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STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

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DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

THIS Declaration, made this 17th day of June, 1999 by JTD DEVELOPMENT COMPANY OF BREVARD, LLC, a North Carolina limited liability company ("Declarant") pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act (hereinafter the "Act").

WHEREAS, Declarant is the owner in fee simple of certain real property located in Brevard Township, County of Transylvania, State of North Carolina, more particularly described as Phase One on Exhibit "A" attached hereto and incorporated herein by reference and made a part hereof, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property; and

WHEREAS, Declarant is the owner of additional real property adjoining that real property described on Exhibit "A" which additional real property is described on Exhibit "B" attached hereto and incorporated herein by reference; and

WHEREAS, Declarant has an option to purchase additional real property which additional property is described on Exhibit "B"; and

WHEREAS, Declarant desires to submit all of said real property described on Exhibit "A", together with all buildings and improvements now or hereafter located thereon, to the provisions of the Act; and

WHEREAS, Declarant reserves certain development rights in said additional real property described on Exhibit "B" reserving the right to add all or portions of the real property described on Exhibit "B" to this Condominium by amendment of this Declaration, which development rights are defined in the Act and are hereinafter set out.

NOW, THEREFORE, Declarant hereby declares as follows:

ARTICLE I
Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

1.1. Act means the North Carolina Condominium Act as set out and contained in Chapter 47C of the North Carolina General Statutes.

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1.2. Additional Real Property means the real property described on Exhibit "B" attached hereto together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property.

1.3. Association means Straus Ridge Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina in accordance with Section 47C-3-101 of the North Carolina General Statutes whose membership is made up entirely and exclusively of the owners of the various units in the Condominium.

1.4. Board or Board of Directors means the Board of Directors of Straus Ridge Association, Inc.

1.5. Bylaws mean the Bylaws of the Association, a copy of which are attached hereto as Exhibit "F" and are hereby incorporated herein and made a part hereof by this reference.

1.6. Common Elements means all portions of the Condominium except the units. Limited Common Elements are Common Elements.

1.7. Common Expenses means expenditures made or financial liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.8. Common Expense Liability means the liability, stated as a percentage, for the share of the Common Expenses allocated to each unit as set forth on Exhibit "E" attached hereto.

1.9. Condominium means the condominium created by this Declaration.

1.10. Declarant means JTD Development Company of Brevard, LLC, a North Carolina limited liability company, its successors and assigns, including any person who succeeds to any Special Declarant Rights (as defined in Section 47C-1-103(23) of the Act) pursuant to North Carolina General Statutes Section 47C-3-104.

1.11. Declarant Control Period means the time period commencing on the date hereof and continuing until the earlier of (i) one hundred twenty (120) days after the conveyance by Declarant of seventy-five percent (75%) of all units (including all units which Declarant has a right to create on the additional real property and to add to the Condominium by amendment of this Declaration) to Unit owners other than the Declarant; (ii) two years after all Declarants have ceased to offer units for sale in the ordinary course of business; or (iii) two years after any development right to add new units to the Condominium was last exercised.

1.12. Declaration means this Declaration of Condominium and any amendment(s) to this Declaration.

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1.13. Directors means the members of the Board of Directors of the Association.

1.14. First Mortgage and First Mortgagee means a mortgage or deed of trust which has been recorded so as to give constructive notice thereof, and which is a first lien on the units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the Office of the Register of Deeds for the county in which the First Mortgage is recorded including a purchaser at foreclosure sale upon foreclosure of the First Mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgagee for all purposes under this Declaration and the Bylaws.

1.15. Licensee means any person, not a Unit Owner, who may hereafter be licensed by the Association to use any portion of the Common Elements upon special conditions.

1.16. Limited Common Elements means those portions of the Common Elements allocated and reserved for the exclusive use of one or more but fewer than all of the units, including but not limited to, any deck, porch, balcony, patio or carport allocated to a unit.

1.17. Master Association means Straus Park Master Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina whose membership is made up entirely and exclusively of the owners of property in Straus Park.

1.18. Nine-Plex Building(s) means the three-story nine-plex unit building(s) located on the property.

1.19. Occupant means any person or persons in possession of a unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees

1.20. Person means a natural person, Corporation, estate trust, partnership, or other legal or commercial entity, or any combination association, joint venture or other legal or commercial entity, or any combination thereof.

1.21. Plans mean the plans and specifications of the buildings, improvements and units located on the Property recorded simultaneously herewith and made a part of this Declaration, as the same may be hereafter amended, described on Exhibit "D" attached hereto.

1.22. Plat means the plats of the survey of the Property depicting the Condominium and the location of the buildings on the Property with and made a part of this Declaration as the same may be hereafter amended, described on Exhibit "C" attached hereto. As described on Exhibit "C" attached hereto, the plat appears on two (2) separate sheets. One of the sheets shows the location of the property of the Condominium and its location in the entire area in

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which development rights are reserved. The other plat is a detailed plat of Phase One of the Condominium showing the location of the buildings on the Property. A reference in this Declaration to the Plat is a reference to both of said plats described on Exhibit "C" attached hereto.

