

MAUPIN, TAYLOR, ELLIS & ADAMS, P.A.
POST OFFICE BOX 19764
RALEIGH, NORTH CAROLINA 27619

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DECLARATION
OF
DUNBARTON POINTE AT GREYSTONE VILLAGE CONDOMINIUM
A DECLARATION OF INTENTION TO SUBMIT PROPERTY TO THE
PROVISIONS OF CHAPTER 47A OF THE
NORTH CAROLINA GENERAL STATUTES
CONDOMINIUM FILE NO. 109

RECORDED
JUL 21 2 28 PM '96
REGISTER OF DEEDS
WAKE COUNTY, NC

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THIS DECLARATION, made on this the 2nd day of June, 1986, by AMMONS-GULLEDGE, INC., a North Carolina Corporation, hereinafter referred to as the "Declarant", does hereby declare:

1. LANDS INVOLVED.

(a) Declarant has the right to purchase, in fee simple, certain lands in the City of Raleigh, Wake County, North Carolina, containing 13.6813 acres and described by metes and bounds on Exhibit A attached hereto and made a part of this Declaration.

(b) It is the intent of the Declarant to submit some or all of said lands, including the buildings, structures and improvements located thereon to unit ownership through the recordation of the declaration provided for in Chapter 47A of the North Carolina General Statutes. The submission to unit ownership of all lands and improvements to be included in Dunbarton Pointe at Greystone Village Condominium shall be accomplished on or before December 31, 1991. If any of said land shall not be submitted by said date, it shall no longer be eligible for submission pursuant to this Declaration. The Declarant is under no duty or obligation to annex said lands, and any portion of the Property not annexed is free and clear of any of the covenants and conditions contained in this Declaration.

(c) The lands, buildings, structures and improvements described in this Declaration shall be the Property, as the term is defined herein and in G.S. 47A-3 and when annexed into the Association, shall be administered by the association of unit owners provided for in this Declaration and in the bylaws attached hereto, subject always to the provisions of Chapter 47A of the North Carolina General Statutes. Additional Property shall be subjected to unit ownership by the filing of a Declaration of Annexation of such Additional Property. Additional Property may only be annexed as follows: It must be contiguous to property originally submitted to unit ownership upon the recordation of this Declaration or contiguous to previously annexed Additional Property.

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(d) Each unit owner shall be vested with an undivided interest in the common areas and facilities of the Property in fee simple absolute. Such percentage of value shall be in accord with paragraph 6 of this Declaration.

(e) The interest and estate of any unit owner in the common areas and facilities of the Property may constitute a part of the security for any obligation against the unit. Every deed of trust, mortgage, or other security instrument upon any unit or other property within the Property shall be subject to the provisions of this Declaration, and every trustee, mortgagee, or beneficiary, by entering in to such security instrument upon any unit or units or other property within the Property, agrees and covenants for himself, his heirs, personal representatives, successors and assigns that said security instrument shall be subject to the provisions of this Declaration.

2. SUBMISSION OF PROPERTY. The Declarant hereby submits the lands described in Exhibit A-1 attached hereto, together with the buildings, structures, and improvements located thereon, and all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, to the provisions of the North Carolina Unit Ownership Act, as set forth in Chapter 47A of the General Statutes of North Carolina.

The right to annex Additional Property and submit to the Unit Ownership Act belongs exclusively to the Declarant.

3. DEFINITIONS. As used in this Declaration and in the Bylaws hereto attached, unless the context otherwise requires:

(a) "Architectural Plans" means the plans of the buildings filed with this Declaration, showing thereon graphically all particulars of the buildings and the units, which are filed in the Dunbarton Pointe at Greystone Village Condominium File in the Wake County Registry simultaneously with this Declaration, which plans are made a part of this document and incorporated herein by reference. These plans consist of fourteen pages, the first twelve pages are numbered A-6 through A-9, A-11, A-12, A-13, and A-16 through A-20. The thirteenth page is numbered C1 of 1 and contains the architect's certification. The fourteenth page is captioned Unit Designation Plan - Phase One. Subsequently, additional "Unit Designation Plans" and other sheets showing building locations, unit elevations, architect's certification and numbers of units shall be recorded for later developed phases that have been annexed into the Condominium, and said additional Plans and sheets shall become a part of the "Architectural Plans."

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(b) "Association of Unit Owners" or "Association" means and refers to the association of unit owners of Dunbarton Pointe at Greystone Village, to be known as the Dunbarton Pointe at Greystone Village Condominium Owners Association, Inc. A copy of the Articles of Incorporation as they now exist are attached as Exhibit B.

(c) "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the directors of the Association.

(d) "Buildings" means multi-unit structures constructed or erected on the Property which contain the condominium units.

(e) "Bylaws" means the bylaws of the Association as they now or hereafter exist. A copy of the Bylaws as they now exist is attached hereto as Exhibit C.

(f) "Common areas and facilities" means all portions of the Property except the condominium units, including without limitation, all waterlines located outside public street rights-of-way which serve the property and all sewer lines located outside of either public street rights-of-way or public sanitary sewer easements which serve the property.

(g) "Common expenses" (sometimes referred to as common charges) means and includes:

1. All sums lawfully assessed against the unit owners by the Association;
2. Expenses of administration, maintenance, repair, or replacement of the common areas and facilities;
3. All ad valorem taxes and public assessments levied against the common areas;
4. Expenses agreed upon as common expenses by the Board of Directors of the Association;
5. Expenses declared to be common expenses by the provisions of the Unit Ownership Act, by the Declaration or by the Bylaws; and
6. Hazard, and such other insurance premiums as the Declaration and/or Bylaws may require the Association to purchase.

