# BY-LAWS

# OF

# BROOKWOOD UNIT OWNERSHIP ASSOCIATION

# CHAPEL HILL, NORTH CAROLINA

## ARTICLE I – PLAN OF UNIT OWNERSHIP

1. Unit Ownership: The Property located in Orange County, State of North Carolina, and more particularly described in the Declaration to which these By-Laws are attached, has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration recorded in the office of the Register of Deeds of Orange County, State of North Carolina, simultaneously herewith, and such Property shall hereinafter be known as "BROOKWOOD".

**2.** Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of BROOKWOOD and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon, including the units and the common areas and facilities owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are submitted to the provisions of said Chapter 47A of North Carolina General Statutes, entitled "Unit Ownership Act".

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

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws and any Rules and

Regulations made pursuant hereto and the provisions of the Declaration, as they may be amended from time to time, will be compiled with and are accepted and ratified.

## ARTICLE II – ASSOCIATION OF UNIT OWNERS

**1.** Composition and Powers: The Association of Unit Owners shall be composed of all the unit owners of the project, including, the Owner, Home Savings and Loan Association, so long as Home Savings and Loan Association retains ownership of one or more of the project units. The Association shall have all of the powers with respect to the operation and regulation of the condominium project conferred upon the Association or which may be conferred upon the Association by or pursuant to a) the provisions of Chapter 47A of the General Statutes of North Carolina, being the Unit Ownership Act of North Carolina, and b) the Declaration of Home Savings and Loan Association for Brookwood filed of record in the Office of Register of Deeds for the County of Orange, State of North Carolina, to which Declaration these By-Laws are appended. Except as otherwise provided for herein allowing for the exclusive control by Home Savings and Loan Association of the acts, decisions and resolutions of the Association until such time as forty-three (43) of the sixty-one (61) of Brookwood units have been sold or until three (3) years from and after date of the filing of record of the aforesaid Declaration, whichever event comes first, the acts, decisions and resolutions of the Association shall be effective upon adoption by vote of a majority of unit owners as defined by Chapter 47A of the General Statutes of North Carolina, such majority of unit owners being the owners of more than fifty percent (50%) of the aggregate interest in the common areas and facilities as established by the Declaration, assembled at a duly called meeting of the unit owners.

**2.** Present existence of Association of Unit Owners: The Association of Unit Owners, to be known as BROOKWOOD UNIT OWNERSHIP ASSOCIATION and referred to hereinafter as either the "Association" or "Unit Owners", shall be in and have an existence from and after the filing of record by Home Savings and Loan Association of the Declaration for BROOKWOOD to which Declaration these By-Laws are appended. Home Savings and Loan Association shall hold an initial meeting of the Association at any time at its selection

within thirty (30) days from and after the date of filing of the Declaration for the purpose of designating an initial Board of Directors and for the purpose of transacting all other matters required for the organization of the Association. In the event that there is a unit owner or there are unit owners other than Home Savings and Loan Association, such meeting shall be held upon ten (10) days' written notice given by Home Savings and Loan Association to such other unit owner or unit owners.

**3.** Annual Meetings: An annual meeting of the Unit Owners shall be held at 8:00 o'clock P.M., on the third Tuesday of March of each year, if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday, for the purpose of electing members of the Board of Directors (except as initially limited by the terms and provisions of Article III, Section 2 hereinafter appearing) and for transacting such other business as may be properly brought before the meeting.

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

**5.** Special Meetings: Special meetings of the Unit Owners may be called at any time by the Board of Directors or upon the written request of unit owners owning not less than twenty-five percent (25%) of the aggregate interest in the common areas and facilities.

**6.** Notice of Meetings: Written notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than (30) days before the stated date of such meeting, either personally or by mail at the direction of the Board of Directors or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted unless it is a matter other than the election of Directors on which the vote of Unit Owners is expressly required by the provisions of the

North Carolina Unit Ownership Act. In the case of a special meeting the notice of meeting shall specifically state the purposes for which the meeting is called.

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

**7.** Quorum: The presence in person or by proxy at any meeting of the voting members as defined in Section 8 of this Article having a majority of the total votes (51 or more of 100 votes) shall constitute a quorum. Unless otherwise expressly provided for herein or in the Declaration or by law, any action may be taken at any meeting of the Unit Owners at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting. If there is no quorum at the opening of the meeting of the Unit Owners, such meeting may be adjourned from time to time by the vote of a majority of the voting members present, either in person or by proxy, and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

The voting members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum.

**8.** Voting Rights: There shall be one person or entity with respect to each unit who or which shall be entitled to vote at any meeting of the Unit Owners. Such person or entity shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of the group comprising all of the owners of a unit, or may be some other person who need not be an owner designated by such owner or owners to act as proxy on his or her or its or their behalf. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board of Directors of the death or judicially declared incompetence of any designator, or by written notice to the Board of Directors by the owner or owners. The total number of votes of all voting members shall be one hundred (100), and each owner or group of owners (including Home Savings and

Loan Association and/or the Board of Directors, if Home Saving and Loan Association and/or the Board of Directors and their/its designee shall then hold title to one or more units) shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or her or its or their unit ownership as set forth in Item 3 (h) of the Declaration.

**9.** Cumulate Voting: In all elections for members of the Board of Directors, such voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

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

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

## ARTICLE III – BOARD OF DIRECTORS

**1.** General Powers: The business and property of BROOKWOOD shall be managed and directed by the Board of Directors or by such Executive Committee as the Board may establish pursuant to these By-Laws.

**2.** Number, Term and Qualifications: The initial Board of Directors of Brookwood shall be comprised of three (3) Directors to be designated by Home Savings and Loan Association at the initial meeting of the Association as referred to in Article II, Section 2 hereinabove set forth. The initial Board of Directors so designated by Home Savings and Loan Association shall serve until such time as seventy percent (70%) of the Brookwood units (43 of the 61 units) have been sold by Home Savings and Loan Association or until three (3) years from and after date of the filing of record of the Declaration for Brookwood, whichever event comes first, and the initial Board of Directors so designated by Home Savings and Loan Association shall not be subject to change as to composition or size by any vote of the Association during such period of time. If fifty percent (50%) of the units have been sold by Home Savings and Loan Association at a time prior to three (3) years from and after date of filing of record of the Declaration for Brookwood, the Board of Directors at that time shall be increased in size from three (3) Directors to five (5) Directors, with the additional two (2) Directors to be elected by the then existing unit owners other than Home Savings and Loan Association at a special meeting called for such purpose. At such time when seventy percent (70%) of the Brookwood Units (43 of the 61 units) have been sold or three (3) years from and after date of filing of the record of the Declaration for Brookwood, whichever event comes first, the three (3) Directors initially designated by Home Savings and Loan Association shall resign, and a) three (3) successor Directors and b), if the Board of Directors is at that time a three-director board, an additional two (2) directors will be elected with such and election to be by the unit owners, including Home Savings and Loan Association if then a unit owner, at a special meeting called for such a purpose.

The size of the Board of Directors thereafter may be increased or decreased from time to time upon the affirmative vote of the unit owners owning $66\frac{2}{3}$ % of the aggregate interest in the common areas and facilities, provided that said Board shall not be less than five (5) in number. Each Director shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Each member of the Board shall be one of the unit owners or co-owners or a spouse of a unit owner or co-owner; provided, however, that in the event an owner or co-owner is a corporation, partnership, trust or other legal entity other than a natural person or persons,

then any officer or director of such corporation, partner of such partnership, trustee or beneficiary of such trust or manager of such other legal entity shall be eligible to serve as a member of the Board.

**3.** Election of Directors: Except as provided in Section 4 of this Article, the Directors shall be elected at the annual meeting of Unit Owners, and those persons who receive the highest number of votes shall be deemed to have been elected.

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

**5.** Compensation: The Board of Directors shall receive no compensation for their services unless allowed and provided for by a resolution of the Unit Owners passed by the affirmative vote of the Unit Owners owning $66\frac{2}{3}$ % of the aggregate interest in the common areas and facilities.