1.23. Property means real property described on Exhibit "A" and any portion of the real property described on Exhibit "B" hereafter added to the Condominium or withdrawn from the Condominium by Declarant by Amendment of this Declaration together with all buildings and improvements now or hereafter Constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property.

1.24. Rules and Regulations mean the rules and regulations of the Condominium promulgated by the Board of Directors of the Association.

1.25. Special Declarant Rights means the rights as defined in Section 47C-1-103(23) of the Act reserved herein and in the Bylaws for the benefit of Declarant to complete the improvements on the Property indicated on the Plat and Plans filed with this Declaration; to exercise any development right pursuant to Section 47C-2-110 of the Act, including, without limitation, the absolute right of Declarant to add all or any portion of the Additional Real Property described in Exhibit "B" attached hereto to the Condominium by amendment of this Declaration by Declarant; to maintain sales offices, management offices, models and signs advertising the Condominium or Declarant's adjacent property on any part of the Property, to use easements over, under and through the Common Elements for the purpose of making improvements within the Condominium or within the Additional Real Property which may be added to the Condominium; to appoint or remove any officer of the Association or member of the Board of Directors of the Association during the Declarant Control Period.

1.26. Unit means the physical portion of the Condominium designated for separate ownership or occupancy, whether or not contained solely or partially in one or more buildings, the boundaries of which are hereinafter described in Section 4.4. Each unit is designated, delineated and shown on the Plans referred to in Exhibit "D" attached hereto.

1.27. Unit Owner means the person or persons, including Declarant, who owns a unit in fee simple. Unit Owner does not include a person having an interest in a unit solely as security for an obligation.

ARTICLE II

Submission of Property to the Act and Creation of the Condominium

2.1. Submission of Property and Creation of the Condominium. Pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, Declarant hereby creates a Condominium comprised of the real property located in Brevard Township, County of

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Transylvania, State of North Carolina which real property is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference. Declarant hereby submits all of said real property described on Exhibit "A" attached hereto, together with all buildings and improvements now or hereafter located thereon, to the Act, together with all easements, rights, licenses and appurtenances thereunto appertaining.

2.2. Name of County in which Condominium is Located. All of the Condominium is located in Transylvania County, North Carolina.

2.3. Name. The name of the condominium created by this Declaration is Straus Ridge Condominium. The Property shall hereafter be known as Straus Ridge Condominium. The real property described on Exhibit "A" attached hereto is to be known as Phase One of Straus Ridge Condominium.

2.4. Separately Owned Units. As is shown on the Plat and Plans described on Exhibits "C" and "D" attached hereto, Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, has constructed upon the real property described on Exhibit "A" attached hereto nine (9) condominium units and does hereby designate all such units for separate ownership, each unit also having as an appurtenance an undivided interest in and to the Common Elements of the Condominium.

2.5. Limited Common Elements. The Limited Common Elements serving or designed to serve each unit are hereby allocated solely and exclusively to such unit.

2.6. Easement Appurtenant to the Property. Access to the Condominium is provided by way of Old Cottage Lane which is a public road. Access to this road is an appurtenance to the Property.

2.7. Easement Reserved by Declarant for Adjoining Tract. As set forth in Exhibit "A" Declarant hereby reserves unto itself, its successors and assigns nonexclusive easements and rights-of-way over and across a portions of the Property, which easements and rights-of-way are more particularly described on Exhibit "A" attached hereto, for the benefit that real property shown on Exhibit "B" in which property the Declarant has reserved development rights.

2.8. Condominium Ordinances. The Condominium is not subject to any code, real estate use law, ordinance, charter provision or regulation (i) prohibiting the condominium form of ownership or (ii) imposing conditions or requirements upon a condominium which are not imposed upon physically similar developments under a different form of ownership.

2.9. Reservation of Special Declarant Rights. Declarant hereby reserves unto itself, its successors and assigns all Special Declarant Rights, including the right to complete the improvements on the Property indicated on the Plat and Plans filed with this Declaration; the right to add all or any portion of the Additional Real Property described in Exhibit "B" to the

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Condominium by amendment of this Declaration by Declarant pursuant to Section 47C-2-110 of the Act; the right to maintain sales offices, management offices, models in units and signs advertising the Condominium or Declarant's adjacent property on any portion of the Property; the right to use easements over, under and through all portions of the Common Elements for the purpose of making improvements to the Condominium or any portion of the Additional Real Property which may be added to the Condominium; and the right to appoint or remove any officer of the Association or member of the Board of Directors of the Association during the Declarant Control Period.

2.10. Declarant's Right to Complete. Declarant hereby reserves for itself, its successors and assigns the right to complete the improvements on the Property indicated on the Plat and Plans filed with the Declaration. This right shall continue until all such improvements have been completed or until two years after the expiration of Declarant's right to add the Additional Real Property or any portion thereof, to the Condominium whichever first occurs.

