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40

DECLARATION OF CONDOMINIUM

OF

WINDSOR MANOR

Unique Limited Partnership, a Limited Partnership of Forsyth County, North Carolina (hereinafter called "Developer") does hereby make, declare and establish this Declaration of Condominium as and for the plat of dwelling ownership of Phase I, Building Units 1-20 as built, being the property and improvements hereinafter described.

1. ESTABLISHMENT OF CONDOMINIUM. Developer is the owner of the fee simple title to that certain real property situate in Kernersville Township, Forsyth County, North Carolina, and which property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and on which property there have been or will be constructed two (2) buildings and their supporting facilities and other appurtenant improvements. The buildings are constructed of brick veneer and frame. There are no basements. Developer does hereby submit the above-described property and improvements to condominium ownership under the provisions of Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act) and hereby declares the same to be a condominium to be known as WINDSOR MANOR (hereinafter called "Condominium").

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS. Filed simultaneously herewith and expressly made a part hereof in Condominium and Unit Ownership Book Number 1 (herein "Unit Ownership File"), page(s) 160, 161 + 162, is a survey of the land and graphic descriptions and plans of the improvements constituting the Condominium, identifying the Condominium Units, Common Areas and Facilities, and the Limited Common Areas, as said terms are hereinafter defined, and their respective locations and approximate dimensions. Each Condominium Unit is identified by specific designation in said Unit Ownership File, and no Condominium Unit bears the same description as any other Condominium Unit.

3. DEFINITIONS. The Condominium consists of Condominium Units, Common Areas and Facilities and Limited Common Areas, as said terms are hereinafter defined.

A. "Association of Unit Owners" shall mean all of the Unit Owners acting as a group in accordance with the Bylaws and Declaration.

B. "Building" shall mean a building, or a group of buildings, each building containing one or more units, and comprising a part of the property; provided that the property shall contain not less than twenty units.

C. "Common Areas and Facilities" unless otherwise provided in this Declaration or lawful amendments thereto, means and includes:

(i) The land on which the building stands and such other land and improvements thereon as may be specifically included in this Declaration, except any portion thereof included in a unit;

(ii) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;

BOOK 137 P 0065

(iii) The yards, gardens, parking areas, storage spaces, and any patio walls, fences, or other structures separating these areas or separating these areas from individual units;

(iv) The premises for the lodging of janitors or persons in charge of property;

(v) Installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;

(vi) The elevators, tanks, pumps, motors, fans, compressors, ducts, and in general, all apparatus and installations existing for common use;

(vii) Such community and commercial facilities as may be provided for in this Declaration; and

(viii) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; including driveways and roads unless otherwise designated on the recorded plat.

D. "Common Expenses" , unless otherwise provided in this Declaration or lawful amendments thereto, means and includes:

(i) All sums lawfully assessed against the Unit Owners by the Association of Unit Owners;

(ii) Expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities;

(iii) Expenses agreed upon as common expenses by the Association of Unit Owners;

(iv) Hazard insurance premiums.

E. "Common Profits" shall mean the balance of all income, rents, profits and revenues from the Common Areas and Facilities remaining after the deductions of the common expenses.

F. "Condominium" means the ownership of single units in a multi-unit structure with Common Areas and Facilities.

G. "Limited Common Areas and Facilities" shall mean and include those Common Areas and Facilities which are agreed upon by all the Unit Owners to be reserved for the use of a certain number of units to the exclusion of the other units, such as special corridors, stairways and elevators, sanitary services common to the units of a particular floor and the like.

H. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the aggregate interest in the Common Areas and Facilities as established by this Declaration assembled at a duly called meeting of the Unit Owners.

I. "Person" shall mean individual, corporation, partnership, association, trustee, or other legal entity.

J. "Property" means and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been or are intended to be submitted to the provisions of this Declaration.

K. "Unit" or "Condominium Unit" shall mean an enclosed space consisting of one or more rooms occupying all or a part of a floor or floors in a building of one or more floors or stories and shall include such accessory spaces and areas as may be described in this Declaration, such as garage space, storage space, balcony, terrace or patio, provided it has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

L. "Unit Designation" shall mean the number, letter or combination thereof designating the unit in this Declaration.

M. "Unit Owner" shall mean a person, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a unit within the building.

4. NATURE AND INCIDENTS OF UNIT OWNERSHIP. Unit Ownership as created and defined in this Declaration shall vest in the holder exclusive ownership and possession with all the incidents of real property. A Condominium Unit in the building may be individually conveyed, leased and encumbered and may be inherited or devised by will, as if it were solely and entirely independent of the other Condominium Units in the building of which it forms a part. Such a unit may be held and owned by more than one person either as tenants in common or tenants by the entirety or in any other manner recognized under the laws of this State.

5. UNDIVIDED INTERESTS IN COMMON AREAS AND FACILITIES.

A. Each Unit Owner shall be entitled to an undivided interest in the Common Areas and Facilities in the ratio expressed in this Declaration. Such ratio shall be in the approximate relation that the fair market value of the unit at the date of this Declaration bears to the then aggregate fair market value of all the units having an interest in said Common Areas and Facilities.