**6.** Executive Committees: The Board of Directors may, by resolution adopted by a majority of the number of Directors fixed by these By-Laws, designate three or more Directors to constitute an Executive Committee, which committee to the extent provided for in such resolution shall have and may exercise all of the authority of the Board of Directors in the management of BROOKWOOD.

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

**(a)** Operation, care, upkeep and maintenance of the common areas and facilities, including the exteriors of the several buildings.

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

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

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

**(e)** At the direction of the Unit Owners declared by the affirmative vote of the Unit Owners owning $66\frac{2}{3}$ of the aggregate interest in the common areas and facilities, the adoption and amendment of such reasonable Rules and Regulations as may be deemed necessary for the use, enjoyment, care, conservation and beautification of the Property and for the health, comfort, safety and general welfare of the Unit Owners and the occupants of the Property. Written notice of such Rules and Regulations shall be given to all Unit Owners and occupants and the entire Property shall at all times be maintained subject to such Rules and Regulations. Home Savings and Loan Association, as Owner of one hundred percent (100%) of the aggregate interest in the common areas and facilities as of the time of the filing of the Declaration for Brookwood to which Declaration these By-Laws are appended, shall promulgate and issue an initial set of Rules and Regulations, which from and after such promulgation shall be and continue in force and effect until such time as they may be amended by the Board of Directors as herein provided. A copy of such initial Rules and Regulations shall be furnished by Home Savings and Loan Association to each Unit Owner at the time of such owner acquiring from Home Savings and Loan Association his, her or its ownership interest in the Brookwood unit.

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

**(g)** Maintaining and repairing any unit (in addition to the exteriors of the several buildings) if such maintenance or repair is necessary in the opinion of the Board of Directors or by operation of applicable restrictions or ordinance or

regulation to protect the common areas and facilities or any other portion of any building and the owner of such unit in disrepair has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board of Directors to said owner, provided that the Board of Directors shall levy a special assessment against such owner for the costs of said maintenance or repair.

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

**(i)** Signing all agreements, contracts, deeds, vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined to be necessary as evidenced by written resolution of the Board of Directors.

**(j)** Applying for and obtaining the issuance of contracts of insurance for the Property, including the individual units, pursuant to the provisions of Paragraph II of the Declaration.

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

**8.** Managing Agent: The Board of Directors of BROOKWOOD may engage the services of any person, firm or corporation to act as managing agent at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize including but not limited to the duties listed in subdivisions (a), (c), (d), (f), (g), (h), (j) and (k) of Section 7 of this Article III. The Board of Directors may delegate to the managing agent all of the powers granted to the Board of Directors by these

By-Laws other than the powers set forth in subdivisions (b), (e), and (i) of Section 7 of this Article III.

## ARTICLE IV – MEETINGS OF DIRECTORS

**1.** Organizational Meeting: The first meeting of the members of the Board of Directors shall immediately follow the initial meeting of the Unit Owners (Association). It shall not be necessary for notice to be given to the three (3) initial members of the Board of Directors designated by Home Savings and Loan Association to serve in order to legally constitute such meeting, provided a quorum shall be present.

**2.** Regular Meetings: A regular meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Directors may designate by resolution the time and place within the State of North Carolina for the holding of regular meeting of the Board of Directors.

**3.** Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors or by any two Directors.

**4.** Notice of Meetings: Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

**5.** Waiver of notice: Any member of the Board of Directors at any time may waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed

equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

**6.** Quorum: A majority of the number of directors fixed by these By-Laws as amended from time to time shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

**7.** Manner of Action: Except as otherwise provided for in this section, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A vote of a majority of the number of Directors fixed by the By-Laws shall be required to adopt a resolution constituting an Executive Committee. Vacancies in the Board of Directors may be filled as provided in Article III, Section 4 of these By-Laws.

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

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

**10.** Minutes: The Board of Directors shall keep written minutes of its proceedings.

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

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

## ARITICLE V – OFFICERS

**1.** Number: The principal officers of BROOKWOOD UNIT OWNERSHIP ASSOCIATION shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairman, Assistant Secretaries, Assistant Treasurers and other officers as the Board of

Directors may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary. The Treasurer of BROOKWOOD UNIT OWNERSHIP ASSOCIATION may retain the services of a bookkeeper or he may act himself as bookkeeper for the Association at a compensation determined by the Board of Directors as evidenced by written resolution of the Board of Directors.

**2.** Election and Term: The officers of BROOKWOOD shall be elected by the Board of Directors from and among the Unit Owners. It is not required that an officer, other than the Chairman of the Board, be a Director. Such elections may be held at the regular meeting of the Board of Directors. Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

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

**4.** Compensation: No officer shall receive any compensation from BROOKWOOD for acting as such, except for the Treasurer in the event of the approval of same by the Board of Directors as provided for in Item 1 hereinabove.

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

**6.** Vice Chairman: In the absence or disability of the Chairman, the Vice Chairman, and if there be more than one, the Vice Chairman designated by the Board of Directors, shall have the powers and perform the duties of said office. In addition, each Vice Chairman shall

perform such other duties and shall have such other powers as shall be prescribed by the Chairman of the Board of Directors.

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

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

**9.** Assistant Secretaries and Treasurers: The Assistant Secretaries and the Assistant Treasurers, if any, shall have all the powers and perform all of the duties of the offices of Secretary and Treasurer respectively, and in general they shall perform such other duties as shall be assigned to them by the Secretary or the Treasurer respectively or by the Chairman of the Board or by the Board of Directors.

## ARTICLE VI – OPERATION OF THE PROPERTY

**1.** Determination of Common Expenses and Fixing of Common Charges: The Board of Directors shall from time to time, and at least annually, prepare a budget for BROOKWOOD, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of BROOKWOOD, and allocate and assess such common charges among the Unit Owners according to their respective interests in the common areas and facilities. The common areas and facilities shall include, among other things:

(a) Costs of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors, including specifically but not limited to 1) fire and extended casualty coverage insuring the several buildings comprising BROOKWOOD, though not the contents of the individual units located therein, and 2) liability insurance relative to the use, operation and occupancy of BROOKWOOD

(b) Water and sewer charges.

(c) Expenses incurred in the maintenance of the grounds and the maintenance and/or replacement of the parking lots, roadways, recreational facilities, building exteriors, and utility lines.

(d) Common area electric and lighting costs.

(e) Expenses incurred in the maintenance and replacement of master television antenna or antennas.

(f) All other reasonable expenses and costs which may be incurred incident to the use and occupancy of the common areas of BROOKWOOD by the several unit owners thereof and which may be incurred relative to the promotion of the health, safety, welfare and recreation of the residents thereof, and which may be incurred incident to the operation of BROOKWOOD.

The common expenses may also include such amounts as the Board of Directors may deem proper for working capital of BROOKWOOD, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Board of Directors shall advise all Unit Owners promptly as determined by the Board of Directors, and shall

furnish copies of each budget on which such common charges are based to all Unit Owners and also to their mortgagees, if so requested.

**2.** Special Assessment for Capital Improvements: In addition to the common charges authorized above, the Board of Directors, by and with the assent of the Unit Owners owning in excess of fifty percent (50%) of the aggregate interest in the common areas and facilities, may levy in any year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement situated upon or relating to the common areas, including the necessary fixtures and personal property related thereto. Any action authorized under Section 2 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all Unit Owners not less than ten (10) days nor more than thirty (30) days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite majority of the vote of all Unit Owners, Unit Owners who were not present in person or by proxy may give their assent in writing, provided the same is given and obtained not later than thirty (30) days from the date of such meeting.

**3.** Payment of Common Charges and Special Assessments: All Unit Owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section I of this Article VI on the first day of each month and shall be obligated to pay the special assessments at such time or times as the Board of Directors may determine.

No Unit Owner shall be liable for the payment of any part of the common charges or special assessments assessed against his unit subsequent to a sale, transfer or other conveyance by him of such unit together with his interest in the common areas and facilities as defined in the Declaration. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges and special assessments assessed against such unit prior to the acquisition by purchaser of such unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchase therefor.

Notwithstanding the provisions set forth hereinabove, a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall

not be subject to a lien for the payment of common charges and special assessments assessed prior to the foreclosure sale. Such unpaid common charges and special assessment shall be deemed to be common charges and special assessments collectible from all of the Unit Owners including such purchaser, his successor and assigns.