ARTICLE III Additional Real Property

3.1. Declarant's Right to Add Additional Real Property. Declarant expressly reserves the right, without the necessity of consent or joinder of any unit owner, mortgagee, security holder or the Association, to add the Additional Real Property, which real property is described on Exhibit "B" attached hereto, to the Condominium. All or different portions of the Additional Real Property identified and described on Exhibit "B" attached hereto may be added to the Condominium at different times, but no assurances are made as to the boundaries of any such portions or to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Property to the Condominium. The addition of any portion of the Additional Real Property to the Condominium shall in no way obligate Declarant to add the remainder of the Additional Real Property, or any remaining portion thereof to the Condominium. The method of adding the Additional Real Property, or portions thereof, to the Condominium shall be pursuant to Section 47C-2-110 of the Act.

3.2. Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of additional units that may be created on the Additional Real Property and added to the Condominium by amendment of this Declaration is sixty three (63) units, not including attendant facilities such as detached garages and carports. The maximum number of total units that may be in the Condominium is seventy two (72), nine (9) units in Phase One by virtue of this Declaration and the sixty three (63) units which may be created on the Additional Real Property. The maximum number of units per acre is twelve (12). All of such units will be restricted exclusively to residential use. No assurance is made as to the location of buildings or improvements which may be constructed or located upon the Additional Real Property.

3.3. Compatibility of Styles, Etc. Any buildings and units that may be erected upon the Additional Real Property or any portion thereof, will be compatible with the other buildings

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and units in the Condominium in terms of architectural style, quality of construction, and principal materials employed in construction. Declarant may increase the size of the units up to 1800 heated square feet.

3.4. Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of units will apply to any and all additional units that may be created within the Additional Real Property and added to the Condominium by amendment of this Declaration.

3.5. Other Improvements and Common Elements. In addition to the buildings and units that may be erected upon the Additional Real Property or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Property or any portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.

3.6. Applicability of Assurances if Additional Real Property is Not Added. The assurances made in this Article III will not apply with respect to any Additional Real Property that is not added to the Condominium.

3.7. Reallocation of Interests in Common Elements and Share of Common Expenses. If the Declarant adds the Additional Real Property or any portion thereof to the Condominium by amendment of this Declaration, at the time of such amendment the percentage of undivided interest in the Common Elements of the Condominium and the percentage of Common Expenses of the Association allocated to each unit will be reallocated. Any addition of units to the Condominium will cause a decrease in the previously allocated percentage of undivided interest in the Common Elements of the Condominium and in the percentage of Common Expenses of the Association of each unit. In the event any units are added to the Condominium by amendment of this Declaration, the percentage of undivided interest in the Common Elements of the Condominium and the percentage of Common Expenses of the Association of all units in the Condominium at that time (whether by virtue of this Declaration, a prior amendment of this Declaration or by virtue of the then current amendment of this Declaration) shall be reallocated pursuant to the following formula:

- 1) The square foot area of each unit (which includes square footage of garages) located in such a three-story, nine-plex building shall first be determined,
- 2) The square foot area in each such unit will then be divided by a figure which represents the aggregate square foot area of all units then a part of the condominium. The result will be the ratio used below.
- 3) The ratio determined above, shall be the percentage of the undivided interest in the Common Elements of the condominium and the percentage of Common Expenses of the

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Association allocated to each unit located in the three-story nine-plex buildings.

Notwithstanding the differences in the allocation to the various units in the condominium of the undivided interests in the common elements of the condominium and the different percentage of Common Expenses of the Association allocated to the units, each unit in the condominium, at any time, shall be entitled to one vote in the Association.

3.8. Time Limit on Adding Additional Real Property. Declarant's right to add the Additional Real Property described on Exhibit "B", or any portion thereof, to the Condominium shall expire at midnight on September 30, 2003.

ARTICLE IV

Buildings, Units and Unit Boundaries

4.1. Buildings. There has been constructed on the real property described on Exhibit "A" one three-story, nine-plex building which contains nine (9) units, three (3) units on the lower floor, three (3) units on main floor and three (3) units on the upper floor. As shown on the Plat and Plans, all units except for the outer units on the lower floor include a garage as a portion of the unit. The three-story building containing nine (9) units is a wood framed structure with an occupied full basement. The roof shall be a three-tab, twenty five (25) year shingle.

4.2. Location of Buildings. The locations of the building is as shown on the Plat prepared by Hafler Land Surveying, which is referred to in Exhibit "C" attached hereto and made a part of this description by reference. The building is described graphically in the Plans for such buildings filed contemporaneously herewith and referred to in Exhibit "D" attached hereto. The Plat prepared by Hafler Land Surveying, referred to in Exhibit "C" and the Plans referred to in Exhibit "D" show the particulars of the building including the location, layout, number of rooms, dimensions, elevations, area, building designations, unit numbers and the location of Common Elements affording access to each unit, reference to said Plat referred to in Exhibit "C" and Plans referred to in Exhibit "D" being hereby made for purposes of additional description.

4.3. Units. Each of the units is as shown on the Plans referred to in Exhibit "D" attached hereto. The location of each unit, the unit designation of each unit, its layout, dimensions, area, number of rooms and other data concerning its proper identification and description are shown on the Plat referred to in Exhibit "C" attached hereto and the Plans referred to in Exhibit "D" attached hereto.

