or delegated to him or her by the Board of Directors or which are incident to the office of the vice president of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8.07 Secretary. The Secretary shall keep accurate and complete records of all meetings of Members and Directors, including minutes of the meetings, all resolutions adopted and all consents to actions without a meeting. The Secretary shall have authority to give all notices required by law or these Bylaws. The Secretary shall be custodian of the corporate books, records, contracts and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature. The Secretary shall have whatever addition duties and powers as may from time to time be assigned or delegated to him/her by the Board of Directors or which are incident to the office of the secretary of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8.08 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board of Directors. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board of Directors and President upon request. The Treasurer shall perform all duties as may be assigned to him from time to time by the Board of Directors. The Treasurer shall prepare or cause to be prepared all required financial statements, tax returns and budgets. If the Corporation employs an accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent. The Treasurer shall have whatever addition duties and powers as may from time to time be assigned or delegated to him or her by the Board of Directors or which are incident to the office of the treasurer of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 8.09 Assistant Secretary and Assistant Treasurer. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary of the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board of Directors. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any Officer.





Section 8.10 Bonds. The Board of Directors may require any or all of the Officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the duties of their respective offices or positions.

#### ARTICLE IX PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

Section 9.01 Prohibition. No Director, Officer, Member, employee, agent, committee member, Person connected with the Association or other Person shall receive at any time any of the net earnings or pecuniary profit from the operations of, or any other distribution from, the Association; provided, however, that any such Person may receive payment of reasonable compensation for services rendered to or for the Association in effecting any of its purposes as shall be fixed by the Board of Directors, or a distribution of the assets of the Association upon the termination of the Condominium or the dissolution or winding up of the affairs of the Association, whether voluntary or involuntary, to the extent such distribution is mandated or permitted by the North Carolina Nonprofit Corporation Act and/or the North Carolina Condominium Act as same now exist or may hereafter be amended.

#### ARTICLE X PROHIBITED ACTIVITIES

Section 10.01 Prohibition. Notwithstanding any other provision of these Bylaws to the contrary, no Director, Officer, Member, employee, agent, committee member or other representative of the Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by the Association pursuant to the North Carolina Nonprofit Corporation Act or the North Carolina Condominium Act as same now exist or may hereafter be amended.

#### ARTICLE XI MISCELLANEOUS

Section 11.01 Fiscal Year. The fiscal year of the Association shall begin on or the first (1st) day of January and end on the thirty-first (31st) day of December of each calendar year.

Section 11.02 Seal. The corporate seal of the Association shall be in circular form having within its circumstance the words: 515 Churton Condominium Owners Association, Inc. Corporate Seal.

Section 11.03 Inspection of Books and Records. All accounts, books and records of the Association shall be open to inspection by the Members during normal business hours subject to such reasonable rules as the Board of Directors may establish.

Section 11.04 Indemnification. Each Director and Officer shall be indemnified by the Association against those expenses which are allowed by the laws of North Carolina and which are reasonably incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or having been a Director and/or Officer. Indemnification shall be made only in accordance with the laws of the State of North Carolina. The Association may purchase and maintain insurance on behalf of any such Directors and/or Officers against any liabilities asserted against them whether or not the Association would have the power to indemnify the Directors and/or Officers against the liability under the laws of the State of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action





of the Members or by an insurance carrier, the Association shall provide notice of such payment to the Members in accordance with the laws of the State of North Carolina.

Section 11.05 Waiver of Notice. Whenever any notice is required to be given to any Member or Director, a waiver signed by the Member or Director entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted unless specific objection is made before the objectionable business is put to vote.

Section 11.06 Amendment. These Bylaws may be amended at any annual or special meeting of the Members duly held in accordance with the provisions of these Bylaws with respect to which notice of such purpose has been given, and at which a quorum is present, by the affirmative vote of Members entitled and qualified to vote present at such meeting in person or by proxy who represent (a) not less than two-third (2/3) of all votes cast at such meeting, or (b) not less than a majority of the total number of votes allocated to all of the Units as provided in the Declaration, whichever is less. These Bylaws may also be amended, without a meeting, by written consent of Members entitled and qualified to vote who represent the total number of votes allocated to all Units as provided in the Declaration. In the event there are no Members entitled and qualified to vote, these Bylaws may be amended as provided by the applicable provisions of the North Carolina Nonprofit Corporation Act.

Section 11.07 Self-Dealing. Each Director, Officer and agent of the Association shall disclose in the written minutes of the Board of Directors any contract or agreement of any kind between the Corporation and any person or entity to which he or she is related by blood or marriage or in which he or she has an interest, whether direct or indirect.

Section 11.08 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

Section 11.09 Effective Date. The effective date of these Bylaws shall be the date of approval and adoption set forth below.

APPROVED AND ADOPTED BY THE UNDERSIGNED INITIAL DIRECTORS OF THE ASSOCIATION THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018.