(h) "Common surplus" means the balance of all income, rents, surplus, and revenues from the common areas and facilities remaining after the deduction of the common expenses therefor.

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(i) "Declarant" means AMMONS-GULLEDGE, INC., a North Carolina corporation, and its successors and assigns to whom its rights hereunder as Declarant are expressly transferred, in whole or in part.

(j) "Declaration" means this instrument, duly recorded, by which the Property is submitted to the provisions of the Unit Ownership Act as it is now written, and as it, from time to time, may be lawfully amended.

(k) "Limited common areas and facilities" means and includes those common areas and facilities which are reserved for the use of designated units to the exclusion of the other units, such as decks, patios, porches, storage areas and the like.

(l) "Majority" or "majority of unit owners" means 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.

(m) "Person" means any individual, corporation, partnership, association, trustee, or other legal entity.

(n) "Property" means and includes the lands, buildings, structures and improvements thereon, and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which are herein submitted to the provisions of the Unit Ownership Act. As Additional Property is submitted to the provisions of the Unit Ownership Act, this term shall also include such Additional Property and all buildings, structures and improvements thereon, and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(o) "Unit" or "condominium unit" means a dwelling or place of residence, including accessory spaces and areas appurtenant thereto, within a building on the Property, and specifically designated and described in this Declaration.

(p) "Unit designation" means the number, letter or combination thereof designating the unit and set forth in this Declaration.

(q) "Unit owner" means any person, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a unit within a building on the Property.

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(r) "Unit Ownership Act" means the provisions of Chapter 47A of the North Carolina General Statutes as the same now exists or may hereafter be amended.

(s) "Additional Property" means portions of that tract of land described on Exhibit A attached hereto which are from time to time annexed to the Property and submitted to the Unit Ownership Act.

4. DESCRIPTION OF BUILDINGS. The location and number of each building shall be as shown on the Unit Designation Plans. Each building shall contain 9 units, four three bedroom units, two two bedroom units, two three bedroom units with lofts, one two bedroom unit with loft. The units on the first floor of each building shall be numbered 101, 102, and 103. The units on the second floor of each building shall be numbered 201, 202, and 203. The units on the third floor of each building shall be numbered 301, 302, and 303. On each level, while facing the front of the building (the parking lot side), the lowest number will be on the left hand end and the highest number will be on the right hand end. For the purposes of conveyance, units shall be designated by building number and unit number. For example, the middle unit on the first floor of building 3 shall be designated as "unit 3-102".

The floor plan of the level one units is shown on page A-6 of the Architectural Plans. "101" units have 1,871 square feet. "102" units have 2,073 square feet. "103" units have 2,152 square feet.

The floor plan of the level two units is shown on page A-7 of the Architectural Plans. "201" units have 1,800 square feet. "202" units have 2,003 square feet. "203" units have 2,081 square feet.

The floor plan for the level three units is shown on Page A-8 of the Architectural Plans. The units on level three have lofts which are shown on page A-9 of the Architectural Plans. "301" units have 2,325 square feet. "302" units have 2,526 square feet. "303" units have 2,608 square feet (all figures include square footage of lofts).

All units located on either end of the building have porches on the side and rear of the building. All middle units have porches, decks or terraces on the rear. All units have outside storage areas adjacent to the decks, terraces or porches. The rear decks, terraces, porches and storage areas for each level are arranged slightly different. The porches, decks, terraces and storage areas are limited common areas for the benefit of the unit to which they are adjacent.

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Stairwells and landings located outside of Units, but which serve only one unit, shall be limited common areas assigned to the Unit they serve.

Notwithstanding anything contained to the contrary in this document, Declarant shall have the absolute right to modify the design and layout of buildings located on the property.

The components of the building are described on the following pages of the Architectural Plans: Floor Plans, A-6 through A-9; Building Sections, A-11 through A-13; Elevations, A-16 through A-19; and Garages, A-20.

If the building code requires any construction which is different from that set out in the Architectural Plans, either now or before the final unit is constructed, the building plans may be altered to conform to such requirement.

5. UNIT DESCRIPTION. The designation of each unit, its location, its dimensions, approximate area, number of rooms, limited common areas appurtenant to each unit and common areas and facilities to which it has immediate access and other data concerning its proper identification are further shown in the Architectural Plans and made a part of this document.

The elevation of each unit shall be shown on the "Unit Designation Plans."

Each unit owner is the sole owner of the following portions and areas of his respective unit.

All of that area between the top of the concrete on each level and the bottom of the ceiling joists and between the inside faces of the studs of the exterior walls (except interior load-bearing walls exclusive of wall coverings such as sheetrock, tile, etc.), and including, without limitation, all items such as sheetrock, floor carpet, vinyl floor coverings, ceiling tile, bath tile, non-load bearing and non-stress bearing partition walls, windows, doors, electric and plumbing fixtures, electrical sockets, electric switches, heating and air conditioning units serving only one unit, water heaters, ovens, dishwashers, disposals and other built-in appliances of whatever nature, cabinets, grills, sinks, lavatories and such pipes and wiring which serve a single unit. It is expressly provided, however, that ownership of pipes and wires terminates wherever such pipes or wires are attached to pipes or wires serving other units or other property. In the entry areas and stairwells located within each unit the vertical boundaries of the Unit shall be defined as all that area between the concrete in the entry area or the tread of the steps in the stairwell

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and the bottom of the load bearing supports in the ceiling. All such appliances and equipment which serve more than one unit shall be a part of the common areas and facilities. If any mechanical system serving only one unit is located outside of the unit it shall nevertheless be the sole property of the unit owner. Each unit's exterior doors and windows, including doors that open on the hallway, shall be considered a part of the unit and shall be the sole property and responsibility of the unit owner.