4.4. Unit Boundaries. Each unit encompasses and includes all that portion of a building designated on the Plat and Plans and shall include all the space within the boundaries thereof. The boundaries of each unit, or portion thereof in the case of a garage, both as to vertical and horizontal planes, as shown on the Plans are the unexposed facing of the drywall, wallboard or sheet rock (that is the facing next to the studs, ceiling joists or other structural

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portions of the building) of its perimeter walls and ceilings, the uppermost surfaces of the subflooring, the exterior surfaces of all windows and sliding glass doors and the interior surface (that is the surface facing into the unit when the door is closed) of all other exterior doors (including garage doors). Each unit shall include all interior drywall, wallboard, sheet rock, paneling, molding, any surface finish, tile, plaster, wall covering or wall paper, paint, all finished flooring such as exposed wooden flooring, all interior partitions and doors, all carpet, padding, matting, vinyl, linoleum or other type floor coverings, cabinets, fireplaces, all bathroom and kitchen fixtures, ovens, refrigerators, garbage disposals, microwave ovens, dishwashers, hot water heaters and all other appliances contained within said boundaries. Each unit shall contain all windows, sliding glass doors and window screens provided however, that these windows, sliding glass doors and window screens may not be altered, decorated, repaired or replaced in any way that would change their appearance. In the event of repair or replacement of these windows or sliding glass doors, such windows or sliding glass doors and the screens in such windows shall be repaired or replaced so they are identical (or as identical as possible) to the windows and sliding glass doors that were in the unit when first conveyed by Declarant.

Included also as a part of each unit are the following.

(a) the heating and air conditioning systems serving the unit, wherever located; (b) all door locks or other security or mechanical devices which control the opening and closing of doors and windows (including any garage door opener); (c) all electrical switches, electrical outlets and light fixtures within the boundaries of a unit together with the electrical breaker panel serving the unit and all of the electrical wiring and service system for each unit from the point where such electrical wiring and service system enters the unit to the point where it connects with all uses within the unit; (d) the plumbing for water service for each unit from the point where such plumbing enters the boundaries of the unit to its end use in the unit; (e) the telephone and cable television service for each unit, including all cables and wiring, from the point where such wiring and cable enters the unit to the point where it connects to all uses within the unit; and (f) the drainage or sewer system for each unit from its collection point in a unit to the point where it exits the boundaries of the unit; and (g) the gas line(s) for each unit from the point where it enters the unit to the point where it connects with each use in the unit.

Any portion of the plumbing, electrical, telephone, cable television, gas or sewerage system, including all water lines, electric wires and cables, telephone lines, television cables, gas lines, sewer or drainage pipes or lines, conduits or other similar apparatus serving only one unit which is located within the boundaries of the unit which it serves is a part of that unit. Any portion of the plumbing, electrical, telephone, cable television, gas or sewerage system, including all water pipes, electric wires and cables, telephone lines, television cables, gas lines, sewer or drainage pipes or lines, conduits and other similar apparatus which serves two or more units or any portion of the Common Elements is a part of the Common Elements no matter where located.

In interpreting this Declaration and the Plans, the actual physical boundary of a unit as

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originally constructed, or of a unit as reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in this Declaration or the Plans, regardless of settling or lateral movement of the buildings and regardless of minor variances shown on the Plans and those of the unit.

4.5. Allocation of Percentage of Interest in Common Elements and of Common Expenses. The allocations to each unit of a percentage of undivided interest in the Common Elements of the Condominium, votes in the Association, and of a percentage of the Common Expenses of the Association are as stated in Exhibit "E" attached hereto and incorporated herein by reference. As is indicated on said Exhibit "E" the percentage of undivided interest in the Common Elements of the Condominium allocated to each unit and the percentage of the Common Expenses of the Association allotted to that unit are the same. The votes in the Association are allotted equally to each unit, with each unit having one vote in the Association. The percentage of undivided interest in the Common elements allocated to each unit is an appurtenance to such unit and such undivided interest in the Common Elements of the condominium may not be separated from the unit to which it is appurtenant. The allocation to each unit of a percentage of undivided interest in the Common Elements in the Condominium and a percentage of the Common Expenses of the Association has been determined based upon the following formula:

Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit located in the three-story, nine-plex buildings is determined in the following manner:

- 1) The square foot area of each unit (which includes square footage of garages) located in the three-story, nine-plex building.
- 2) The square foot area in each such unit shall then be divided by a figure which represents the aggregate square foot area of all units now a part of the condominium. The result is the ratio used below:
- 3) The ratio determined above, is the percentage of the undivided interest in the Common Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit located in the three-story nine-plex building.