B. The ratio of the undivided interest of such Unit Owner in the Common Areas and Facilities as expressed in this Declaration shall have a permanent character and shall not be altered except with the unanimous consent (which consent is absolutely granted as stated in paragraphs below) of all Unit Owners expressed in an amended declaration duly recorded.

C. The Declarant presently owns the property solely and entirely in fee simple and Declarant gives, grants, dedicates and covenants its consent to any and all amendments to this Declaration that may be necessary to bring about any and all annexations, future sections and future Condominium Units or mergers that may be necessary or desirable to accomplish the full and ultimate development of Windsor Manor at 120 units through phases. In giving, granting, dedicating and covenanting its consent as it appears herein, the Declarant, intends to forever and irrevocably bind itself, its purchasers, its successors and assigns and specifically its successors in title to the property and any part thereof to the provisions and terms and conditions as stated immediately below:

The Declarant anticipates developing future sections of Condominium Units through annexations and may increase the Common Areas and Limited Common Areas. Due to the construction of additional Condominium Units up to said total amount of 120 units, the percentage of interest of any Unit Owner in the Common Area may, (and will likely) decrease as the number of unit owners entitled to use available Common Areas increase through annexations and development. In order to show the adjusted decrease in percentage of ownership in Common Property by any Unit Owner, it becomes necessary to amend the charter by unanimous consent of all Unit Owners.

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To that end, all present and future Unit Owners and successors in title, and their mortgagees, grant the absolute and irrevocable right to Declarant to amend the Declaration in order to properly reflect the correct percentage of interest of any Unit Owner in the Common Areas as future sections, Condominium Units and annexations are made.

The Declarant is deemed to have the absolute and irrevocable consent of all Unit Owners or future Unit Owners to amend the Declaration for the purpose of adjusting the Unit Owners' percentages of interest in Common Areas without any further acknowledgement or consent from a Unit Owner or successor in title of any Unit Owner or mortgagee to make such amended Declaration or Declarations.

Declarant intends to forever and irrevocably bind itself, its purchasers, successors and assigns and specifically its successors in title to the property or any part thereof to the end that:

(i) Its consent shall be an appurtenance to the property and title thereto and to such units that shall appear thereon;

(ii) The laws of the State of North Carolina, more particularly Chapter 47A of the General Statutes of North Carolina and specifically G.S. 47A-6 shall be observed ;

(iii) Unanimous consent of all Unit Owners to amendment of the Declaration for the purposes stated shall be assured.

The intent of this section is to provide for the orderly phased development of Windsor Manor according to plan, which shall be approved by the local municipal or governmental body. If for any reason successors in title to the property or any part thereof shall challenge or otherwise object to an amendment to the Declaration as and for reasons contemplated herein being unanimously consented to as herein sought to be accomplished, then they and each of them, by assuming title, covenant and agree to and do give their consent to such amendment even if that requires or effects a change on the face of or amendment to that portion of their deed which relates to undivided interest in Common Area.

This section shall serve as notice to any person or entity acquiring an undivided interest in the Common Area, or a security interest therein, that the ratio of the undivided interest in the Common Area that he acquires with title may (will likely) change and decrease from time to time as annexations or mergers take place as herein permitted, by unanimous consent to amendment to the Declaration, for the purposes set out herein, being given, granted, dedicated and covenanted--until ultimately, and permanently, the ratio of undivided interest of all Unit Owners in the Common Area will be based on a ratio which shall be in the approximate relation that the fair market value of each respective unit bears to the aggregate fair market value of all units having an interest in the Common Area.

The undivided interest appurtenant to each unit in Phase I of Windsor Manor shall be as set out in Exhibit "B" attached hereto, incorporated herein by reference, and made a part hereof. The undivided interest in the Common Area that is appurtenant

to each unit has been determined by the ratio of the approximate fair market value of each unit to the aggregate approximate fair market value of all of the units having an undivided interest in the Common Area at the date of this Declaration (or of any supplements or amendments hereto which affect undivided interests in Common Area); the term "unit" as used in this and the succeeding sentence is limited to refer only to dwellings (existing or planned) at or upon the property; the fair market value of each unit and the aggregate fair market value of all the units have been determined by the Declarant and are binding upon all Unit Owners. For purposes of establishing fair market value of units as referred to herein (and whether for the existing or for future valuations), the conclusive presumption is created that one square foot of any unit is of exactly the same value as one square foot of any other unit; the rebuttable presumption is created that the certificate of a licensed architect or engineer setting out the approximate square footage of each unit is accurate. The percentage of undivided interest in the Common Area assigned to each unit shall not be changed except as provided by law or elsewhere herein.

6. RESTRICTIONS AGAINST FURTHER SUBDIVISION OF CONDOMINIUM UNITS: SEPARATE CONVEYANCE OF APPURTENANT COMMON PROPERTY PROHIBITED: No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File nor shall any condominium Unit or portion thereof be added to or incorporated into any other Condominium Unit. The undivided interest in the Common Property declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the undivided interest in Common Property appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest with the Condominium Unit is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to, or upon a Condominium Unit, shall be null and void insofar as it purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Property, unless it purports to convey, devise or encumber the entire Condominium Unit, which described said Condominium Unit by the numerical designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Condominium Unit and its appurtenant undivided Common Property. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants, tenants by the entirety, or by any other legal entity.