However, the Association shall be responsible for painting the exterior of window frames and the exterior of doors opening to the common area or limited common area and for maintaining window frames and the jambs of doors opening onto the common area or limited common area.

6. PERCENTAGE OF INTEREST. The percent of interest of each unit owner in the common areas and facilities and limited common areas and facilities shall be as set forth in Exhibit D attached hereto and incorporated herein by reference. As additional units are annexed into the Condominium the relative percentage of each Unit to the whole will be a lesser percentage as shown on Exhibit D. (However, the value of each unit will stay the same as the total value of the Condominium will have been increased by the annexation.)

7. COMMON AREAS AND FACILITIES. The common areas and facilities consist of all parts of the Property other than the individual units as described in Paragraph 5 above, including without limitation, the following:

(a) The land described in Exhibit A-1 attached hereto and Additional Properties if and when they are annexed;

(b) All foundations, columns, girders, beams, supports and other structural members, crawl spaces, corridors, stairways, entrances and exits;

(c) The roofs, all exterior walls, and all interior walls, except non-load bearing and non-stress bearing partition walls which are wholly within a unit;

(d) All central and appurtenant installations for services such as power, light, pipes, ducts, wires, cables and conduits located in the common areas;

(e) All sewer pipes and sewer systems which are not inside a unit and all water pipes and water systems which are not inside a unit, except such as are described as part of a Unit in paragraph 5 of this Declaration;

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(f) All yards, walkways, driveways, private streets and parking lots;

(g) All recreational facilities;

(h) All other parts of the property and all apparatus and installations existing in the buildings or upon the property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

8. LIMITED COMMON AREAS AND FACILITIES. Certain parts of the common areas and facilities herein called and designated as "limited common areas and facilities" are hereby set aside and reserved for the exclusive use of certain units and such units shall have appurtenant thereto an exclusive easement for the use of such limited common areas and facilities, except as otherwise herein expressly provided.

9. MAINTENANCE. The Association shall have no duty to maintain any common area facilities which are maintained by the City of Raleigh or any other governmental body or by any public utility company.

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, or a unit owner's tenants, employees, invitees, or immediate family, in which case such expense shall be charged to such unit owner), shall be made by the Board and shall be charged to all unit owners as a common expense of the Property.

All maintenance and repairs to any unit, 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 unit owner shall be responsible for all damages to any other unit and/or to the common areas and facilities which is caused by his failure to maintain his unit. Any damages which a unit owner causes to a unit other than his own or to the common areas and facilities shall be repaired by the Association, and the cost of such repairs shall be assessed against the unit owner who causes such damage.

10. PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON AREAS AND FACILITIES. The common areas and facilities shall be, and are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the unit owners for their use and the use of their immediate families, guests, invitees, and employees, for all proper and normal purposes, for the furnishing of services and facilities for which the common areas and facilities are reasonably

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intended, and for the enjoyment of the unit owners. Provided, however, the garages and storage areas are assigned for the benefit of specific units as set forth in paragraph 11 of this Declaration. The Association shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any unit may be entitled to use the common areas and facilities and to establish regulations concerning their use.

11. PARKING AND GARAGES. The Association shall, at all times, maintain sufficient parking areas whereby there shall be at least one parking space for each two bedroom unit and one and one-half parking spaces for each three bedroom unit in addition to the garage space that has been assigned to each unit as per this paragraph. The Declarant shall number nine of the parking spaces in the courtyard adjacent to each building with numbers that correspond to the unit number of the condominium units in that building: 101, 102, 103, 201, 202, 203, 301, 302, 303. Each of said spaces is hereby assigned to the condominium unit with the corresponding number to be used exclusively by the owner of said unit. The developer or the Association may, in its discretion, adopt rules for enforcing the use of said spaces for the benefit of units to which they have been assigned. Furthermore, the Association may, in its discretion, prohibit and/or regulate the parking of boats, trailers, campers (whether motorized or not), recreational vehicles, and such classes of trucks and vans as the Association may designate. No rules as to parking shall be made in violation of the City Code of Raleigh.

Garages, and the storage areas located in each, shall be classified as limited common areas. One garage space at each building has been divided into additional storage area so that at each building there are nine working garage spaces and one space divided into five additional storage spaces.

The Declarant shall number the working garage units with numbers that correspond to the unit numbers of the condominium units: 101, 102, 103, 201, 202, 203, 301, 302, and 303. Each of said garage units and the storage areas located in each unit is hereby assigned to the condominium unit with the corresponding number, to be used exclusively by the owner of said unit as limited common area. The garages assigned to the second and third level units shall be the six garage units located directly in front of each building. (While facing the building from the parking lot side the six garage units located directly in front of the building shall be numbered from left to right as follows 301, 201, 302, 202, 203 and 303.) The garages assigned first level units shall be located in the garage buildings that contain one or two working garage units. The interiors of the garage units and the adjacent storage areas shall be

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maintained by the unit owner to which the garage has been assigned. However, the Association shall have the authority to promulgate and enforce reasonable rules and regulations governing the use, maintenance and appearance of the garages and storage areas, including all interior space.