ARTICLE V Common Elements

5.1. Common Elements. The Common Elements of the Condominium consist of all of the property of the Condominium, including all improvements located thereon, other than the units and shall include, but not be limited to:

- (a) the real property on which the buildings are located and all the real property

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surrounding the buildings which lies within the boundaries of the Property subject to this Declaration, as amended from time to time;

- (b) all foundations, columns, girders, beams. Supports and other structural members of all buildings (including those of garages);
- (c) the exterior walls and roofs (including those of garages);
- (d) gutterings, walls, corridors, attics, stairs (except for those stairs and stairways which are Limited Common Elements as hereinafter set out) foyers and fire escapes;
- (e) all central and appurtenant installations wherever located, for services such as, but not limited to, power, lights, electricity, gas, water, cable television, plumbing, sewer, incinerating solid waste collection, mail service, guardhouse and entrance sign (including all pumps, pipes, ducts, flues, shafts, conduits, vents, wire, tubes, cables, motors, fans and compressors) designed and intended for common use;
- (f) any portion of the plumbing, electrical, gas, telephone, cable television, sewerage or other similar utility service or system, including, but not limited to, all water lines, electric wires and cables, telephone lines, television cables, gas lines, conduits, flues, sewer pipes or lines and other similar apparatus, wherever located, which serves two or more units or any portion of the Common Elements;
- (g) the yards, landscaping, trees, shrubs, vegetation, fences, non-public roads, parking areas (not including garages and the spaces directly behind them), walks, retaining walls and all other maintenance and recreational areas;
- (h) All other parts of the property and all improvements located thereon not located within or being a part of a unit, and all apparatus and installations in the buildings or on the property for the common use of the Unit Owners or necessary or convenient to the existence, maintenance and safety of the Condominium.

5.2. **Limited Common Elements.** Certain portions of the Common Elements are reserved for the use of a particular unit or units to the exclusion of all other units and as such are designated Limited Common Elements. The Limited Common Elements serving or designed to serve a particular unit or units are hereby reserved and allocated solely and exclusively to such unit or units. The Limited Common Elements appurtenant to each unit may not be reallocated. The location and dimensions of all Limited Common Elements are as shown on the Plat and Plans. The Limited Common Elements and the units to which they are reserved and allocated are depicted on the Plat and Plans referred to in Exhibit "C" and "D" attached hereto and shall include:

- (a) As shown on the Plans, each unit has one or more patios, porches, decks, or

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balconies which is adjacent to such unit and interior access to which can be had only through such units. Such patios, porches, decks, or balconies are Limited Common Elements which limited Common Elements are hereby allocated to the unit which affords interior access to such patios, porches, decks and balconies. The use of such porches, decks and balconies shall be limited to the unit owner or occupant whose unit affords interior access to such patio, porch, deck or balcony.

(b) The steps, stoops and stairways which lead exclusively to one unit are Limited Common Elements allocated to such unit and as such are reserved for the exclusive use of the unit owner or occupant to whose unit such steps, stoops and stairways lead;

(c) Any storage closets located on or adjacent to some of the patios, porches, decks or balconies associated with the units as hereinabove described in Section 5.2(a) are Limited Common Elements and as such are allocated to and reserved for the exclusive use of the unit to which each such storage closet is associated and through which interior access to such storage closet may be had;

(d) Any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including, but not limited to, all water pipes, electric wires, and cables, telephone lines and cables, television cables, conduits, flues, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serves only one unit but is located outside the boundaries of that unit is a Limited Common Element allocated exclusively to the unit it serves. All exterior doors (including all garage doors but specifically not including any sliding glass doors) designed to serve a single unit but located outside that unit's boundaries are Limited Common Elements allocated exclusively to the unit such door is designed to serve,

(e) As is shown on the Plat and Plans referred to in Exhibits "C" and "D" attached hereto there are seven garages located in front of each nine-plex building. This is a Limited Common Element allocated to and reserved for the exclusive use of the unit owner or occupant unit to which the garage is designated.

(f) All areas designated on the Plat and Plans referred to in Exhibits "C" and "D" as Limited Common Elements which Limited Common Elements are allocated as shown on said Plat and Plans.

5.3. Conveyance or Encumbrance of the Common Elements. No portion of the Common Elements may be conveyed or encumbered except with the unanimous consent in writing of all Unit Owners except such liens as may arise or be created against the several units and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the provisions of this Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

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ARTICLE VI Easements

There shall exist, with respect to the Property, including the Common Elements, the Limited Common Elements, and the units, certain easements hereinafter set out, which easements shall run with the land and shall be binding as the case may be, on the Unit Owners and the Association, and their heirs, successors and assigns. These easements hereinafter granted shall be in addition to those easements contained in Section 47C-2-114 and Section 47C-2-116 of the Act.

6.1. Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration, improvement, settling, shifting or movement of the buildings or improvements located on the Property, or as a result of survey error or error in description, any part of the Common Elements now or hereafter encroaches upon any part of any unit, or any part of any unit now or hereafter encroaches upon part of the Common Elements, or upon any part of another unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or units so encroached upon.

6.2. Easements Through Walls, Ceilings and Floors. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, ducts, vents, pipes, wires, cables, conduits and other utility installations, and structural components running through the walls of the various units, whether or not such walls, ceilings and floors lie in whole or in part within the boundaries of any unit.

6.3. Common Elements Access. Each unit owner, his family living in his unit, his tenants, guests and invitees shall have a right and easement of use and enjoyment in and to the Common Elements of the Condominium, except the Limited Common Elements, which right and easement shall include the right of ingress, egress and regress to and from his unit over those portions of Property designated for such purposes, and such easement shall be appurtenant to and shall pass with the title to every unit. Each unit owner, his family, tenants and guests shall have a right and easement of use and enjoyment, in common, with all other Unit Owners, of any and all recreational facilities located upon the Common Elements of the Property.