7. THE CONDOMINIUM SUBJECT TO RESTRICTIONS. The Condominium Units, Common Property and Limited Common Areas are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said Condominium Units, Common Property and Limited Common Areas and setting forth the obligations and responsibilities incident to ownership of each Condominium Unit and its appurtenant undivided interest in the Common Property, and said Condominium Units, Common Property and Limited Common Areas are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the Condominium.

8. PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON PROPERTY. The Common Property is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the Owners of Condominium Units for their use and the use of their immediate families, guests, and invitees, for all property purposes and for the furnishing of services and facilities for which they are intended, and for the enjoyment of the Owners. Notwithstanding the foregoing, the Association, herein-after defined, shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Condominium Unit, his family, guest and invitees, may be entitled to use the Common Property, including the right to assign parking spaces, and to establish the regulations concerning their use. The Owners of Condominium Units shall be responsible for all acts of their guests, invitees or lessees in connection with the provisions of this Declaration.

9. EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS.

In the event that any Condominium Unit or any of its appurtenant improvements shall encroach upon any Common Property, or any other Condominium Unit for any reason not caused by the purposeful or negligent act of the Condominium Unit Owners, then an easement appurtenant to such Condominium Unit shall exist for the continuance of such encroachment upon the Common Property or upon a Condominium Unit for as long as such encroachment shall naturally exist; and, in the event that any portion of the Common Property shall encroach upon any Condominium Unit, then an easement shall exist for the continuance of such encroachment of the Common Property upon any Condominium Unit for so long as such encroachment shall naturally exist. If any Condominium Unit or Common Property shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings and, if upon reconstruction of such Unit and/or Common Property in accordance with Article 21 hereof, there exist encroachments of portions of the Common Property upon any Condominium Unit, or of any Condominium Unit upon any other Condominium Unit or upon any portion of the Common Property, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

10. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON PROPERTY.

Recognizing that the proper use of a Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Property in common with the Owners of all other Condominium Units, and that it is in the interest of all Owners that the Ownership of the Common Property be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Property appurtenant to each Condominium Unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition of division, unless and until the Condominiums are terminated in accordance with N.C.G.S. 47A-17 and 47A-25.

11. ADMINISTRATION OF THE CONDOMINIUM BY WINDSOR MANOR HOMEOWNERS' ASSOCIATION.

To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a non-profit North Carolina corporation known and designated as WINDSOR MANOR HOMEOWNERS' ASSOCIATION (hereinafter called "Association") has been organized and said corporation shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and Bylaws. A true copy of said Bylaws and Articles of Incorporation are annexed hereto and expressly made a part hereof as Exhibit "C" and "D", respectively. The Owner or Owners of each Condominium Unit shall automatically become members of the Association upon acquiring an ownership interest in title to any Condominium Unit and its appurtenant undivided interest in Common Property; such membership shall terminate automatically upon the Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage, or other encumbrance upon any Condominium Unit shall be entitled by virtue of such lien, mortgage, or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership. In the administration of the operation and management of the Condominium, the Association is hereby granted the authority and power to enforce the provisions of this Declaration to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Condominium Units and Common Property as its Board of Directors may deem to be in its best interest.

12. RESIDENTIAL USE RESTRICTIONS APPLICABLE TO CONDOMINIUM UNITS.

Each Condominium Unit is hereby restricted to residential use by its Owner, his immediate family, guests, invitees and lessees. With the exception of a Lender in possession of a Condominium Unit following a default in a first deed of trust, a foreclosure proceeding or any deed in lieu of foreclosure, no Unit Owner shall

lease less than the entire Unit. Any lease agreement must provide that it shall be subject to the provisions of this Declaration, and that any failure by the Lessee to comply with the terms hereof shall be a default under the Lease, and shall be in writing. There is no other restriction on the right of any Unit Owner to lease his Unit, provided said Lease term shall not be less than six (6) months. The Developer shall not be limited to the above six (6) month restriction, except as to any Unit re-purchased by the Developer.

13. USE OF COMMON PROPERTY SUBJECT TO RULES OF ASSOCIATION. The use of all Common Property by the Owner or Owners of all Condominium Units, and all other parties authorized to use the same, shall be subject to such rules and regulations as may be prescribed and established by the Association.

14. THE CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES: RESTRICTIONS AGAINST NUISANCES. No immoral, improper, offensive or unlawful use shall be made of any Condominium Unit or of the Common Property, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed. No owner of any Condominium Unit shall permit anything to be done or kept in his Condominium Unit, or on the Common Property, which will increase the rate of insurance on the Condominium, or which will interfere with the rights of other occupants of the Condominium or annoy them by unreasonable noises, nor shall any owner undertake any use which shall constitute a nuisance to any other Owner of a Condominium Unit, or which interferes with the peaceful possession and proper use of any other Condominium Unit of the Common Property.

15. RIGHT OF ENTRY INTO CONDOMINIUM UNITS IN EMERGENCIES AND FOR MAINTENANCE OF COMMON PROPERTY. In case of any emergency originating in or threatening any Condominium Unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such Condominium Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

Whenever it may be necessary to enter any Condominium Unit in order to perform any maintenance, alteration or repair to any portion of the Common Property, the Owner of each Condominium Unit shall permit representatives or agents of the Association to enter such Condominium Unit for such purposes, provided that the entry shall be made only at reasonable times and with reasonable advance notice.

16. LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY CONDOMINIUM UNITS: NO RIGHT TO ALTER COMMON PROPERTY. No owner of a Condominium Unit shall permit any structural modifications or alterations to be made to such Condominium Unit without first obtaining the written consent of the Association which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Condominium in part or in its entirety. No owner shall cause any improvements or changes to be made on the exterior of the Condominium (including any improvements or changes which exist at the time of the filing of the Declaration of Condominium, and also including painting or other decoration, or the installation of electrical wiring, television or radio antennae, chimneys, solar devices or solar collection devices, or any other objects or machines which may protrude through the walls, windows or roof of the Condominium, except the Developer may install window air-conditioning units or locate central heating and air-conditioning units in the Limited Common Areas) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first obtained. No Unit Owner shall cause any object to be fixed to the Common Property or to any Limited Common Area (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Property or Limited Common Area without the written consent of the Association being first obtained.

17. RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON PROPERTY AND ASSESSMENT THEREFOR. The Association shall have the right to make such alterations or improvements to the Common Property which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, providing the making of such alterations and improvements are approved by the Board of Directors of the Association, and their costs shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner or Owners of a certain Condominium Unit or Units requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

18. MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS. Every Owner shall perform promptly all maintenance and repair work in and out of his Condominium Unit, which, if omitted, would affect the Condominiums either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Condominium shall be liable and responsible for the maintenance, repair, and replacement of all heating and air-conditioning equipment, if any, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, gas, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of all walls, ceilings and floors within his Unit including painting, decorating and furnishings, and all other accessories which such Owner may desire to plan or maintain in his Condominium Unit. Owners shall be responsible for maintenance of any improvements in the Limited Common Areas adjacent to their Condominium Units, to include but not limited to patios, porches and fences. The Board of Directors shall set maintenance standards, and in the event any individual Owner fails to properly maintain the improvements in accordance with such standards, the Board of Directors shall give the Owner written notice of its maintenance requirements and thirty (30) days to meet these requirements. Upon the Owner's failure to meet these requirements within the time allowed, the Board of Directors shall cause the maintenance to be done and shall add such costs to the Owner's next monthly assessment after such maintenance is completed. The Association shall have all rights to collect these sums in accordance with Paragraph 24 of this Declaration. Whenever the maintenance, repair and replacement of any item for which the Owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The Owner of a Condominium Unit who has exclusive use of any Limited Common Area shall maintain all floor and building supports. All doors, window frames, panes and screens are a part of the respective Condominium Units and shall be maintained by the respective Unit Owners, save and except painting.

19. MAINTENANCE AND REPAIR OF COMMON PROPERTY BY THE ASSOCIATION. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Property, including those portions thereof which contribute to the support of the buildings and conduits, ducts, plumbing, gas, water lines outside the dedicated street right of way, wiring, and other facilities

located in the Common Property for the furnishing of utility and other services to the Condominium Units and said Common Property, and should any incidental damage be caused to any Condominium Unit by virtue of any work which may be done by the Association in the maintenance, repair or replacement of any Common Property, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair as its expense is occasioned by any act of a Condominium Unit Owner, his immediate family, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, then and in that event proceeds from such insurance shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of applicability of any deductibility provision of such insurance, which exceeds the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

20. INSURANCE AND AUTHORITY TO PURCHASE INSURANCE. Insurance policies upon the Property (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustees for the Condominium Unit Owners and their respective mortgages as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units of any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Unit Owners, the Association and their respective servants, agents, and guests. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Condominium Unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation referred to above if available.

21. INSURANCE COVERAGE TO BE MAINTAINED: USE AND DISTRIBUTION OF INSURANCE PROCEEDS.

A. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium Units and Common Property;

(1) Casualty Insurance by a company having a Best Rating of A+ covering the buildings and all improvements upon the land and all personal property described in Exhibit A except such personal property as may be owned by the Condominium Unit Owners, shall be procured in an amount equal to the maximum insurance replacement value thereof (exclusive of excavation, foundations, streets and parking facilities), to be adjusted annually in accordance with increased construction cost in the local area. Such coverage shall afford protection against: (a) the loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location, and use, including vandalism and malicious mischief. For the purpose of clarity, underground utilities and any system of utilities owned by others will not be covered by insurance.

(2) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association, including legal liability, hired automobile, non-owned automobile and off-premise employee coverages.

(3) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Condominium Unit Owners as a group to a Condominium Unit Owner.

B. Premiums upon insurance policies purchased by the Association shall be paid by the Association as common expenses to be assessed and collected from all of the Owners of Condominium Units.

C. All insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgages, as their respective interests may appear, and shall provide that all proceeds in trust for the benefit of the Association, the Condominium Unit Owners and their respective mortgages in the following shares:

(1) Proceeds on account of damage to common property: in undivided shares for each Condominium Unit Owner and his mortgagee, if any, which shares are shown on Exhibit B or as subsequently adjusted.