The "tenth" garage unit adjacent to each building has been divided into five additional storage areas. These units will be numbered by the Declarant as follows: 102, 103, 201, 202, and 203. Said storage areas are limited common areas, and are assigned to the condominium unit with the corresponding number to be used exclusively by the owner of said unit. Unit 101 in each building shall be assigned the attic area of the "tenth" garage as limited common area for storage space. (Third level units have additional storage space in the loft.) The interiors of said additional storage areas shall be maintained by the owners of the condominium units to which the additional storage areas have been assigned. However, the Association shall have the authority to promulgate and enforce reasonable rules and regulations governing the use, maintenance and appearance of the "additional storage areas", including all interior space.

12. RIGHT OF DECLARANT TO MAINTAIN OFFICE OR MODEL. The Declarant reserves the right to use any unit as an office and/or as a model unit which may be shown to prospective purchasers of units. Declarant also reserves the right to set aside convenient parking spaces for the accommodation of visitors to the office and prospective purchasers, provided that such reservation of parking spaces does not interfere with the provision of adequate parking space to the unit owners.

13. RESTRICTION AS TO USE. Except as otherwise provided herein, each building and each of the units shall be used for residential purposes only. Use of the buildings and units is further restricted by the Bylaws of the Association.

14. PERSON TO RECEIVE SERVICE OF PROCESS. The name and address of the person to receive service of process in any action as set forth and permitted or required by Chapter 47A of the General Statutes of North Carolina is as follows:

Mr. Justus M. Ammons
140 Ammons Drive
Raleigh, North Carolina 27609

15. ADMINISTRATION OF THE CONDOMINIUM BY DUNBARTON POINTE AT GREYSTONE VILLAGE CONDOMINIUM OWNERS ASSOCIATION, INC. To efficiently and effectively provide for the administration of the condominium by the owners of condominium units, a non-profit North Carolina corporation,

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known and designated as Dunbarton Pointe at Greystone Village Condominium Owners Association, Inc., 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 Articles of Incorporation and Bylaws are attached hereto and expressly made a part hereof as Exhibits B and C respectively. The owner of each condominium unit shall automatically become a member of said corporation upon his acquisition of an ownership interest in title to any condominium unit and its appurtenant undivided interest in the common areas and facilities and the membership of such owner shall terminate automatically upon such owner being divested of such ownership interest in the title to such condominium unit, regardless of the means by which such ownership may be divested. Ownership of a unit shall be the sole qualification for membership in the Association. 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 said corporation, or to any of the rights or privileges of such membership. As evidence of each owner's membership, each unit owner, upon purchase of a unit, shall deliver to the office of the Association a photocopy of the page of his deed which contains the name of the unit owner and the number of the unit owned by such unit owner, from which the Association shall keep and maintain a roster or listing of its membership. In the administration of the operation and management of the condominium, the Association shall have and 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 the common areas and facilities as the Board of Directors may deem to be in the best interests of the Association and Unit Owners. Said regulations may regulate the type of window treatments and window decorations that may be seen from the exterior of the Unit.

16. ENCROACHMENTS. If any portion of the common areas and facilities now encroaches upon any unit or if any unit now encroaches upon any other unit or upon any portion of the common areas and facilities as a result of the construction of any building, or if any such encroachment shall occur after recordation of this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same.

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17. EASEMENTS. Each unit owner within the Property shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in or adjacent to 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, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in or adjacent to such unit. The Board of Directors shall have the right of access to each unit from time to time during reasonable hours as may be necessary to inspect the same, to remove violations therefrom and to maintain, repair or replace the common areas and facilities contained therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or to another unit or units. Each unit owner shall specifically have an easement to maintain all components of the heating and air conditioning systems serving his unit in their present locations.

An easement is hereby established over the common areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities and other public services (whether similar or dissimilar to the foregoing).

The City of Raleigh shall not be responsible for failing to provide any emergency or regular fire, police or other public service to the Property or to the occupants of the Property when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, the unit owners, or other occupants of the Property.

The Declarant reserves the right to subject the Property to a contract with Carolina Power and Light Company for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting which will require a continuing monthly payment to Carolina Power and Light Company by the owner of each condominium unit.

17A. EASEMENT FOR STREETS AND WATER. This Declaration, the land covered by this Declaration, and any land annexed into the Condominium pursuant to this Declaration, is subject to an easement for access, egress, and ingress, and waterlines, for the benefit of that land described in

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Exhibit "A" of this Declaration which has not been made subject to this Declaration. Said easement shall be appurtenant to said land which has not been made subject to this Declaration and runs with the title to said land. The location for said easement shall be as shown on that map recorded in Book of Maps 1985, Page 1230 of the Wake County Registry and other maps of later phases to be subsequently recorded. The effect of said easement shall be to allow the Declarant, or its successors in title, to use the area marked on said maps as "Private Streets" as an easement for access, egress and ingress and to install waterlines. The Declarant, or its successors in title, shall have the right, if necessary, to install such streets and waterlines, and other improvements necessary to serve the property described in Exhibit "A" of this Declaration which has not been made subject to this Declaration.

Furthermore, Ammons, Inc., a North Carolina corporation, in the deeds where it conveyed the land to the Declarant that has been made subject to this Declaration, retained the same type of easement as set out above for the benefit of itself and its successors in title to serve the property to which it retained title.