\_\_\_\_\_  
J. Allen Knight, Initial Director

\_\_\_\_\_  
George A. Horton, III, Initial Director

\_\_\_\_\_  
James W. Parker, Jr., III, Initial Director





**EXHIBIT E**

**LENDER CONSENT AND SUBORDINATION**

The undersigned, Select Bank & Trust Company ("Bank"), being the secured party under that certain Deed of Trust from 515 North Churton Street, LLC, recorded at Book 6376, Page 459, Orange County Registry in the maximum amount of \$5,000,000.00 (the "**Deed of Trust**") together with any associated UCC Financing Statements related thereto (collectively, as amended and restated, the "**Security Instruments**"), which Security Instruments encumber a portion of the real property subject to the foregoing Declaration Of Condominium Of 515 Churton Condominium (the "**Declaration**"), hereby executes this Consent and Subordination for purposes of confirming its consent to the Declaration and subordinating the Security Instruments to the effect of the easements, covenants and restrictions created or established by the Declaration and to the force and effect of the Declaration (except as may otherwise be expressly set forth therein), except that (i) this subordination shall not be applicable to any liens or assessments created or arising under the Declaration, (ii) no violation of the Declaration shall defeat or render invalid the lien of the Security Instruments, and (iii) should Bank acquire title to the real property secured by the Security Instruments, any liability Bank might have under the Declaration shall be non-recourse except to the extent of its interest in the such real property. The execution of this Consent and Subordination by the Bank shall not have the effect of creating any relationship of partnership or of a joint venture nor shall anything contained hereunder be deemed to impose upon Bank any of the liabilities, duties or obligations of 515 North Churton Street, LLC under the Declaration. Bank executes this Consent and Subordination solely for the purposes set forth herein.

SELECT BANK & TRUST COMPANY

By: [Signature]  
Name: J Gregory Spainhour  
Title: Senior Vice President

NORTH CAROLINA  
Glamance COUNTY

I, Judy L. Poe, a Notary Public of the State and County aforesaid, certify that J Gregory Spainhour personally appeared before me this day and acknowledged that he/she is Senior Vice President of Select Bank & Trust Company, a bank, and that he/she as Senior Vice President, being authorized to do so, executed the foregoing on behalf of the bank.

Witness my hand and seal this the 21 day of December, 2018.

[Signature]  
Notary Public

My Commission Expires: 6/7/2023

(Place Notary Seal Here)