**4.** Creation of Lien and Personal Obligation for Common Charges and Special Assessments: Each Unit Owner of BROOKWOOD by his acceptance of a deed or instrument of conveyance for a unit located therein, whether or not it shall be so expressed in any such deed or instrument of conveyance, is deemed to covenant and agree to pay to BROOKWOOD UNIT OWNERSHIP ASSOCIATION: (1) all common chares assessed, and (2) special assessments for capital improvements, such assessment to be fixed, established and collected from time to time as hereinabove provided. Such common charges and special assessments, together with interest thereon after default and costs of collection thereof, including reasonable attorneys' fees, shall be a charge on the unit in question and shall be a continuing lien upon the property against which each such common charge or special assessment is made. Each such common charge or special assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person or persons or entity who or which was the owner of such property at the time when the common charge or special assessment became due and owing.

**5.** Effect of Nonpayment of Common Charges and Special Assessments; Remedies of the Association: Any common charge or special assessment which is not paid when due shall be delinquent. If the common charge or special assessment is not paid within thirty (30) days after the due date, such common charge or special assessment shall bear interest from the due date at the maximum legal rate per annum, and the Board of Directors may bring an action at law for recovery of such against the Unit Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such common charge or special assessment. No Unit Owner may waive or otherwise avoid liability for the common charge or special assessment provided for herein by non-use of the common area or abandonment of his or her or its unit. In any action brought by the Board of Director to foreclose on a unit

because of unpaid common charges or special assessments, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit owners if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant thereto and convey or otherwise deal with the same, subject however, to applicable restrictions of record and the provisions of the Declaration. A suit to recover a money judgement for unpaid common charges or special assessments may be maintained without foreclosing or waiving the lien securing the same. In addition to the remedies hereinabove provided, the Board of Directors shall have the right to suspend the privilege of the defaulting Unit Owner to use and enjoy any of the common facilities of BROOKWOOD for such period of time as the default shall continue.

**6.** Statement of Common Charges: The Board of Directors shall promptly provide any Unit Owner so requesting a written statement of all unpaid common charges and special assessments due from such Unit Owner.

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

**8.** Maintenance and Repair: (a) All maintenance and repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse

or neglect of the owner of such unit), shall be made by the owner of such unit. Each Owner shall be responsible for all damages resulting to other units and/or to the common areas and facilities which are occasioned by the negligence, misuse or neglect of such Unit Owner. (b) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Directors and shall be charged to all the Unit Owners as a common expense.

**9.** Additions, Alterations and Improvements by Unit Owners: No Unit Owner shall make any interior structural addition, alteration or improvement or any exterior structural addition, alteration or improvement not affecting appearance in or to his unit without the prior written consent thereto given by the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to such Unit Owner's unit and within the categories set forth hereinabove within thirty (30) days after such request, and failure to do so within the stipulated time will constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. No Unit Owner shall make any exterior structural addition, alteration or improvement affecting the appearance in or to his unit without the prior written consent of the Unit Owners (Association) as determined by the affirmative vote of the Unit Owners owning $66\frac{2}{3}\%$ of the aggregate interest in the common area and facilities.

**10.** Use of Common Areas and Facilities: A Unit Owner shall not place or cause to be placed in or upon any of the common areas and facilities, other than a patio or porch to which such Unit Owner has sole access and other than the areas designated as storage areas, any furniture, packages or objects of any kind.

**11.** Use Restrictions: In addition to those certain limitations and restrictions upon use set forth in the Declaration, including specifically but not limited to those set forth in Items 5 and 16 thereof, the Property shall be held, sold and conveyed subject to use restrictions as follows:

**(a)** No noxious or offensive activity shall be carried on upon any lot or within any unit nor shall anything be done thereon or therein which may be or become an annoyance or nuisance.

**(b)** No one shall interfere with or otherwise restrict the free right of passage of the owners, their agents, servants, tenants, guests or employees over driveways or passageways leading to their respective units or to their respective parking spaces.

**(c)** No television antenna shall be permitted on the roof of any of the units, save and except for the master antenna erected by the Owner. However, this restriction shall not include interior antenna or any cable system which might be made available through the Owner or through BROOKWOOD UNIT OWNERSHIP ASSOCIATION.

**12.** Approval of Payment Vouchers: Either the duly elected Treasurer acting alone or the duly appointed Managing Agent acting alone may approve payment vouchers and make payment of same for expenses incurred for reason of contractual undertakings or contractual services rendered for and to the project so long as each of such expense vouchers does not exceed One Thousand Dollars ($1,000.00). A listing of such contractual indebtedness payment vouchers approved and paid by the Treasurer or Managing Agent shall be submitted to the Board of Directors quarterly for review and reaffirmation by the Board of Directors as to its approval for payment of same. All payment vouchers for expenses incurred other than as above set forth shall require the signatures of any two officers of BROKWOOD UNIT OWNERSHIP ASSOCIATION.

## ARTICLE VII – RECORDS AND AUDITS

The Board of Directors and the Managing Agent or bookkeeper, if one is so employed by the Board of Directors, shall keep detailed records of the actions of the Board of Directors and the Managing Agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the Unit Owners, and the financial records and books of account of BROOKWOOD UNIT OWNERSHIP ASSOCIATION. Such records and books of account

shall include a chronological listing of receipts and expenditures, as well as a separate account for each unit, which account, among other things, shall contain the amount of each common charge assessment and the amount of each special assessment against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial records and books of account shall be available for examination at convenient hours on business days and the several Unit Owners shall be advised accordingly. All financial records and books of account of BROOKWOOD UNIT OWNERSHIP ASSOCIATION shall be kept and maintained in accordance with good and accepted accounting practices, and the Board of Directors shall cause to be made an outside audit of such financial records and books of account at least once a year.

## ARTICLE VIII – AMENDMENTS AND RECORDATION

The administration of BROOKWOOD UNIT OWNERSHIP ASSOCIATION shall be governed by these By-Laws, a true copy of which has been appended to the Declaration for BROOKWOOD filed of record in the Office of the Registrar of Deeds for the County of Orange. No modification of or amendment to or repeal of these By-Laws shall be valid unless set forth in an Amendment to the Declaration and such Amendment is duly filed of record in the Office of Register of Deeds for the County of Orange. The affirmative vote of Unit Owners owning $66\frac{2}{3}$ % in the common areas and facilities shall be required to so modify, amend or repeal a By-Law. All Unit Owners shall be bound to abide by any such modification or amendment upon the same being duly passed and set forth in an Amendment to the Declaration, duly recorded, as provided for herein.

IN WITNESS WHEREOF, the Declarant has caused these By-Laws to be executed by its duly authorized officers and its seal being hereunto affixed, this the ____ day of _____, 1975.

# Brookwood
# Community Rules and Regulations

**RULES AND REGULATIONS ARE SUBJECT TO CHANGE ANYTIME AT THE DISCRETION OF THE BROOKWOOD BOARD OF DIRECTORS.**

1. Maintenance Fees and Accounts

- **Maintenance fees/ Homeowners' Association dues** are due on the first day of each month. All such fees not received by the end of the month shall be considered past due. A $25 penalty will be assessed. An additional $25 penalty will be assessed each subsequent month until the monthly fee and penalties are received in full by the Association. Late fee penalties shall, for legal purposes, be considered as maintenance fees, and the Board of Directors will take legal action as required by the By-Laws to collect them.
- New owners will be notified immediately if there are fees outstanding. **Fees run with the unit**, not with the owner, so a new owner might find a balance already assessed against his/her unit. These fees are payable immediately upon notification.
- **Special assessments may be made for major repairs**, e.g. painting all the buildings, re-roofing, etc. Such assessments will be subject to vote by the membership, as outlined in the By-Laws. Payment method will be decided at the time of the assessment.
- **The Board of Directors may initiate legal action** against any unit owner who is 30 days or more late in payment of monthly unit fees/dues, special assessments, or fines, and any associated late payment penalties or fines. Once a judgment is obtained against any unit owner as provided by the Association's By-Laws, if said judgment, including court costs, interest, and reasonable attorney fees is not paid in full within 90 days after it is docketed in the Office of the Clerk or Superior Court of Orange County, the Board of Directors will proceed to enforce its judgment lien through foreclosure.
- **A penalty of $25 will be assessed** for any check returned due to nonpayment, and late fees will be added as appropriate.