Furthermore, Declarant, Ammons, Inc., or the successors in title to either, shall have the right to connect to the waterlines located in said easements, and such parties shall have the right to use streets constructed in said easements, even though said waterlines and streets are common property of the condominium. There shall be no charge to the above parties for their connecting to said lines and using said streets. However, said parties shall pay a fair share of the maintenance of said streets and lines once said parties begin to use them. "Fair share" shall be determined by Ammons, Inc., or the Declarant or their successors in title, in their sole discretion. Provided, however, that once a piece of property is annexed into the condominium, the owner shall only pay assessments set forth in this Declaration and shall not be liable for any other charges for that property as outlined in this article.

17B. CONSTRUCTION EASEMENT. During the construction of improvements on land adjacent to the Condominium, the Declarant shall have an easement over the Common Area to the extent necessary to enable the Declarant to properly grade, install streets and utilities and perform all phases of construction of improvements on said adjacent land.

18. RIGHT OF ENTRY INTO CONDOMINIUM UNITS IN EMERGENCIES. 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, or any other person authorized by it, or the Managing Agent, shall have the right to enter any

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condominium unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the owner of each condominium unit, if required by the Association, shall deposit under the control of the Association a key to such condominium unit.

19. PARTITIONING. The common areas and facilities shall not be divided nor shall any right to partition any part thereof exist. Nothing contained herein, 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.

20. NATURE OF INTEREST IN UNITS. Every unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his unit and the exclusive right to occupy and possess the limited common areas appurtenant to such unit, subject only to the covenants, restrictions, and easements contained herein and the Bylaws, Rules, Regulations, Resolutions and decisions adopted pursuant thereto.

21. INSURANCE. Insurance coverage on the property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies upon the Property shall be purchased by the Board of Directors for the benefit of the Board and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. 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

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

(ii) such other risks as from time to time shall be customarily covered with respect to buildings

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similar in construction, location and use as the buildings on the land, and

(iii) workmen's compensation insurance, if and to the extent required by law.

The Board may, if it so elects, include in its insurance coverage for the benefit of the unit owners any or all of those items owned by the unit owners which would normally be deemed real estate under the laws of North Carolina, including, without limitation, such items as sheetrock, non-load bearing walls, doors and built in appliances. If such items are included in the insurance coverage, the extra cost of such coverage shall be borne by the unit owners in the same ratio that applies to other assessments.

To the extent obtainable, the Board shall also obtain public liability and property damage insurance having such limits as the Board of Directors may from time to time determine, insuring: each member of the Board of Directors; the manager, if any; and each owner against any liability to the public or to the owners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the common areas and facilities. The insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of each named insured under the policy shall not be prejudiced with respect to his action against another named insured. The amount of such public liability insurance shall be not less than \$1,000,000 per occurrence with regard to the Association and each individual unit owner. There shall also be obtained such other insurance coverage as the Board of Directors shall determine from time to time to be desirable and necessary.

(c) Premiums. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Association.

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

(1) Proceeds on account of damage to common areas and facilities: an undivided share for each unit

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owner, such share being the same as each unit owner's undivided interest in the common areas and facilities.

(ii) Proceeds on account of damage to units shall be held in the following undivided shares: (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 Directors; (b) When pursuant to Section 23 of this Declaration it has been decided that the building is not to be restored - an undivided share for each unit owner, such share being in ratio to each unit owner's undivided interest in the common areas and facilities.

(iii) 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 interests may appear.

(e) The Board of Directors shall purchase and maintain a master policy of flood insurance on the Property and any units or other buildings thereon if required by a lender and if the Property is located in a flood hazard area.

22. DISTRIBUTION OF INSURANCE PROCEEDS. Proceeds of insurance policies received by the Board of Directors as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as provided by Paragraph 21 hereof. Any proceeds remaining after defraying such cost shall be distributed to the Association as common surplus.

(b) Failure to Reconstruct or Repair. If it is determined, as provided in Paragraph 23 hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners thereof, with the respective mortgagees having a prior claim to such proceeds.

23. DAMAGE AND DESTRUCTION. Except as hereinafter provided, damage to or destruction of the buildings shall be promptly repaired and restored by the Board of Directors using the proceeds of insurance on the buildings for that purpose and the unit owners within the Property shall be liable for assessment of any deficiency; provided, however, if more than two-thirds of all of the units are substantially destroyed by fire or other casualty and the owners of three-fourths of all of the units within the Property resolve not to proceed with reconstruction or

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restoration, then in that event the Property shall be deemed to be owned as tenants in common by the unit owners and subject to the provisions of North Carolina General Statutes 47A-25, as the same exists at the date hereof or as amended hereafter. For the purposes of this section "substantially destroyed" shall mean that the cost of replacement or repair equal at least (50%) of the appraised value of the improvements on the lot before they were damaged.

Any reconstruction or repair shall be in accordance with the Architectural Plans.

24. FIDELITY BONDS. The Association shall maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, fidelity bonds shall be required for such management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

The total amount of fidelity bond coverage shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event shall the aggregate amount of such fidelity bonds be less than a sum equal to three months' aggregate assessments on all units plus reserve funds.

Fidelity bonds required herein shall:

- (1) name the Association as an obligee;
- (2) contain waivers by the issuers of the fidelity bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions;
- (3) provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days prior written notice to the Association, to any such agent as the Association shall designate to negotiate settlement of insurance claims on behalf of the Association, and to any institutional lender servicing on behalf of the Federal National Mortgage Association any loan secured by any unit.