6.4. Easement to Unit Owners. Each unit owner shall have an easement in common with other Unit Owners for the use, maintenance and repair of all pipes, wires, ducts, cables, conduits, public utility lines, water pipes or lines, sewer lines, gas lines, telephone lines, electric wires and cable, cable television wires, chutes, chimneys, flues and any other utility apparatus located in any of the units or the Common Elements (including the Limited Common Elements)

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and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units for the use, maintenance and repair of the pipes, ducts, cables, wires, conduits, public utility lines, water pipes or lines, gas lines, telephone lines, sewer lines, cable television wires, electric wires and cables and other utility apparatus serving any such other units and located in such unit. The Board of Directors of the Association shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements (including Limited Common Elements) contained therein or elsewhere in the building, at reasonable times and upon reasonable notice to the Unit Owners, except that access may be had at any time in case of an emergency.

6.5. Easements to Repair, Maintain, Restore and Reconstruct. Wherever in and whenever by this Declaration, the Bylaws of the Association or the Act, a unit owner, the Association, the Board of Directors of the Association, or any other person, is authorized to enter upon a unit or the Common Element to inspect, repair, maintain, restore, or reconstruct all or any part of a unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted. There shall be an easement through all units and the Common Elements, including the Limited Common Elements, for the benefit of all Unit Owners and the Association for the installation, maintenance, repair and replacement of all units and the Common Elements (including Limited Common Elements). The Association shall have the irrevocable right and easement to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any unit or of any of the Common Elements (including Limited Common Elements) located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to such unit, the Common Elements or to any other unit. Such access may be had at any time in the case of an emergency.

6.6. Easements for Structural Support. Every portion of a unit or the Common Elements which contributes to the structural support of another unit or another portion of the Common Elements shall be burdened with an easement of structural support.

6.7. General Easements. There shall be a general easement upon, across, above and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, wherever located, including, but not limited to, water lines, sewer lines, telephone and electric lines, gas lines or pipes, cable television lines, or other community service. (i.e., master television antenna system or security system, if installed) which the Declarant, or the Association has installed or might determine to install to serve the Property whether such utilities are located on the real property described in Exhibit "A" or Exhibit "B". By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain wire, conduits, cables and the like on, above, across, under, and through the roofs and exterior walls of the units. Should any party furnishing any service covered by this general easement request a specific easement by separate recordable document, Declarant, or the Association as the case may be, shall have the right to grant such easement under the terms hereof.

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The units and Common Elements shall be, and are hereby, made subject to easements in favor of Declarant, the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section shall include, without limitation, the right of Declarant, the Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits and equipment and ducts, vents, and flues and any other appropriate equipment and facilities over, under, through, along and on any part of the Property, including the units and the Common Elements. The Declarant shall have the right, until all units which may be created and added to the Condominium have been constructed and conveyed to Unit Owners other than Declarant, to grant and reserve easements and rights-of-way through, under, over and across all portions of the Property for construction purposes and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, electricity, gas, drainage, telephone, cable television, and other utilities. Notwithstanding the foregoing provisions of this Section, unless approved in writing the unit owner or Unit Owners affected thereby, any such easement through a unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the unit by Declarant to a grantee other than a Declarant, or so as not to materially interfere with the use or occupancy of the unit by its occupants.

There shall be a general easement to the Association, its directors, officers, agents, and employees (including, but not limited to, any manager employed by the Association) to enter upon the Property or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with the permission of the unit owner directly affected thereby.

6.8. **Declarant's Easement.** Declarant hereby reserves and retains for itself, its successors and assigns, a non-exclusive permanent easement and right-of-way over and across the Property including the right to utilize portions thereof to afford access to the Additional Real Property described in Exhibit "B" or to such adjacent properties as may now or hereafter be owned by Declarant, or to provide utility services, public conveniences and ingress, egress, and regress to the Additional Real Property, and may grant easements to other persons, firms, or corporations over and across the Property for such utilities and public conveniences. The Declarant may hereafter grant easements over any portion of the Property for utility purposes for the benefit of the Property or the Additional Real Property, including but not limited to the right to install, lay, maintain, repair and replace water mains and lines, pipes, sewer lines, gas mains and lines, telephone wires and equipment and conduits, electric wires and cables, and cable television wires, and cables over, under, along and on any portion of the Property, and each unit owner hereby grants the Declarant an irrevocable durable power of attorney pursuant to Chapter 32A of the North Carolina General Statutes to execute, acknowledge and record for

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and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing. Declarant may grant such easements to others over any portion of the Property and Common Elements of the Condominium for such utilities, public conveniences and access, and for all necessary maintenance thereof, provided no such easement shall infringe upon or infringe with the reasonable use of a unit.