2. Vehicles and Parking

- **Each unit is assigned one numbered parking space.** Owners with more than one licensed vehicle must park the additional vehicle(s) in a Visitor space. Each resident, whether owner or tenant, is responsible for making sure his/her guests park in a marked Visitor space. A resident who finds his/her space occupied should notify the board. **The board is responsible for towing ALL unauthorized vehicles from Brookwood.**
- It is especially important that we **do not parallel park along the middle roadway**. It must be kept clear for emergency vehicles.
- **Parking on the lawns is not permitted under any circumstances**. Underground pipelines can be damaged by the weight of vehicles. A fine of $30 plus damages, such damages to be determined solely by the Board of Directors, will be imposed on any resident who permits a vehicle to be driven or parked on the lawn. The same fine will be imposed on any resident, tenant, or guest who damages the lawn in any way.

3. Pets

- All dogs and cats must be registered and up to date with shots in accordance with the Town of Chapel Hill.
- When outside, dogs must be with their owner and controlled at all times.
- Each pet owner must have a waste removal bag on their person when walking their dog(s) and remove any fecal matter left by his/her pet.
- A $50 fine will be assessed for violation of any of the above rules.

- Owners are encouraged to utilize the field at the front of Brookwood when relieving pets.

4. Fire Prevention

- **In accordance with North Carolina Fire Prevention Code,** gas and charcoal grills are prohibited within 10 feet of any unit. This means grills cannot be used on front porches or rear decks.
- The Association discourages the use of the fireplaces. If the fireplace is used, it should first be **inspected and the chimney cleaned** by a chimney sweep. Please practice common sense fire safety.
- Brookwood fireplaces are small—keep your fires under control by using a sensible amount of fuel; keep a fire extinguisher on hand.
- Keep the fireplace screen closed except when adding logs to the fire.
- Don't leave the fire unattended, and make sure it's out cold before going to bed.

5. Common Areas

- **All walkways and common areas must be kept free of obstructions.** Please keep lawns, walkways, parking lots, and the area around your unit free of bicycles, lawn furniture, water hoses, toys, etc. so that the maintenance crew can do its job. **It is the responsibility of each resident to keep such areas free of litter.** No bathing suits, towels, or laundry-type articles are to be hung on any deck or railing. No recreational vehicles may be parked on Brookwood premises without advanced written permission from the Board of Directors. No unlicensed motor vehicles shall be allowed on the property, whether or not they are in working order.
- No mechanical work to vehicles, such as tune-ups, oil changes, or other work requiring a vehicle to be raised up on jacks or ramps, may be done in the parking lot without permission from the Board of Directors.
- **Each resident assumes all liability for damage caused by his/her guest(s).**
- **Car-washing is not permitted on Brookwood premises**. Water is paid for by the community and it is not fair to ask others to pay for your car wash.

6. Dumpsters & Recycling

- Dumpsters are normally emptied on Tuesday mornings. All trash should be bagged—not thrown loose into the dumpster—and **NO refuse of any kind should be left outside the dumpster.**
- A list of **prohibited items** that are not allowed in the dumpsters is posted on each dumpster. In particular, Chapel Hill and Orange County ordinances **prohibit the disposal of corrugated cardboard in dumpsters**. If any prohibited items are found in a dumpster, it will not be emptied and Brookwood will be fined a minimum of $50.
- Corrugated cardboard can be recycled at **the Orange County Recycling Drop-off Site** located at the Southern Season end of University Mall, behind the BP gas station. Newspaper, mixed paper, magazines, steel and aluminum cans, glass and plastic containers can be recycled in the recycling bins located at the front of the community opposite unit #40, or at the recycling drop-off site at University Mall.
- Large objects such as furniture, mattresses, appliances, lumber, etc. should be taken to one of the **Orange County Solid Waste Convenience Centers** (the nearest one is on Eubanks Road).

# Brookwood
# Community Rules and Regulations

- It is the responsibility of each resident to properly dispose of recyclable materials, large objects and other items that are not permited in the dumpsters.
- **Residents will be fined** at the Board's discretion per occurance for placing prohibited items in or around the dumpsters, with a minimum fine of $50.
- **No shopping carts are to be left on Brookwood property.**

7. Swimming Pool

- **Pool hours are 8:00am to dusk**. The pool will be locked at night.
- **The pool is for Brookwood residents and their guests only**. Residents are responsible for their guests and should accompany them at all times. If you see non-residents using the pool, politely advise them that this is not a public pool.
- **There is no lifeguard on duty**. **Children under 14 must be accompanied at all times** by an adult 21 years or older. If someone other than a parent is supervising children, they should have the parent's permission.
- **No food, drink or glass** of any kind is allowed in the pool area.
- **No pets** are allowed in the pool area.
- **No running** or rough play.
- All swimmers should be properly attired in swimsuits.
- Be considerate of residents living in nearby units by keeping noise to a minimum.
- The pool is available to all residents during open hours and **cannot be reserved** for private functions, parties or special events.
- The pool is used for many activities, from exercising to sunbathing. Please be considerate of other residents' needs and make room for all users.
- Inflatable toys and rafts are permitted in the pool when it is not crowded, but should not interfere with the use of the pool by other swimmers.
- Take all towels, clothing, toys and other personal items with you when you leave the pool for the day.
- Help keep the bathrooms clean!
- The telephone at the pool entrance is for emergency use only.

8. Appearance, Buildings and Grounds

- **Siding – Nothing should be attached to the siding of buildings without the written approval of the Brookwood Board.**
- **The Brookwood Board must approve any changes to the exterior appearance of a unit** (excluding potted plants) in writing and in advance of implementation. Any change or alteration in the exterior of any unit without such prior written approval is subject to removal at the expense of the unit owner.
- **The small area behind your deck may be used for gardening.** The planted area should not extend beyond the deck steps and should not interfere with lawn mowing equipment. **Any other gardening should be done with potted planters that are removable.** The Board takes no responsibility for such spaces, and does not guarantee their immunity to damage from lawn mowing and/or maintenance equipment. Such gardens, once established, must be maintained. If the Board has to hire the maintenance crew to clean up neglected or unsightly areas, the homeowner will be charged.
- Driving or parking on the lawn can damage underground pipelines. **There is to be no driving or parking on the grass.** A fine of $30 plus damages, such damages to be determined solely by the Board of Directors, will be imposed on any resident who permits

a vehicle to be driven or parked on the lawn. The same fine will be imposed on any resident, tenant, or guest who damages the lawn in any way.

9. Resident Behavior

- **Any occupant of any unit**, either in person or through complaint to the Board of Directors, has the right to protest and object to any nuisance, noise, and/or un-neighborly-like conduct occurring inside or in the immediate vicinity of any other unit. The owner of each unit is solely responsible at all times for the behavior of its occupants and guests. Once such a protest is made to any occupant of a unit and any of the aforesaid types of behavior continues unabated, thereby necessitating further protest and/or the calling of the Chapel Hill Police to the scene of such behavior, then the Board of Directors, at its sole discretion, may fine the owner of the unit.
- A maximum fine of $50 may be assessed for the first such offense, $75 for the second such offense, and $100 for each subsequent offense. Such fines, when collected, shall be added to the Association's general funds and shall, if unpaid, be reduced to a legal judgment and a lien on the unit involved. Pursuant to Paragraph 4, Article VI of the Association's By-Laws, said judgment, together with court costs, interest, and legal fees, if unpaid within 90 days of its being docketed in the Office of the Clerk of Superior Court of Orange County, shall be enforced through foreclosure.
- No more than four adults may be permanent residents of any single unit at any one time.