The premiums on all such fidelity bonds for the Association (except for premiums on fidelity bonds maintained by a management agent for its offices, employees and agents) shall be paid by the Association as a common expense.

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25. UNITS SUBJECT TO DECLARATION, BYLAWS, RULES AND REGULATIONS AND LAWS OF NORTH CAROLINA. All present and future owners, tenants and occupants of units, all employees of such owners, tenants and occupants, and any other persons that may in any manner use the Property or any part shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws and any rules and regulations as may be adopted in accordance with the Bylaws, as said Declaration, Bylaws, Rules and Regulations may be amended from time to time. The acceptance of a deed or 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, Bylaws 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 or conveyance or lease. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the manager or board of directors on behalf of the association of unit owners or, in a proper case, by an aggrieved unit owner.

No unit owner shall do any work which would jeopardize the soundness or safety of the property or impair any easement or hereditament, unless, the unanimous consent of all the other unit owners affected is first obtained.

26. ASSESSMENTS. The Association is given the authority to administer the operation and management of the Property, it being recognized that the delegation of such duties to one entity is in the best interest of all unit owners. To properly administer the operation and management of the Property, the Association will incur, for the mutual benefit of all of the unit owners, costs and expenses, which are herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association is herein granted the right to levy and collect assessments against the owners of all units and against said units.

All assessments levied against the unit owners and against their units shall be in such an amount that any assessment levied against a unit owner and against his unit shall bear the same ratio to the total assessment made against all unit owners and against their units as the undivided interest in the common areas and facilities appurtenant to each unit bears to the total undivided interest in the common areas and facilities appurtenant to all units. Assessments on each unit shall not begin to

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accrue until said unit has been made ready for occupancy as a dwelling unit, including, without limitation, completion of the installation of a final floor covering, interior paint and wallpaper and all appliances. No assessments shall begin until the first unit is sold. Assessments shall be levied against annexed units on the first day of the first month after they have been annexed and completed as set out above. The assessment on any unit owned by the Declarant shall be 25% of the assessment that would otherwise be levied on the unit. Notwithstanding the foregoing, the Declarant may, at its election, postpone in whole or in part, the date on which any assessment shall commence provided that the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement.

Should the Association be the owner of any unit, the assessment which would otherwise be due and payable to the Association by the owner of such unit, reduced by the amount of income which may be derived from the leasing of such unit by the Association, shall be apportioned and the assessment therefor levied ratably among the owners of all units which are not owned by the Association, based upon their proportionate interests in the common areas and facilities exclusive of the interests therein appurtenant to any unit owned by the Association.

At the closing of the sale of each unit by the Declarant, a sum shall be collected equal to the total assessment for such unit for the succeeding two months and such sum shall be contributed to the general operating fund of the Association for the purpose of insuring that the Association will have sufficient funds to meet unforeseen expenditures. Such sum shall not be considered an advance or current payment of regular assessments. (This fee may be waived by the Declarant, if it is not necessary to meet the regulations of the Federal National Mortgage Association.)

26A. CAPITAL ASSESSMENTS. In addition to the annual assessment authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Unit Owners owning two-thirds (2/3rds) of the Common Areas and Facilities who are voting in person or by proxy at a meeting duly called for such purposes.

26B. ASSESSMENTS OWED TO GREYSTONE ASSOCIATION. The land subject to this Declaration (including lands annexed into the condominium pursuant to this Declaration) shall also be annexed by separate instrument into that property

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that is subject to that Declaration entitled "Declaration of Covenants, Conditions and Restrictions for The Wedges at Greystone-Section 1, Book of Maps 1980, Page 730, Wake County Registry" and recorded in Book 2864, Page 290 of the Wake County Registry (herein referred to as the "Greystone Declaration"). Said Greystone Declaration provides that owners of land covered by said Declaration shall pay annual assessments to the Greystone Association, a North Carolina nonprofit corporation, for the purpose of maintaining common areas in Greystone Village owned by Greystone Association. For the purposes of paying assessments and the enforcement of said payments pursuant to the Greystone Declaration, "Condominium Units", as defined in this Declaration shall be treated as "lots", as defined in the Greystone Declaration. For example, townhome lots and single-family lots each pay assessments to the Greystone Association once they have been properly annexed and otherwise qualified pursuant to the Declaration. If a lot owner fails to pay, a lien may be placed on the lot and the lot sold to pay said lien. Similarly, each condominium unit in Dunbarton Pointe located on land that has been annexed into land covered by the Greystone Declaration will also be liable for annual assessments as set forth in the Greystone Declaration. If a condominium unit owner fails to pay said assessment, a lien may be placed on his unit, and the unit sold to enforce said lien.

27. LIENS FOR UNPAID COMMON EXPENSES; RECORDATION:
PRIORITIES: FORECLOSURE.

(a) Any sum assessed by the Association of Unit Owners for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of thirty (30) days or longer, shall constitute a lien on such unit when filed of record in the Office of the Clerk of the Superior Court of Wake County in the manner provided therefor by the General Statutes of North Carolina as now written or hereafter amended. Upon the same being duly filed, such lien shall be prior to all other liens except the following:

- (1) assessments, liens and charges for real estate taxes due and unpaid on the unit;
- (2) all sums unpaid on deeds of trust, mortgages, and other encumbrances duly of record against the unit prior to the docketing of the aforesaid lien; and
- (3) materialmen's and mechanic's liens.