(2) Proceeds on account of damages to Condominium Units shall be held in the following undivided shares:

(a) Partial destruction when the Condominium is to be restored for the Owners of damaged Condominium Units in proportion to the costs of repairing the damage suffered by each damaged Condominium Unit;

(b) Total destruction of the Condominium or where the Condominium is not to be restored for all Condominium Unit Owners and their mortgages, the share of each being set forth in Exhibit B or as subsequently adjusted.

D. In the event a mortgagee endorsement has been issued as to a Condominium Unit, the share of the Condominium Unit Owner shall be held for the mortgagee and the Condominium Unit Owner as their interests may appear, but no mortgagee shall have the right to participate in the determination of reconstruction or repair.

E. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial Condominium Unit Owners in the following manner:

(1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Condominium Unit Owners, all remittances to Condominium Unit Owners and their mortgages being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(2) If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Condominium Unit Owners, remittance to Condominium Unit Owners and their mortgages being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

F. Each Unit Owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such Owner's Unit, or another Unit, or upon the Common Area and facilities in such amounts as the Board of Directors shall, from time to time, determine, but in no case less than \$100,000 for each occurrence.

22. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE: DAMAGE TO COMMON PROPERTY: DAMAGE TO CONDOMINIUM UNITS.

A. If any part of the Common Property shall be damaged by casualty, the determination of whether or not to reconstruct or repair it shall be made as follows:

(1) Partial destruction shall be destruction which renders two-thirds or less of the Condominium Units untentable. In the event of partial destruction, the Common Property shall be reconstructed or repaired unless this Declaration is terminated by a three-fourths vote of all of the Condominium Unit Owners at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.

(2) Total destruction shall be destruction which renders more than two-thirds of the Condominium Units untentable. In the event of total destruction, the Common Property shall not be reconstructed or repaired, if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, or if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, Condominium Unit Owners who own three-fourths (3/4) or more of the Condominium Units vote against reconstruction or repair.

(3) Any such reconstruction or repair shall be substantiall in accordance with the plans and specifications of the original construction.

B. If the damage is only to those parts of one or more Condominium Units for which the responsibility for the maintenance and repair is that of the Unit Owner, then the Condominium Unit Owner shall be responsible for reconstruction and repair after the casualty. In all other instances, the responsibility or reconstruction and repair after casualty shall be that of the Association as follows:

(1) Immediately after the casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems appropriate.

(2) When the damage is to both Common Property and Condominium Units, the insurance proceeds shall be applied first to the costs of repairing the Common Property and the balance of the Condominium Units.

C. Each Condominium Unit Owner delegates to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association, except in any case where the damage is restricted to one Condominium Unit.

23. ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGES. The Association shall maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the transfer of any Condominium Unit to a third party, the transferee shall notify the Association in writing, of his interest in such Condominium Unit, together with the recording information necessary to indentify the instrument by which the transferee has acquired his interest. The Owner of each Condominium Unit shall also notify the Association of the parties holding any mortgage on any Condominium Unit, the amount of such mortgage and recording information necessary to identify the mortgage. The holder of any mortgage upon any Condominium Unit may notify the Association of the existence of any mortgage and the Association shall register in its records all pertinent information relating thereto.

24. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT. The Association is given the authority to administer the operation and management of the Condominium as being in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses (here "common expenses"). To provide the funds necessary for such proper operation, management and capital improvements, the Association has been granted the

right to make, levy, and collect assessments against the Unit Owners and their Condominium Units. In furtherance thereof, the following provisions shall be operative and binding upon the Owners of all Condominium Units.

A. All assessments levied against the Unit Owners and their Condominium Units shall be uniform and, unless specifically otherwise provided for herein, all assessments made by the Association shall be in such an amount that any assessments levied against a Unit Owner and his Condominium Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the undivided interest in Common Property appurtenant to each Condominium Unit bears to the total undivided interest in Common Property appurtenant to all Condominium Units. Should the Association be the Owner of a Condominium Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and assessment therefor levied ratable among the Owners of all Units which are not owned by the Association, based upon their proportionate interests in Common Property exclusive of the interests therein appurtenant to any Unit or Units by the Association.

B. Assessments provided for herein shall be payable in monthly installments, or in such other manner as the Board of Directors of the Association shall determine. Such assessments shall commence for each Unit on the first day of the first month following the sale by the Developer.

C. The assessments to be paid by the Developer to the Homeowner's Association shall be paid on each completed unit owned by the Developer.

D. The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Paragraph "E" hereof, items relating to operations and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies shall be delivered to each Owner of a Condominium Unit although the delivery of a copy of it to each Owner shall not affect the liability of any Owner for such assessment. Should the Board of Directors at any time determine that the assessments levied are insufficient to pay the costs of operation and management of the Condominium or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessments as it may deem necessary.

E. The Board of Directors of the Association, in establishing the Annual Budget for operation, management, and maintenance of the Condominium shall designate a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Property (herein "Capital Improvement Fund") which shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Property, and the replacement of personal property constituting a portion of the Common Property held for the joint use and benefit of the Owners of the Condominium Units. The amount to be allocated to the Capital Improvements Fund may be established by the Board of Directors to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Property. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association, and shall be used only to make capital improvements to Common Property. Any interest earned on the Capital Improvement Fund may be expended for current operation and maintenance.