10. Notification of Sale of Unit and Rental Information

- **Unit owners are required to inform the Board of Directors in writing** of their intention to sell their unit no later than the first day that the unit is listed for sale. Owners are also required to furnish the Board of Directors with the name and current address of the new owner within 24 hours of the closing of title on their property.
- **For Sale signs** shall not be displayed on the exterior of the unit.
- **When renting a unit,** the owner of the unit is required to furnish the name of the rental agent handling the property as well as the names and telephone numbers of the tenants to the Board of Directors in writing. This information must be provided prior to the tenant taking occupancy of the unit.

11. To Contact the Board of Directors in Writing

Send mail to:
250 South Estes Drive #127
Chapel Hill, NC 27514

or deposit it in the "Office" mailbox slot in front of Unit 10. Notification to the Board of Directors must be made in writing, signed, and dated.

# Brookwood
# Community Rules and Regulations

## Brookwood Property Maintenance Responsibilities

(List may not be all-inclusive)

**Items that are the Unit Owner's Responsibility:**

- Doors: Front, Rear Sliding, and Balcony (including door, frame, glass, hardware, knobs, locks, screen/storm door, weatherstripping)
- Fireplace (interior and cleaning)
- Glass (door, window, other)
- HVAC (Heating and AC)
- Interior (paint, trim, carpet, furnishings)
- Lights (other than street lamps)
- Roof (attachments after market)
- Crawlspace Maintenance (except drainage)
- Any after-market additions to Decks
- Exterior paint, ramps, and privacy fence, siding and trim (add ons)
- Termites (if due to owner's negligence)
- Water lines (hose bibs and interior)

**Items that are the Homeowner Association's Responsibility:**

- Decks—original construction
- Drainage
- Exterior siding and trim—original
- Foundation
- Gutters, downspouts, and splash pans
- Landscape—original
- Lights—street pole lamps
- Roof—porch, shingles, original vents
- Shed door
- Termites—general protection and warranty covered repairs
- Walkway and front steps
- Water lines from meters on property line
- Window frames and sills

In the event that a repair may involve **filing an insurance claim**, please contact the property manager so that the Association can evaluate the damage first. If a claim is filed to the insurance company, the individual unit owners are responsible for paying the insurance deductible.

Revised February, 2014

PASSED AND RECORDED

NORTH CAROLINA

AMENDMENTS TO UNIT DECLARATION

ORANGE COUNTY

Pursuant to Articles 17 and 18, Declaration of Unit Ownership, Brookwood Condominiums, recorded on May 21, 1976, in Book 263, Page 430, Orange County Registry, the Undersigned, being and representing $66\frac{2}{3}$ % ownership of the Common Areas and Facilities as defined therein, do hereby ratify, publish and declare, by signing our names hereto, the following to be Amendments to said Declaration:

(1) Paragraph 14, "Mortgaging of Units," is stricken in its entirety from said Declaration, the same to be henceforth null and void.

(2) The word "tenant" is stricken from the second sentence of Paragraph 5, "Use," and the following added as Paragraph 5(A) of the aforesaid Declaration:

"At any time subsequent to the recordation of this Amendment, when a Unit subject to this Declaration is sold and conveyed, the 'sale of conveyance' of said Unit shall be only as an 'Owner occupied' Unit, it being the intent of this Amendment to limit to the 'actual Owner' of each Unit and said actual Owner's 'immediate family' the future right of possession, use and enjoyment of all Units subject to this Declaration and the appurtenant common areas and facilities." In the interpretation of this Amendment, the following shall apply.

(1) 'Sale or conveyance' shall mean any transfer of equity and/or ownership in said Unit, whether by way of conventional institutional financing, cash, purchase money deed of trust, wrap-around mortgage, sale and lease back, or contract installment sale.

(2) 'Actual Owner' shall mean the person, partnership, corporation, or other legal entity which is entitled to and does possess the equity, then or in the future, existing in any Unit.

(3) 'Owner occupied' shall mean that at least one of the persons who reside in each Unit is the actual Owner or Owners of the same. 'Immediate family' shall mean the actual Owner, his or her spouse, if any, and the lineal ancestors and/or descendants of the actual Owner and of his or her spouse, if any. If any Unit is owned by other than a natural person, then the 'Owner occupied' shall

mean occupancy of the Unit by at least one controlling partner or shareholder in said entity, controlling being defined as a person who has 25% or more legal interest in such entity. Adopted children and children for whom the actual Owner serves as legal guardian are included in the definition of 'immediate family.'

(4) The Amendment shall not be construed to prevent the actual Owner, his or her spouse, or members of his or her immediate family from having overnight guests in the Unit on a temporary, short-term, or occasional basis, nor shall this Amendment be construed to prevent the actual Owner of the Unit, his or her spouse, or members of his or her immediate family from renting said Unit to others; provided, however, in either case, the actual Owner of the Unit and his or her spouse, if any shall permanently reside in said Unit simultaneously with the presence of such a guest or tenant.

(5) This Amendment shall not be applicable to any Unit Owner who is absent from the Triangle area: (a) during a term of military service; (b) during an officially granted sabbatical leave; (c) at the request of his or her employer; (d) because of voluntarily residence outside of the Triangle Area for a period of one year or less, provided that only one such year period occur within any three-year consecutive period; or (e) for a period of four months or less while on vacation. Nor shall this Amendment be applicable to any Owner who is then in the process of continuously offering his or her Unit for sale to the general public, with full notice on a regular basis to the public, of such offer and when the asking price of said Unit is not inconsistent with the Unit's accepted current market value. In either event, during the time the Unit is rented, the Unit Owner shall employ and be represented by a rental agent who resides in the Chapel Hill-Carrboro area, said agent to be approved by the Board of Directors, such approval not to be unreasonably withheld.

(6) If any actual Owner of any Unit shall violate the provisions of this Amendment, and allows, permits, or suffers such violation to continue for more than 10 days after receipt from the Board of Directors of written notice of such violation, the actual Owner will be fined Twenty-five ($25.00) Dollars per day thereafter that the violation continues unabated. The fine shall be added to the next month's assessment. Said fine, when collected, shall be added to the Association's general or common maintenance fund. Said fine shall be deemed a common charge to the offending actual Owner and pursuant to Paragraph 4, Article VI of the By-Laws of the Brookwood Unit Ownership Association, such fine, if unpaid, shall be reduced to a legal judgment and a lien against the Unit of the offending actual Owner. Said judgment, together with court costs, interest, and legal fees, if unpaid within 90 days of its being docketed in the Office of the Clerk of Superior Court of Orange County, shall be enforced through foreclosure.

(7) This Amendment shall not be retroactive. It shall be prospective only, and once recorded, it shall effect all Owners of Units subject to this Declaration as amended, when, and at such time, as said Owner sells and conveys his or her unit.

(8) Upon ratification of this Amendment and recordation in the Office of the Register of Deeds of Orange County, each Unit Owner will be sent a copy of this Amendment by certified mail. The Secretary of the Unit Membership Association will retain the certified mail receipt and each such receipt will show the name and the address to whom the copy was sent. All existing Unit Owners shall then be deemed to have received Notice of this Amendment and be bound thereby. As provided in the Declaration and under the laws of North Carolina, recordation of this Amendment in the Office of the Register of Deeds of Orange County shall constitute Notice to prospective purchasers of the Units.

IN WITNESS WHEREOF, the undersigned have set their hands and seals to these Amendments, this the _____day of March, 1981.