(b) Provided the same is duly filed in accordance with the provisions contained in subparagraph (a) above, a lien created by nonpayment of a unit owner's pro rata share of the common expenses may be foreclosed by suit by the manager or Board of Directors, acting on behalf of the unit

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owners in like manner as a deed of trust or mortgage of real property. In any such foreclosure the unit owner shall be required to pay a reasonable rental for the unit, as provided in the Bylaws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager or Board of Directors, acting on behalf of the unit owners, shall have power to bid in the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. Reasonable attorney fees, not to exceed five percent (5%) of the sale price, as permitted by the Clerk of Superior Court shall be charged as a part of the cost of any such foreclosure.

(c) Where the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure, such purchaser or mortgagee, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the association of unit owners chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners including such purchaser, his successors and assigns.

(d) All sums payable as common expenses and remaining unpaid for a period of thirty (30) days after the date it was due to have been paid shall bear interest from the due date until paid at the highest rate permitted by law not to exceed 18% and said interest shall also be a lien on the unit to which the assessment is applicable.

28. LIABILITY OF GRANTOR AND GRANTEE OF UNIT FOR UNPAID COMMON EXPENSES. The grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or person designated by the Board of Directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth.

29. CONSTRUCTION. In interpreting any and all provisions of this instrument, the exhibits attached hereto, and subsequent deeds and deeds of trust covering individual

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units, the actual location of each such unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally or vertically, from the locations indicated on the Architectural Plans, or in minor variations in the description of the unit contained herein. To the extent that such minor deviations in location do or shall exist, a valid easement therefor and for the maintenance thereof does and shall exist.

30. AMENDMENT OF DECLARATION. This Declaration may be amended with the approval of Unit Owners collectively owning at least sixty-six and two-thirds percent (66-2/3%) of the aggregate undivided interest in the common areas and facilities of the Property. Such approval shall be expressed by the execution by such Unit Owners of such amendment. If the laws of North Carolina require a higher percentage than herein stated in order to amend this Declaration, the laws of North Carolina shall take precedence over this paragraph.

Thereupon, the Board of Directors shall, within thirty (30) days after all such signatures have been collected, reasonably assure itself that the amendment has been executed by the required percentage of unit owners. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any unit to be examined). The Board of Directors then shall cause to be attached to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO DECLARATION
DUNBARTON POINTE AT GREYSTONE VILLAGE CONDOMINIUM

By authority of its Board of Directors, Dunbarton Pointe at Greystone Village Condominium Owners Association, Inc. hereby certifies that the foregoing instrument has been duly executed by owners of units collectively owning at least _____ of the aggregate undivided interest in the common areas and facilities of the Property and is, therefore, a valid amendment to the existing

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Declaration of Dunbarton Pointe at Greystone Village Condominium.

DUNBARTON POINTE AT GREYSTONE VILLAGE CONDOMINIUM OWNERS ASSOCIATION, INC.

ATTEST:

[Signature]
Secretary

By [Signature]
President

Such amendment shall be executed in the name of the Association named in the Bylaws by the President (or Vice President) and by the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Wake County. No such amendment shall be effective until recorded as aforesaid. As to all bona fide purchasers for value, an amendment shall be conclusively presumed to be valid if such amendment contains a certification which in form and substance substantially conforms to the foregoing suggested certification.

31. AMENDMENT OF DECLARATION WITHOUT APPROVAL OF OWNERS. The Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend this Declaration and/or Bylaws without the consent of the owners and hereby reserves the right to act on behalf of the unit owners for the following purposes:

(a) To conform the Declaration and/or Bylaws to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any units therein for mortgage or improvement loans made, guaranteed or insured by a governmental agency, including, without limitation, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation, or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase of mortgage interests in units by such agency. A letter from any such agency stating that a change is desired or necessary in order to qualify the Property or any units for loans eligible to be guaranteed by, insured by or purchased by such agency, shall be sufficient authority for the amendment of the Declaration and Bylaws.

(b) To attach an architect's statement that the buildings located on the property have been constructed in conformance with the Condominium Plans. (Said statement is required by N.C.G.S. §47A-15.)

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(c) To add a page to the Architectural plans to show the number of units, building locations or unit elevations of any unit or building.

32. FHA/VA APPROVAL. Notwithstanding any provision in this instrument to the contrary, as long as the Declarant controls the Association, and if Declarant desires to qualify this condominium or units thereof for Federal Housing Administration or Veterans Administration approval (but not otherwise) the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties other than those specifically provided for in this Declaration, amendment of this Declaration, dedication of Common Area, mergers and consolidations, mortgaging of Common Areas, and dissolution.

33. RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, insurance companies, or other reputable mortgage lenders. "Governmental Guarantor", as used herein, shall mean the Veterans Administration, the Federal Housing Administration, FNMA, FHLMC or any other governmental agency which guarantees or insures mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any condominium unit or shall be the owner of any condominium unit or units, and so long as any Governmental Guarantor shall insure or guarantee any mortgage upon any condominium unit, such Institutional Lender or Governmental Guarantor shall have the following rights:

(a) To be furnished, free of charge, with at least one copy of the Annual Financial Statement and Report of the Association, prepared by a Certified Public Accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notice shall state the nature of the Amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

(c) To be given notice of default by any condominium unit owner owning a condominium unit encumbered by a mortgage held by the Institutional Lender or

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Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing to the Association.

(d) To inspect the books and records of the Association during normal business hours.