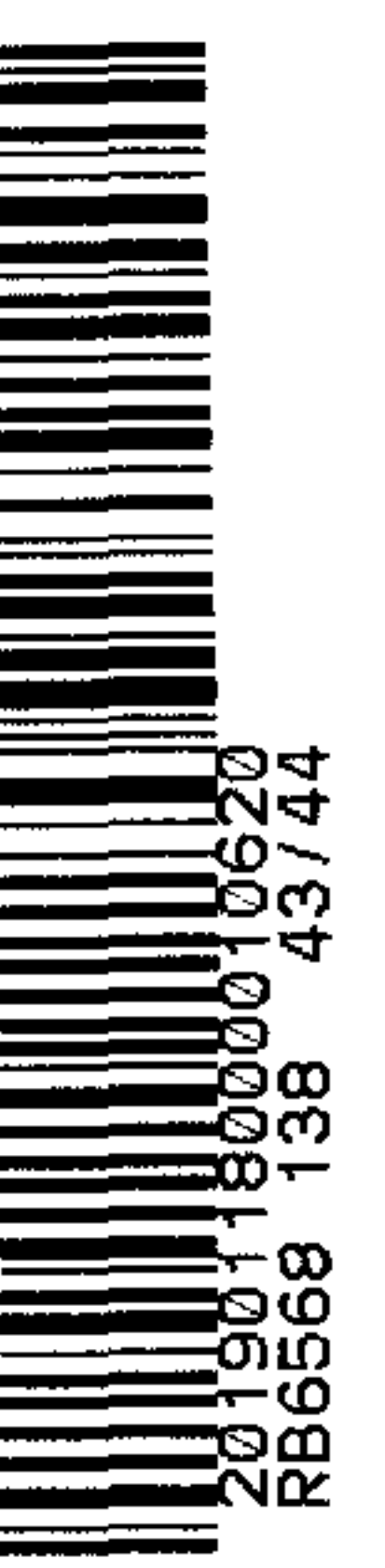
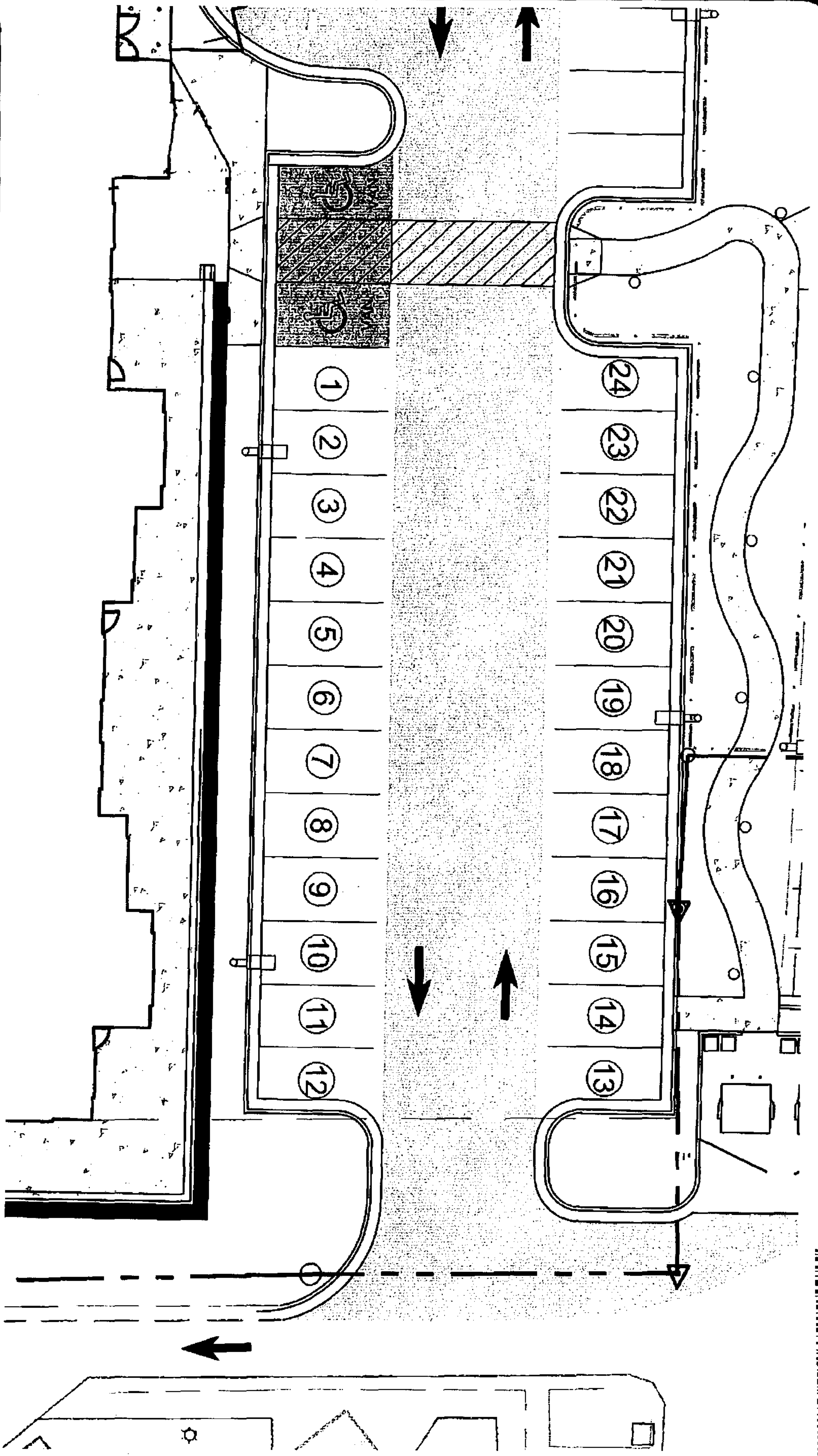


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**EXHIBIT F**  
**PARKING SPACES**



Exhibit F



SCALE  
NTS

FIRST ISSUE DATE  
10/23/2018

PROJECT NO.  
14-0106

SHEET NO.  
EXHIBIT

**515 NORTH  
CONDOMINIUMS**  
515 NORTH CHURTON STREET  
HILLSBOROUGH, NC 27278

**PARKING SPACE ASSIGNMENT**

THIS MAP MAY NOT BE A CERTIFIED SURVEY AND  
HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT  
AGENCY FOR COMPLIANCE WITH ANY APPLICABLE  
LAND DEVELOPMENT REGULATIONS AND HAS NOT  
BEEN REVIEWED FOR COMPLIANCE WITH  
RECORDING REQUIREMENTS FOR PLATS.



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**Exhibit F**  
**Parking Space Assignments**

<b>Parking Space Number</b>	<b>Unit Assignment</b>
<b>1</b>	<b>304</b>
<b>2</b>	<b>301</b>
<b>3</b>	<b>103</b>
<b>4</b>	<b>305</b>
<b>5</b>	<b>302</b>
<b>6</b>	<b>105</b>
<b>7</b>	<b>306</b>
<b>8</b>	<b>303</b>
<b>9</b>	<b>308</b>
<b>10</b>	<b>104</b>
<b>11</b>	<b>106</b>
<b>12</b>	<b>203</b>
<b>13</b>	<b>208</b>
<b>14</b>	
<b>15</b>	<b>307</b>
<b>16</b>	<b>207</b>
<b>17</b>	<b>204</b>
<b>18</b>	<b>107</b>
<b>19</b>	<b>101</b>
<b>20</b>	<b>205</b>
<b>21</b>	<b>202</b>
<b>22</b>	<b>206</b>
<b>23</b>	<b>201</b>
<b>24</b>	<b>102</b>