_____ (SEAL) _____ (SEAL)

# BROOKWOOD DECLARATION OF UNIT OWNERSHIP

# UNDER THE PROVISIONS OF CHAPTER 47A OF THE

# GENERAL STATUTES OF NORTH CAROLINA, AND OF

# COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made on the date hereinafter set forth by HOME SAVINGS AND LOAN ASSOCIATION, a corporation existing under and by virtue of the laws of the State of North Carolina, hereinafter referred to as the "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in Chapel Hill Township, County of Orange, State of North Carolina, which is more particularly described as follows:

BEGINNING at an iron pin denoted "Control Corner" on plat and survey hereinafter referred to, said control corner being located at the northeast corner of Lot 16, Section 2 and the northwest corner of Lot 17, Section 2, Greenwood Extension as shown on plat and survey of the same recorded in Plat Book 9 at page 35, Orange County Registry, and running thence from said control corner North 73 degrees 40 minutes East 359.13 feet to an iron pin; running thence South 59 degrees 41 minutes East 348.61 feet to an iron pin, being the southwest corner of that certain 1.512 acre tract conveyed by Kavanau Real Estate Trust to the Town of Chapel Hill; running thence North 8 degrees 46 minutes East 268.93 feet to an iron pin, being the northwest corner of said 1.512 acre tract; running thence along and with the run of Little Creek North 57 degrees 33 minutes West 263.97 feet to an iron pin' continuing along and with the run of Little Creek North 55 degrees 26 minutes West 625.78 feet to an iron pin' running thence South 21 degrees 33 minutes West 454.50 feet to an iron pin; running thence South 53 degrees 52 minutes 30 seconds West 406.28 feet to an iron pin; running thence South 69 degrees 08 minutes West 258.00 feet to an iron pin, being the northwest corner of that certain 2.154 acre tract heretofore conveyed by Kavanau Real Estate Trust to the Town of Chapel Hill; running thence along and with the north boundary of said 2.154 acre tract South 89 degrees 09 minutes 12 seconds East 476.12 feet to an iron pin, being the northeast corner of said 2.154 acre tract and being a northwest corner of Lot 15, Section 2, Greenwood Extension as shown on plat and survey referred to hereinabove; running thence along and with the northwest boundary of said Lot 15 North and 48 degrees 26 minutes East 122.67 feet to an iron pin; running thence along and with the northern line of Lot 15 and Lot 16, Section 2, Greenwood Extension as shown on plat and survey referred to hereinabove South 88 degrees 00 minutes East 220.00 feet to the aforementioned control corner, being the point and place of BEGINNING and containing 10.446 acres as appears on plat and survey entitled "Property of Brookwood Condominium, Chapel Hill, North Carolina", as

surveyed by Robert J. Ayers, R.L.S., June 1967 as revised December 28, 1972, as revised June 26, 1973.

WHEREAS, the above described property was formerly owned by Kavanau Real Estate Trust and on June 29, 1973, the said Kavanau Real Estate Trust executed and delivered a Deed of Trust on the above described property securing a Note payable to Home Savings and Loan association in the sum of $1,510,000.00, said Deed of Trust was recorded in the Orange County Registry in Book 243, at page 738, on the 29th day of June 1973, and

WHEREAS, subsequent to the recording of said Deed of Trust, Kavanau Real Estate Trust caused the above described property to become subject to Declaration of Unit Ownership, which said declaration was recorded in the Orange County Registry in Book 246, at page 1420, on December 27, 1973, and amended in Book 250 at page 1833 on July 29, 1974, and

WHEREAS, Kavanau Real Estate Trust defaulted in the payment of the Note hereinabove referred to and Home Savings and Loan Association, as holder of said Note requested that the Deed of Trust securing the same be foreclosed and Home Savings and Loan Association became the last and Highest bidder at the foreclosure sale for the above described property and is not the owner of said property, and

WHEREAS, because of the prior recording of the Deed of Trust, which has now been foreclose, and the failure of Home Savings and Loan Association to join in the execution of or subordinate its interest to the Declaration of Unit Ownership recorded in Book 246, at page 1420, and the amendment, the said Declaration of Unit Ownership does not effectively impose a unit ownership regime upon the above described property, and

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

WHEREAS, the Declarant desires and intends, by the filing of this Declaration, to submit the above described property and the multi-unit buildings located thereon and all other

improvements constructed, together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A, North Carolina General Statutes);

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above and as described in Paragraph 2. Below is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared an agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

**1.** Definitions: To the extent applicable to this Declaration and not inconsistent herewith, all definitions contained and set forth in the Unit Ownership Act, as of this time being Chapter 47A 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 shall have the same force and effect as if set forth verbatim and made a part hereof.

**2.** Descriptions and Unit Designations:

**a)** The description of the land on which the buildings and improvements are located is set forth on page 1 of this Declaration.

**b)** The buildings constructed are twelve (12) in number, and such buildings are two (2) stories in height, without basement, and the twelve (12) buildings contain in the aggregate sixty-one (61) units. All units and buildings are two-story wood frame construction over crawl space. The buildings referred to hereinabove are more particularly described and portrayed in the plans of said buildings, a copy of which is attached to the original of this Declaration and made a part hereof and designated as Exhibit A and filed with the Registrar of Deeds of Orange County simultaneously herewith showing all particulars of the buildings including the layout, location, ceiling and floor elevations, unit members and

dimensions of the units, and location of the common areas and facilities affording access to each unit. Such plans bear the verified statement of a registered architect or licensed professional engineer, certifying that said plans are an accurate copy of the plans of said multi-unit buildings.

**c)** The unit designation of each unit and the building in which said unit is located are as follows:

| Building # | Unit # - Type |
|---|---|
| 1 | 10 - B |
| 1 | 11 - A |
| 1 | 12 - C |
| 1 | 13 - B |
| 2 | 20 - C |
| 2 | 21 - A |
| 3 | 30 - A |
| 3 | 31 - C |
| 3 | 32 - A |
| 3 | 33 - A |
| 3 | 34 - C |
| 3 | 35 - C |
| 4 | 40 - B |
| 4 | 41 - A |
| 4 | 42 - A |
| 4 | 43 - C |
| 4 | 44 - C |
| 4 | 45 - A |
| 4 | 46 - C |
| 5 | 50 - A |

| Building # | Unit # - Type |
|---|---|
| 5 | 51 - C |
| 5 | 52 - A |
| 5 | 53 - A |
| 5 | 54 - A |
| 6 | 60 - C |
| 6 | 61 - C |
| 6 | 62 - C |
| 6 | 63 - A |
| 6 | 64 - B |
| 7 | 70 - B |
| 7 | 71 - A |
| 7 | 72 - C |
| 7 | 73 - A |
| 8 | 80 - A |
| 8 | 81 - A |
| 8 | 82 - C |
| 8 | 83 - A |
| 9 | 90 - B |
| 9 | 91 - A |
| 9 | 92 - A |

| Building # | Unit # - Type |
|---|---|
| 9 | 93 - C |
| 9 | 94 - A |
| 10 | 100 - A |
| 10 | 101 - A |
| 10 | 102 - C |
| 10 | 103 - C |
| 10 | 104 - A |
| 10 | 105 - C |
| 11 | 110 - B |
| 11 | 111 - A |
| 11 | 112 - A |
| 11 | 113 - C |
| 11 | 114 - C |
| 11 | 115 - A |
| 12 | 120 - B |
| 12 | 121 - C |
| 12 | 122 - A |
| 12 | 123 - A |
| 12 | 124 - C |
| 12 | 125 - A |
| 12 | 126 - A |

The unit designation of each condominium unit, its location, its dimensions, approximate area, number of rooms and common areas and facilities to which it has immediate access, and other data concerning its proper identification are set forth on Exhibit A which is attached to the original of this Declaration and made a part hereof as referred to hereinabove. Each unit has a living room, dining room,

kitchen and half-bath (lavatory) on the first floor and two bedrooms, two baths and laundry space with plumbing and venting connections on the second floor. In addition, each "A" unit has a downstairs den, each "B" unit has a downstairs den and a breakfast area, and each C unit has a breakfast area but no den. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, roof and floors which are shown on said plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the building, or by permissible repairs, construction or alteration.

**3.** Common Areas and Facilities: The common areas and facilities consist of all parts of the multi-unit building situated on the property described hereinabove, other than the individual dwelling units therein and described in Paragraph 2 hereinabove, including without limitation, the following (except such portions of the following as may be included within an individual unit):

**(a)** The land on which the building is erected and all lands surrounding the building as is more fully described on page 1 of this Declaration and as appears on plat and survey appearing of record in Map Book 22 at page 62, Orange County Registry, save and except for the certain land area located directly beneath the ground floor of each unit.

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

**(c)** All exterior walls.

**(d)** Roofs, outside steps, walks, parking lots, drives, bridge or bridges, and entrances to and exits from the buildings.

**(e)** All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration, air conditioning, incinerating and all other mechanical equipment pertaining thereto existing for common use.