F. All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of

Incorporation, and the Bylaws of the Association. Although all funds and common surplus including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Property, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Condominium Unit. When the Owner of a Condominium Unit shall cease to be a member of the Association, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all funds which any Owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Condominium.

G. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of its due date. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law until paid in full by the Association.

H. The Owner or Owners of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in the payment of any assessment or installment owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorney's fees, whether suit be brought or not.

I. No Owner of a Condominium Unit may exempt himself from liability for any assessment levied against his or her Condominium Unit by waiver of the use or enjoyment of any of the Common Property, or by abandonment of the Condominium Unit, or in any other way.

J. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefor, and that such proper operation and maintenance results in benefit to all of the Owners of Condominium Units, and that the payment of such common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant undivided interest in Common Property, which lien shall secure the funds due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit. The Lien granted to the Association may be enforced under Article B, Chapter 44 of the North Carolina General Statutes and under N.C.G.S. 47A-22. The lien granted to the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, including interest at the highest legal rate on any such advances so made. All persons who shall acquire any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien, or other encumbrances thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

K. The lien herein granted to the Association shall be enforceable from the time of recording a claim of lien in the Public Records of Forsyth County, North Carolina, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in

effect until all sums secured by the said lien shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, it shall be satisfied of record.

The lien provided for herein shall be subordinate to the lien of any mortgage or Deed of Trust. Any person, firm, or corporation acquiring title to any Condominium Unit and its appurtenant undivided interest in Common Property by any foreclosure, deed in lieu of foreclosure, or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Condominium Unit and its appurtenant undivided interest in Common Property subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Condominium Unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Condominium Units as a part of the common expense, although nothing herein contained shall release the party liable for such delinquent assessment by means other than foreclosure.

L. Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owners, shall furnish to the proposed lessee, purchasee or mortgagee a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser, or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such a statement.

In the event that a Condominium Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the Owner of the Condominium Unit and such Condominium Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to the payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the Owner of any Condominium Unit who is responsible for payment of such delinquent assessment.

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

25. COMMON SURPLUS. "Common Surplus", meaning all funds and other assets of the Association (including excess of receipts of the Association, including but not limited to assessments, rents, profits, and revenues from whatever source over amount of the common expense), shall be owned by the Owners of all Condominium Units in the same proportion that the undivided interest in Common Property appurtenant to each Owner's Condominium bears to the total of all undivided interest in Common Property appurtenant to all Condominium Units; provided, however, that said common surplus shall be held by the Association in the manner and subject to the terms, provisions, and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance indemnity herein provided, or upon termination of the Condominium, any attribution or distribution of common surplus which may be made from time to time shall be made to the then Owners of Condominium Units in accordance with their percentage interest in common surplus as declared herein.

26. TERMINATION. The Condominium shall be terminated, if at all, in the following manner:

BOOK 1374 P 0078

A. The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument duly recorded; and, provided that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the property as provided in sub-paragraph "C" below. The termination shall become effective when such agreement has been recorded in the public records of Forsyth County, North Carolina.

B. If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Forsyth County, North Carolina.

C. After termination of the Condominium, the Condominium Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Condominium Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Areas and Facilities previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be held for the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.

D. Following termination, the property may be partitioned and sold upon the application of any Condominium Unit Owner. Following a termination if the Board of Directors determines by not less than three-fourths (3/4) vote to accept an offer for the sale of the property, each Condominium Unit Owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. The members of the Board of Directors acting collectively as agent for all Condominium Unit Owners, shall continue to have such powers as granted herein, even though the Association may be dissolved upon a termination.

27. AMENDMENT OF DECLARATION OF CONDOMINIUM. This Declaration of Condominium may be amended in the following manner:

A. An amendment to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or members, such proposed Amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days not later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give each member written notice of such special meeting, stating the time and place, and reciting the proposed Amendment in reasonably detailed form, which notice, if mailed, shall be mailed not less than ten (10) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office Address as it appears on the records of the Association, the postage

thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment proposed must be approved by an affirmative vote of sixty-six percent (66%) of the members owning Units in the Condominium in order for such Amendment to become effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting. Thereupon such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of this Association as having been duly adopted. The original or an executed copy of such Amendment so certified and executed with the same formalities as a Deed, shall be recorded in the Forsyth County Public Registry within ten (10) days from the date on which the same became effective.

B. No alteration in the percentage of ownership of Common Property appurtenant to each Condominium Unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of the basis of ownership of Common Surplus, or alteration of voting rights in the Association, shall be made without the prior written consent of all of the Owners of all Condominium Units and all of the Lenders holding first mortgages or first deeds of trust on the Condominium Units.

C. No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Lender shall be made without prior written consent of all Lenders holding mortgages on Condominium Units in the Condominium being first had and obtained.

28. REMEDIED IN EVENT OF DEFAULT. The Owner or Owners of Each Condominium Unit shall be governed by and shall comply with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owner of other Condominium Units to the following relief:

A. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or Bylaws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sum due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner.

B. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agent or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies or rights of subrogation.