(e) To be given notice by the Association of any substantial damage to or destruction, as defined in section 23 of this Declaration, of any unit or any part of the common areas.

(f) To be given notice by the Association if any unit or a portion of any unit, or the common areas or any portion of the common area, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

(g) To be given notice by the Association of any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such Institutional Lender or Governmental Guarantor, which remains uncured for a period of 60 days.

(h) To be given notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(i) To be given notice of any proposed action that requires the consent of a specified percentage of mortgage holders.

The prior written approval of Institutional Lenders who hold first mortgage liens on units which have at least fifty-one percent (51%) of the votes of units subject to first mortgage liens held by Institutional Lenders shall be required for the following matters:

(a) The abandonment or termination of the condominium in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(b) Any material amendment to the Declaration or to the Bylaws, including, but not limited to, any amendment which would establish, provide for, govern or regulate any of the following:

(1) Voting;

(2) Assessments, assessment liens or subordination of such liens;

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- (3) Reserves for maintenance, repair and replacement of the common areas;
 - (4) Insurance or Fidelity Bonds;
 - (5) Rights to use of the common areas;
 - (6) Responsibility for maintenance and repair of the several portions of the project;
 - (7) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
 - (8) Boundaries of any unit;
 - (9) The interests in the common areas;
 - (10) Convertibility of units into common areas or of common areas into units;
 - (11) Leasing of units;
 - (12) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his or her unit; and
 - (13) Any provisions which are for the express benefit of Institutional Lenders or Governmental Guarantors.
- (c) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Property.
- (d) Any restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, which is not performed substantially in accordance with the Declaration and the Architectural Plans.

The prior written approval of Institutional Lenders who hold first mortgage liens on units which have at least sixty-seven percent (67%) of the votes of units subject to first mortgage liens held by Institutional Lenders shall be required to terminate the legal status of the Property as a Condominium (to remove the Property from the coverage of the Unit Ownership Act) except in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

Whenever any Institutional Lender or Governmental Guarantor desires the provisions of this section 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

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herein identifying the condominium unit upon which any such Institutional Lender holds any mortgage or any Governmental Guarantor insures or guarantees any mortgage, or identifying any condominium units owned by it, together with sufficient pertinent facts to identify any such mortgage, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender or Governmental Guarantor. Any Institutional Lender who receives a written request from the Association to approve additions or amendments to the Declaration but does not deliver or post to the Association a negative response within 30 days of receipt of such request shall be deemed to have approved such request.

34. OWNER'S RIGHTS. The consent of owners of units to which at least sixty-seven percent (67%) of the total votes in the Association are allocated shall be required for the effectuation of any decision by the Association to terminate professional management which had been previously required by any Institutional Lender or Governmental Guarantor and assume self-management of the Property.

35. LEASES. All leases or rental agreements for units shall be in writing and specifically subject to the Declaration. No unit may be leased or rented for a period of less than thirty (30) days.

36. CONDEMNATIONS. The Association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of part or all of the common areas. In the event of a taking or acquisition of part or all of the common areas by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the unit owners and their mortgagees as their interests may appear. Nothing contained herein shall prohibit a unit owner from employing counsel to assist the Association and protect the unit owner's interests.

37. BAR AGAINST LONG TERM CONTRACTS. Until such time as the Declarant relinquishes its right to appoint three of the directors of the Board of Directors of the Association, as set forth in Section 3 of Article IV of the Bylaws, the Association is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time upon not more than 90 days notice to the other party.

38. INVALIDITY. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity and enforceability or effect of the

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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 had never been included herein.

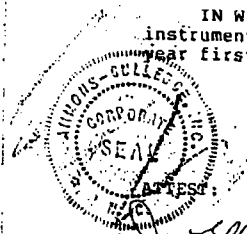
39. WAIVER. No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

40. LIBERAL CONSTRUCTION. The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter genders each shall include the other. The article headings are for convenience of reference only and shall not be considered terms of this Declaration.

41. LAW CONTROLLING. This Declaration and the Bylaws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

42. DEFINITION OF TERMS. Any terms used herein which are defined in the North Carolina Unit Ownership Act shall have the meaning specified in said Act unless a contrary intent clearly appears.

IN WITNESS WHEREOF, the said Declarant has caused this instrument to be signed by its partners this the day and year first above written.



AMMONS-GULLEDGE, INC., a North Carolina Corporation

By [Signature]
President

[Signature]
Secretary

NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public in and for said State and County, do hereby certify that To Ellen W. Ammons personally appeared before me this day and acknowledged that she is Secretary of AMMONS-GULLEDGE, INC., a corporation, and that by authority duly given and as the act of the

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corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by her self as its _____ Secretary.

WITNESS my hand and notarial seal this the 2nd day of June, 1986.

Alvin P. Dole
Notary Public

My Commission Expires:

4-24-89



NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of Alvin P. Dole

Notary (ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the last page hereof.

KENNETH C. WILKINS Register of Deeds

By Kenneth C. Smith
Asst. Deputy Register of Deeds

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EXHIBIT "A"

All of that 13.6818 acres captioned "Property of Ammons, Inc. To Be Conveyed To Ammons-Gulledge, Inc." as shown on a map recorded in Book of Maps 1985, Page 547 of the Wake County Registry.

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EXHIBIT "A-1"

All of that 1.8563 acres captioned "Phase One" as shown on a map entitled "Dunbarton Pointe at Greystone Phase One and Two" recorded in Book of Maps 1985, Page 1230, of the Wake County Registry.