**(f)** All sewer pipes.

**(g)** All other parts of the property and all apparatus and installations existing in the buildings or upon the property intended for common use or necessary for or convenient to the existence, maintenance or safety of the property, including among other common facilities, a swimming pool and two (2) tennis courts.

**(h)** The initial undivided interest of each unit owner in the common areas and facilities above described is as follows:

Each "A" unit: 1.66%

Each "B" unit: 1.75%

Each "C" unit: 1.57%

The undivided interest of each unit owner in the common areas and facilities as herein set forth shall not be altered except with the unanimous consent of all unit owners and the holders of all liens affecting any units expressed in an amendment to this Declaration.

**(i)** There are no limited common areas or facilities.

**4.** Association of Unit Owners: The administration of the condominium project shall be vested in its association of unit owners to be known as BROOKWOOD UNIT OWNERSHIP ASSOCIATION in accordance with the By-Laws of BROOKWOOD UNIT OWNERSHIP ASSOCIATION appended hereto. The membership of the association shall consist of all of the unit owners of the project, including the Owner, Home Savings and Loan Association, so long as Home Savings and Loan Association retains ownership of one or more of the project units. The owner of any unit, upon acquiring title thereto, shall automatically become a member of BROOKWOOD UNIT OWNERSHIP ASSOCIATION and shall be required to remain a member thereof until such time as his, her or its ownership of such unit ceases for any reason, when his, her or its membership in BROOKWOOD UNIT OWNERSHIP ASSOCIATION shall automatically cease. Operation of the project and the maintenance, repair, replacement and operation of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of Chapter 47A of the

North Carolina General Statutes, entitled "Unit Ownership Act", this Declaration and the By-Laws of BROOKWOOD UNIT OWNERSHIP ASSOCIATION.

**5.** Use: The buildings and each of the units shall be used for residential purposes only. Any unit owner may delegate to the members of his family, guests and tenants, in accordance with the By-Laws of BROOKWOOD UNIT OWNERSHIP ASSOCIATION, his rights of possession, use and enjoyment of his unit and the common area facilities. There is reserve to the exclusive use of each unit owner the portion of the general common areas extending twelve (12) feet immediately from the rear building line for each individual unit and such area may be used for gardening and the planting of any of those certain shrubs and hedges allowed by the Rules and Regulation of BROOKWOOD UNIT OWNERS ASSOCIATION, provided that such gardening and planting shall be a minimum of eighteen (18) inches inside the area border. No tree shall be planted without permission of the BROKWOOD UNIT OWNERSHIP ASSOCIATION. Masonry patios of us to one-hundred (100) square feet in area may be constructed upon such area. A unit owner may extend the existing deck within such general common area reserved to the exclusive use of each unit owner so as to increase the area of same from forty (40) square feet up to one-hundred fifty (150) square feet, but any such extension of said deck and increase in area of same shall be in lieu of the privilege to construct or erect any masonry patio. No fencing shall be erected by any unit owner without permission of the BROOKWOOD UNIT OWNERSHIP ASSOCIATION excepting, however, that deck railing may be constructed up to a height not in excess of four (4) feet.

**6.** Person to Receive Service of Process: E. M. Gesell is hereby designated to receive service of process in any action that may be brought against or in relation to this condominium. Said person's place of Business is Home Savings and Loan Building, Rosemary Street, Chapel Hill, North Carolina 27514, which is within the city and county in which the buildings are located.

**7.** Easements: Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, lines, wires, ducts, cables, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Manager or the Board of Directors, as the case may be, shall have the right of access to each unit to inspect the same, to correct or terminate violations as to same and to maintain, repair or replace the common facilities contained therein or elsewhere in the building.

The Manager or the Board of Directors, as the case may be, hereafter may grant easements for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits and wires under any portion of the common areas; and each unit owner hereby grants the Manager or the Board of Directors, as the case may be, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.

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

**9.** Liens: While the property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all of the condominium unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interests under the provisions of the North Carolina Unit Ownership Act. Every agreement for the performance of labor, or the furnishing of materials to the common areas and facilities, whether oral or in writing, must provide that it is subject to the

provisions of this Declaration and the right to file a mechanic's lien or other similar lien by reason of labor performed or materials furnished is waived.

**10.** Nature of Interest in Units: Every condominium unit, together with its undivided interest in the common areas and facilities, for all purposes shall be and it hereby is declared to be a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of its condominium unit subject only to the covenants, restrictions and easements as may be contained herein and the By-Laws of BROOKWOOD UNIT OWNERSHIP ASSOCIATION and the resolutions and decisions of the Board of Directors.

**11.** Insurance: Insurance coverage on the property shall be governed by the following provisions:

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

**(b)** Coverage: All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors with the Assistance of the insurance company providing such coverage. Such coverage shall provide protection against

**(1)** loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

**(2)** such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location and use.

Public liability insurance shall be secured by the Board of Directors in such amount 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 unit owners as a group to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors from time to time shall determine to be desirable and necessary.

**(c)** Premiums: Premiums for insurance policies purchased by the Board of Directors shall be paid by the Board of Directors as a common expense.

**(d)** Proceeds: All insurance policies purchased by the Board of Directors shall be for the benefit of the Board of Directors and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors as insurance trustees under this Declaration. The sole duty of the Board of Directors as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the By-Laws and for the benefit of the unit owners and their mortgages in the following shares:

**(1)** Proceeds on account of damage to common areas and facilities – an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities as set forth hereinabove.

**(2)** Proceeds on account of damage to units shall be held as follows:

**(A)** When the building is to be restored – for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Board of Directors, such proceeds to be held in undivided shares.

**(B)** When the building is not to be restored – an apportioned share for each unit owner of the damaged units with such apportionment to be in a ratio identical to the ratio which the original purchase price of each individual unit so damaged bears to

the aggregate original purchase price of all of the units so damaged.

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

**12.** Distribution of Insurance Proceeds: Proceeds of insurance policies received by the Board of Directors as insurance trustees shall be distributed to or for the benefit of the beneficial owners in the following manner:

**(a)** Expense of the Trust: All expenses of the insurance trustees shall be first paid or provision made therefor.

**(b)** Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided by Paragraph 13 hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners.

**(c)** Failure to Reconstruct or Repair: If it is determined as provided in Paragraph 13 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.

**13.** Damage and Destruction: Except as hereinafter provided, damage to or destruction of the building or buildings shall be promptly repaired and restored by the Board of Directors using the proceeds of insurance on the buildings for that purpose and unit owners shall be liable for assessment of any deficiency; provided however, if the entire group of buildings be more than two-thirds destroyed by fire or other casualty and the owners of three-fourths of all of the units in the several buildings located on subject property resolve not to proceed with reconstruction or restoration, then in that event the property shall either be (a) sold or otherwise transferred as hereinafter provided, or (b) deemed to be owned as tenants in common by the unit owners of the destroyed buildings and subject to the provisions of North Carolina General Statutes 47A-25 as the same exists at the date hereof or as amended hereafter. The determination of whether to sell the property or to make the property subject to the provisions of North Carolina General

Statutes 47A-25 shall be by affirmative vote of three-fourths of all of the unit owners of the several buildings.

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

**14.** Mortgaging of Units: No Units owner may mortgage his unit or any interest therein without the approval of the Board of Directors, except as to a first mortgage lien made to a bank, life insurance company, real estate investment trust, or savings and loan association. The Board of Directors may and it is hereby authorized to impose reasonable conditions upon which approval as to any other mortgage shall be given. Each unit owner who shall mortgage or otherwise encumber his unit or any interest therein shall furnish to the Board of Directors a copy of all such mortgages, deeds of trust or other instruments crating such encumbrances.

The holder of any mortgage encumbering a unit or any interest therein shall be entitled to written notification from BROOKWOOD UNIT OWNERSHIP ASSOCIATION and BROOKWOOD UNIT OWNERSHIP ASSOCIATION shall so give such written notification of any default by the mortgagor of such unit or any interest therein in the performance of said mortgagor's obligations under the BROOKWOOD DECLARATION OF UNIT OWNERSHIP and any amendment thereto or the By-Laws and any amendment thereto or the Rules and Regulation of BROOKWOOD UNIT OWNERSHIP ASSOCIATION which default is not cured within thirty (30) days.