C. In any proceeding arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

D. The failure of the Association or any Unit Owner to enforce any right, provisions, covenant or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provisions, covenant or condition in the future.

E. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of this Declaration or other above-mentioned documents, shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

F. The failure of Developer to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or other above-mentioned documents shall not constitute a waiver of right of the Developer to thereafter enforce such right, provisions, covenant or condition in the future.

G. The failure of a lender to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration or other above-mentioned documents, shall not constitute a waiver of right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

29. RIGHTS RESERVED UNTO LENDERS AND FIRST MORTGAGE HOLDERS.

As long as any lender or First Mortgage Holder shall hold any mortgage upon any Condominium Unit or Units, or shall be the Owner of any Condominium Unit or Units, such Lender or First Mortgage Holder shall have the following rights:

A. To examine upon request and at reasonable times and upon reasonable notice, the books and records of the Association; and to be furnished at least one copy of the Annual Audited Financial Statement and Report of the Association prepared by a Public Accountant designated by the Association, such Financial Statement and Report to be furnished by April of each calendar year.

B. To be given written notice by the Association of the call of any meeting of the membership, which notice shall state the purpose of such meeting, and to designate a representative to attend.

C. To be given written notice of default by any Owner owning a Condominium Unit encumbered by a mortgage held by the Lender or First Mortgage Holder, such notice to be sent to the place which it may designate in writing.

D. To be given written notice of any loss to, or taking of, the common elements of the Condominium if such loss or taking exceeds \$10,000.00 or damage to a Condominium is in excess of \$1,000.00.

E. To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

Whenever any Lender or First Mortgage Holder desires the provisions of this Declaration to be applicable to it, it shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, identifying the Condominium Unit or Units upon which any such Lender or First Mortgage Holder holds any mortgage, or identifying any Condominium Units owned by it, together with sufficient facts to identify such mortgages and which notice shall designate the place to which the notices are to be given by the Association to such Lender or First Mortgage Holder.

30. RIGHTS OF DEVELOPER TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION. So long as the Developer owns five (5) or more Condominium Units in the Condominium, but in any event no longer than thirty-six (36) months from recordation of Declaration, Developer shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association.

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Whenever Developer shall be entitled to designate and select any person to serve on the Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association, and Developer shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by Developer need not be a resident in the Condominium.

31. ADDITIONAL PROVISIONS.

A. All pets must be housed and kept inside the units and pets shall not be allowed outside the units unless said pet is on a leash and accompanied by the Unit Owner or the Unit Owner's Representative.

B. No Unit Owner shall have more than two (2) animals as pets.

C. No business activity shall be conducted in any Unit or in any Common Area or Limited Common Area.

D. No tractor-trailer trucks or other unusually large vehicles, equipment or machinery may be allowed to be parked for more than one (1) hour in any Common Area.

E. No boats, campers or other unlicensed vehicles may be allowed within any Common Area without the express written consent of the Board of Directors of the Condominium.

F. No Unit Owner shall have more than two (2) parking spaces in the Common Area without the express written consent of the Board of Directors of the Condominium.

32. MISCELLANEOUS.

A. In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable, such holding shall not effect, alter, modify or impair in any manner any of the other terms, provisions or covenants hereof or the remaining portions of any term, provisions or covenants held to be partially invalid or unenforceable.

B. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration, whenever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter. The Article headings are for convenience or reference only and shall not be considered terms of this Declaration.

C. The restrictions and burdens imposed by the covenants of this Declaration shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit, and its appurtenant undivided interest in Common Property. This Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become Owners of the Condominium Units in the Condominium and their respective heirs, legal representatives, successors and assigns.

D. By their execution hereof, John L. Barber, Trustee, and Forsyth Savings and Loan Corporation, acting pursuant to authority duly given herein for the purpose of expressly subordinating the lien of that certain construction loan to Unique Limited Partnership, the Deed of Trust securing said loan being recorded in Book 1358, Page 164, Forsyth County Registry, to this Declaration of Condominium.

E. The following named individual is designated as the person to receive service of process of the Association:

Robert A. Leon, Jr., 5740 Windworth Drive, Winston-Salem, NC 27106

IN TESTIMONY WHEREOF, UNIQUE LIMITED PARTNERSHIP, has caused these presents to be executed by the General Partner, UNIQUE DEVELOPMENT CORPORATION, by and through its President and attested by its Secretary and the corporate seal affixed hereto.

IN TESTIMONY WHEREOF, John L. Barber has hereunto set his hand and seal and Forsyth Savings and Loan Corporation caused these presents to be executed by its President and attested by its Secretary and the corporate seal affixed hereto.

This the 11th day of August, 1982.