The Declarant hereby further reserves unto itself, its successors and assigns an easement over and upon the Common Elements of the Property for construction of future phases of the Condominium. Further, Declarant, for itself, its successors and assigns, specifically hereby expressly reserves a permanent and perpetual non-exclusive easement and right-of-way over all private roads, streets, driveways and parking areas located on the Property as shown on the Plat, or which are hereafter constructed on any portion of the Property or the Additional Real Property, plus any additional area as may be needed to connect such private roads, streets, driveways and parking areas with any portion of the Additional Real Property, the location of which may be chosen by Declarant or its successors or assigns, for use in common with the Unit Owners and others who may be rightfully using said roads, streets, driveways and parking areas, for access to all of the Additional Real Property and any other nearby property now or hereafter owned by Declarant, which said easement shall be considered an easement appurtenant to said Additional Real Property and all portions thereof running with the title to said property and all portions thereof, forever. The purpose of this reservation of easement is so that Declarant, its successors and assigns shall at all times have an easement and right-of-way over the Property for access to and from all portions of the Additional Real Property from Old Cottage Lane.

Declarant hereby further reserves unto itself, its successors and assigns such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, including the construction of all permissible additional units on the Additional Real Property described on Exhibit "B", which easements shall exist as long as reasonably necessary for such purposes.

6.9. Easements to Run With Land. All easements and rights described in this Article VI are appurtenant easements running with the land, and except as otherwise expressly provided in this Article VI shall be perpetually in full force and effect and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, occupants, security holders and any other person having any interest in the Condominium or any part thereof, their heirs, successors and assigns. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article VI, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE VII Restrictions, Conditions and Covenants

7.1. Compliance with Declaration, Bylaws, and Rules and Regulations. Each unit

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owner and occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, the Declaration of Covenants of Straus Park, the Master Association, and the Rules and Regulations promulgated by the Board of Directors of the Association and the Master Association, as amended. Failure to comply shall be grounds for an action by the Association or the Master Association, an aggrieved unit owner or any person adversely affected, for recovery of damages, injunction or other relief.

7.2. Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration, the Bylaws of the Association and the Master Association and the Rules and Regulations of the Condominium.

7.3. Use Restricted: Use by Declarant.

(a) All units shall be occupied and used for single family residential purposes only, subject to the provisions of paragraph (d) of this Section.

(b) No business of any kind other than a home office which requires no regular visitation by customers, suppliers, salesmen, or freight or parcel shipping or delivery shall be permitted in any building, unit or on any portion of the Property, provided, however, that this restriction shall not apply to Declarant as provided in paragraphs (d) and (c) of this Section nor shall this apply to prevent the Association from maintaining an office on the Property for management of the Condominium.

(c) No signs of any type (including "For Sale" or "For Rent" signs), window displays or advertising, billboards, unsightly objects or nuisances shall be erected, placed or maintained by any unit owner or occupant on any part of the Property, provided however, that this restriction shall not apply to Declarant until all of the units in the Condominium, including any units which may be added to the Condominium by amendment of this Declaration, have been conveyed to a unit owner other than a Declarant. Declarant shall have a right and easement to maintain signs on the Common Elements of the Condominium advertising the Condominium and Declarant's adjacent property until all of the units (including all units which may be created on the Additional Real Property) have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs no later than thirty (30) days after all of the units have been conveyed to Unit Owners other than a Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

Declarant shall have a right and easement to maintain signs on the Common Elements of the Condominium which advertise Declarant's adjacent property and any development thereon which is not a Condominium or direct traffic to Declarant's adjacent property or any development thereon which is not a Condominium. Such signs shall be tasteful and compatible with other signs at the Condominium.

(d) The foregoing provisions of this Section or any other Provision of this Declaration

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or the Bylaws notwithstanding, Declarant, its successors and assigns, shall have the right and easement to maintain a sales office, a management office and model units in one or more of the units of its choice or upon any portion of the Property until all of the units in the Condominium, including any unit which may be added to the Condominium by amendment of this Declaration, have been conveyed to a unit owner other than a Declarant. During such time period Declarant shall have the right to relocate, from time to time, and to discontinue and re-establish, from time to time, any one or more of such sales office, management office or models. Declarant shall not have at any one time more than two (2) model units and the size of any such model unit shall not exceed the size of the largest unit in the Condominium. These model units may be located in any unit in the Condominium whether such unit is owned by Declarant or by any other unit owner. It shall be expressly permissible for any unit owner to lease his unit to Declarant for purposes of establishing therein one of the model units. Declarant may maintain one (1) sales office and one (1) management office on any portion of the Property. A portion of any such sales office may be used as management offices for Declarant to oversee the construction of the Condominium. This sales office and management office may be established and maintained in any unit in the Condominium, whether such unit is owned by Declarant or not, or upon any portion of the Common Elements.

(e) Anything contained herein to the contrary notwithstanding, it shall be permissible for Declarant to maintain, until all of the units in the Condominium have been conveyed to a unit owner other than a Declarant (including any units added to the Condominium by amendment of this Declaration), upon the Property, such facilities as in the sole discretion of the Declarant, may be reasonably required, convenient or incidental to the construction and sale of units and Declarant's adjacent property), including, but without limitation, a business office, storage area, construction yard, signs, model units and sales offices.