**15.** Subordination: Nothing contained in this Declaration shall impair or defeat the lien of any first mortgage or deed of trust made in good faith and for value, but the title to any unit or any interest therein is subject to this Declaration.

**16.** Restrictions:

**(a)** It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of any unclean, unsightly or unkept

conditions of buildings or grounds on such property, which shall tend to decrease the beauty of the neighborhood as a whole or the specific area.

**(b)** No noxious or offensive activity shall be carried on in or upon any unit, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood or to other unit owners. There shall not be maintained in or upon any unit any plants, poultry or animals, other than household pets as hereinafter specified and allowed, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the other unit owners thereof.

**(c)** Household pets may be maintained in or upon any unit in accordance with the Rules and Regulations as adopted by the BROOKWOOD UNIT OWNERSHIP ASSOCIATION.

**(d)** No commercial signs (including "for rent", "for sale", and other similar signs) or property identification signs shall be erected or maintained on any unit, except with the written permission of the Board of Directors, or except as may be required by legal proceedings, it being understood that the Board of Directors will not grant permission for said signs unless their erection is reasonably necessary.

**(e)** Garbage and trash shall be disposed of only in areas specifically designated therefor.

**(f)** No structure of a temporary character shall be placed upon the property at any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of the multi-unit buildings, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the building plot after complete of construction.

**(g)** No tent, barn, storage shed, garage, tree house or other similar outbuilding or structure shall be place on the property at any time, either temporarily or permanently.

**(h)** No trailer, camper, boat, mobile home, van, or any other motor vehicle other than conventional passenger automobiles or motorcycles or motor scooters shall be placed on the property at any time, either temporarily or permanently, except as herein provided and allowed. Conventional passenger automobiles shall be privileged to use the unscreened parking areas located and situated upon the project, and one designated parking space shall be assigned to the owner of each unit and shall be reserved to the exclusive use of the unit owner. Motorcycles and motor scooters, if equipped with proper muffler, may be parked in the unscreened parking areas. Trailers, campers, boats, mobile homes, vans and other motor vehicles other than conventional passenger automobiles and motorcycles and motor scooters may be parked upon the project only in the screened parking areas designated specifically for such purposes.

**(i)** No unit shall be used for any commercial or professional purpose, and no professional person shall maintain a public office in any unit; provided, however, that this restriction shall not prevent the use of any unit by a professional person for his own private office not connected with visits from patients, clients or members of the public.

(j) All covenants, restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them for a period of twenty-five (25) years from October 1, 1975, after which time said covenants shall be extended automatically for successive periods of ten (10) years unless an instrument signed by the unit owners owning at least $66\frac{2}{3}\%$ in common interest of the units affected by such covenants has been recorded agreeing to revise or amend or rescind said covenants in whole or in part.

(k) In the event of a violation or breach of any of these restrictions contained in this Paragraph 16 or of any other restrictions or covenants of this Declaration by any property owner or guest, invitee, or agent of such owner, the owners of units, or any of them, jointly or severally, shall have the right to proceed at law or in equity to complete a compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing and in

the event there shall have been any violation of these restrictions, Home Savings and Loan Association shall have the right at any time until six (6) months from and after the date and time as of which all of the units shall have been sold by Home Savings and Loan Association to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the offending owner if after thirty (30) days' written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior thereto or subsequent thereto, and shall not bar or affect its enforcement.

**17.** Units Subject to Declaration, By-Laws, Rules and Regulations: All present and future owners, tenants and occupants of units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and any Rules and Regulations that may be adopted in accordance with the By-Laws, as said Declaration, By-Laws, Rules and Regulations may be amended from time to time.

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

**18.** Amendment to Declaration: This Declaration may be amended by the vote of at least $66\frac{2}{3}$% in common interest of all unit owners, except as provided under paragraph 3 (h), cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. No such amendment shall be effective until recorded in the Office of the Registrar of Deeds for and in the County of Orange.

**19.** 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 provision never had been included herein.

**20.** Waiver: 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.

**21.** Captions: The captions herein are inserted only as a matter of convenience and for reference and such shall not be construed to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

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

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officers and its seal to be hereunto affixed, this _____ day of _____, 1975.

HOME SAVINGS AND LOAN ASSOCIATION

BY_____

ATTEST:

_____

Assistant Secretary

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, _____, a Notary Public in and for the County of Durham, State of North Carolina, do hereby certify that on this day personally came before me Lucy R. Herndon with whom I am personally acquainted, and being sworn by me, states that she is the Assistant Secretary of Home Savings and Loan Association, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Assistant Secretary.

Witness my hand and notarial seal, this _____ day of _____, 1975.

_____

My commission expires:

_____

SOSID: 1273655
Date Filed: 8/15/2012 9:31:00 AM
Elaine F. Marshall
North Carolina Secretary of State

C201222600278

# ARTICLES OF INCORPORATION
# OF
# BROOKWOOD UNIT OWNERS ASSOCIATION INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

1. The name of the corporation is Brookwood Unit Owners Association, Inc., hereinafter called the "Corporation."

2. The period of the duration of the corporation is perpetual.

3. The purposes for which the corporation is organized are as follows:

a. To maintain, repair and replace certain common elements located within the 10.4446 acres known as "Property of Brookwood Condominiums, Chapel Hill, NC" as surveyed by Robert J. Ayers, RLS and more particularly described in the Brookwood Declaration of Unit Ownership recorded in Book 263, Page 430, Orange County Registry, and as amended thereafter.

b. To own, purchase, manage, maintain, repair and replace any or all of the equipment or other property of any type, used in connection with the functions described in Article 3(a) above;

c. To establish an orderly, equitable and efficient system of billing to pay for the expenses incurred in the furtherance of the aforesaid purposes;

d. To promulgate such rules and regulations and perform such deeds and acts as are deemed necessary to achieve the aforesaid objectives and to promote the health, safety and welfare of the members of this corporation; and

e. The transaction of any lawful activity which a corporation organized under the Nonprofit Corporation Act (North Carolina General Statutes 55A) of the State of North Carolina by law may now or hereafter have or exercise.

4. The powers of the corporation in furtherance of the purposes set out in paragraph 3 above are as follows:

a. To exercise all of the powers and privileges and perform all of the duties and obligations of things reasonably necessary or desirable for carrying out the purposes set forth herein and for protecting the lawful rights and interests of its members in connection therewith;

b. To fix, levy, collect and enforce payment, by any lawful means, of all charges or assessments to members and to pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the corporation, including all license fees, taxes or governmental charges levied thereon;

c. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of the real property subject to such conditions as may be agreed to by the members as provided in the bylaws;

d. To borrow money;

e. To dedicate, sell or transfer all or any part of its property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members as provided in the bylaws; and

f. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Act (North Carolina General Statutes, Chapter 55A) of the State of North Carolina by law may now or hereafter have or exercise.

5. The corporation shall have members with such designations, rights, powers and privileges as provided in the bylaws of the Corporation.

6. The directors of the corporation shall be elected by the members in the manner provided in the bylaws.

7. No part of the net earnings of the corporation shall inure to the benefit of any officer, director or member of the corporation

8. Upon dissolution of the corporation the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefore, be dedicated to an appropriate public agency to be used for purposes similar to those for which the corporation was created or, in the event that such dedication is refused acceptance, distributed to any association or associations organized for purposes similar to those set forth in hereinabove, all as more particularly provided in the bylaws of the corporation.

9. The corporation may be dissolved only with the assent in writing and signed by 80% of the lot owners.

10. The initial registered agent is John T. Stewart and the office and mailing address is 100 Europa Drive, Suite 360, Chapel Hill, Orange County, North Carolina, 27517.

11. The street address and mailing address of the principal office of the corporation is 250 South Estes Drive #127, Chapel Hill, Orange County, North Carolina, 27514.

12. The number of directors constituting the initial Board of Directors shall be as provided for in the bylaws.

13. The incorporator is John T. Stewart, 100 Europa Drive, Suite 360, Chapel Hill, Orange County, North Carolina, 27517.

IN WITNESS WHEREOF, I have hereunto set my hand this 10 day of August, 2012.

John T. Stewart, Incorporator