UNIQUE LIMITED PARTNERSHIP

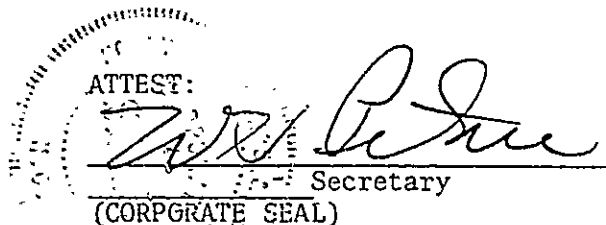
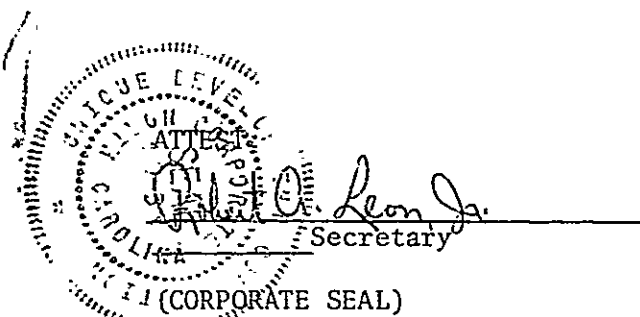
By: Unique Development Corporation
General Partner

By: James L. Teyn Jr.
President

By: John L. Barber (Seal)
John L. Barber, Trustee

FORSYTH SAVINGS AND LOAN CORPORATION

By: Dorothy W. Chapelle, Jr.
President



NORTH CAROLINA - FORSYTH COUNTY

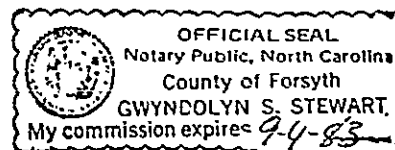
I, Gwynedolyn S. Stewart, a Notary Public of said County and State, hereby certify that Robert A. Leon, Jr. personally appeared before me this day and acknowledged that he is the Secretary of Unique Development Corporation, General Partner of Unique Limited Partnership, and that by authority duly given me 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 the said Secretary.

Witness my hand and notarial seal, this the 18 day of August, 1982.

Gwynedolyn S. Stewart
Notary Public

My Commission Expires:

September 4, 1983



BOOK 1371 P 0083

NORTH CAROLINA - FORSYTH COUNTY

I, Carol C. Glenn, a Notary Public of said County and State,
hereby certify that John L. Barber, personally appeared before me this day and
acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal, this the 16 day of August,
1982.

Carol C. Glenn
Notary Public

My Commission Expires:

September 1, 1982

CAROL C. GLENN, Notary Public
Forsyth County, North Carolina
My commission expires September 1, 1982

NORTH CAROLINA - FORSYTH COUNTY

I, Carol C. Glenn, a Notary Public of said County and State,
hereby certify that W. H. Pelee personally appeared before me this day
and acknowledged that he is the _____ Secretary of Forsyth Savings and Loan Corporation,
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 the said _____ Secretary.

Witness my hand and notarial seal, this the 16 day of August, 1982.

Carol C. Glenn
Notary Public

My Commission Expires:

September 1, 1982

CAROL C. GLENN, Notary Public
Forsyth County, North Carolina
My commission expires September 1, 1982

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Harold L. Stewart & Carol C. Glenn
Notaries Public Forsyth Co. N.C. (here give name and official title of the officer signing the certificate—passed upon)
is (are) certified to be correct. This the 18th day of August 19 82.

Probate fee \$1.00 paid.

PRESENTED FOR
REGISTRATION
AND RECORDED

AUG 18 4 10 PM '82

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY, N.C.

JB. # 35.50 pd.

Eunice Ayers, Register of Deeds

By Jessie Golden Deputy-~~Register~~

BOOK 137 TP 0084

EXHIBIT A

TO

Declaration of Condominium of
Windsor Manor, Phase I

Lying and being in Kernersville Township, Forsyth County, North Carolina, and being more particularly described as follows: BEGINNING at an iron stake, a control corner located at the intersection of the Southwest right of way line Rierson Road, a 60 foot public street, and the Northwest right of way line of Donnell Street; from said beginning point, thence running with Northwest right of way line of Donnell Street South 29° 07' West 233 feet to an iron stake in the Northeast right of way line of Windsor Manor Way, a newly dedicated public street; thence, running with the Northeast and North right of way lines of said Windsor Manor Way North 60° 53' West 118.85 feet to a point in said right of way line; thence, on a curve to the left, (a Chord Course and Distance of North 77° 40' 45" West 247.10 feet, an arc distance of 250.11 feet, on a radius of 427.56 feet) to an iron stake in said right of way line; thence, running North 04° 28' 30" West 120 feet to a point; thence, running North 86° 32' 37" East 116.93 feet to a point; thence, running North 26° 13' 30" East 125 feet to an iron stake in the aforesaid Southwest right of way line of Rierson Road; thence, running with said right of way line South 63° 46' 30" East 330 feet to an iron stake; the point and place of BEGINNING.

DOCK137TP0085

EXHIBIT B

TO

Declaration of Condominium of
Windsor Manor, Phase I

<u>Unit Number</u>	<u>Building Number of Condominium</u>	<u>Percentage of Undivided Interests in Common Area and Facilities</u>
300-A	300	5.000
300-B	300	5.000
300-C	300	5.000
300-D	300	5.000
300-E	300	5.000
300-F	300	5.000
300-G	300	5.000
300-H	300	5.000
300-I	300	5.000
302-A	302	5.000
302-B	302	5.000
302-C	302	5.000
302-D	302	5.000
302-E	302	5.000
302-F	302	5.000
302-G	302	5.000
302-H	302	5.000
302-I	302	5.000

BOOK 1371 P 0086