(f) No animals, livestock, or poultry of any kind may be raised, bred or kept on any part of the Property, or Condominium except for household-pets permitted by this Declaration. Such pets may be kept by their respective owners only in their respective units, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of or, or in the sole discretion of the Board of Directors of the Association, unreasonably disturb the owner of any unit or any occupant thereof. All pet owners shall be responsible for exercising such care and restraint as is necessary to prevent their pet from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions or other nuisance. No savage or dangerous animal shall be kept or permitted on the Property or in any unit. No pets may be permitted to run loose upon the Common Elements and any unit owner who causes or permits any animal to be brought or kept upon the Property shall indemnify and hold harmless the Association for and from any and all loss, damage or liability which it sustains as a result of the presence of such animal on the Property.

(g) No boats, boat trailers, mobile homes, motor homes, recreational vehicles, trucks (other than vans or small pick up trucks), trailers, buses, campers, inoperable vehicles or any similar items or vehicles shall be parked on or stored in or on any portion of the Property. In

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addition, the washing of any vehicles on the Property is strictly prohibited.

(h) Except on specific approval of the Board of Directors of the Association, the Common Elements, including the Limited Common Elements (except for the garages and storage closets associated with any unit) shall not be used for temporary or permanent storage of supplies, personal property, trash or refuse of any kind, except in common trash receptacles placed at the discretion of the Board, nor shall be used in any way for the drying or airing of clothing, rugs or other articles. The outdoor drying of clothes on the patios, decks and balconies of the units or on any portion of the Common Elements is strictly prohibited. Entrances, sidewalks, yards, driveways, parking areas and stairways shall not be obstructed in any way. In general, no activities shall be carried on nor conditionally maintained by any unit owner either in his unit or the Common Elements, if such activities would despoil, or tend to despoil, the appearance of the Property.

(i) The exterior of the buildings and units including trim and hardware, doors, windows, sliding glass doors, garage doors, building signs, unit number signs and related exterior features, shall not be altered or decorated by Unit Owners in any manner without the prior written consent of the Board of Directors of the Association. No radio or television aerals or antenna, satellite dish or other projections may be installed or attached to the exterior or roof of any building or unit without such prior written consent of the Board of Directors of the Association. No interior alterations to load-bearing walls or members or to any part of the structure which carries common utilities services shall be allowed without the submittal to and approval by the Board of Directors of the Association of complete plans of such proposed alterations.

(j) No noxious or offensive activities shall be carried on, in or upon any unit or the Common Elements, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to other Unit Owners, or to endanger their person and property.

(k) It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of any unclean, unsightly or unkempt conditions of the Common Elements.

(l) No refuse, rubbish, trash or waste of any sort shall be thrown onto any portion of the Property.

(m) No temporary structures of any kind shall be permitted on the property at any time, excepting such structures as may be required by Declarant while the Condominium or any part thereof is under construction.

(n) All draperies or other window dressings in any unit shall be white or off-white in color, or in lieu thereof, shall have white lining.

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(o) No unit owner shall rent his unit for transient or hotel purposes, which for purposes of this Declaration shall be defined as either a rental for any period less than one (1) month or any rental if the lessee of the unit is provided customary hotel services. Any unit owner who shall rent his unit shall utilize an rental agency or similar business chosen by Declarant, even after the Declarant Control Period has expired. Each permitted lease shall lease an entire unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any unit owner who enters into a lease of his unit shall promptly notify the Association of the name and address of each lessee, the unit rented, and the term of the lease. No unit shall be subject to or used for any timesharing, cooperative, licensing, or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple Unit Owners, cooperators, licensees, or timesharing participants. Other than the foregoing restrictions, each unit owner shall have the full right to lease his unit for single family residential purposes. Declarant shall have the full right and authority to lease any and all units which it owns.

(p) The garages located on the Property shall not be used for any purposes other than the parking of standard passenger automobiles, vans, small pickup trucks, motorcycles and the storage of personal property. The garages may not be used in any way as a living area. No person shall reside in any garage.

(q) No unlawful use shall be made of the Property nor any part thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof shall be observed.

(r) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office on the Property for management of the Condominium.

7.4. Hazardous Use and Waste. Nothing shall be done to or kept in any unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No unit owner or occupant shall permit anything to be done to or kept in his unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his unit or the Common Elements.

7.5. Alterations of Common Elements and Limited Common Elements. No unit owner or occupant, except Declarant, shall alter, construct anything upon or remove anything from the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board of Directors of the Association.

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7.6. Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board of Directors of the Association as is more fully provided in the Bylaws. Such rules and regulations shall be consistent with the covenants and restrictions contained in this Article VII and not in derogation or intended as an amendment thereof.

7.7. Restrictions, Conditions and Covenants to Run With the Land. Each unit owner and occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall insure to the benefit of every unit owner.

7.8. Declaration, Bylaws and Rules and Regulations Binding on Unit Owners and Occupants. All Unit Owners tenants and occupants of units in the Condominium shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws, Rules and Regulations of the Condominium as may be adopted from time to time and the Declaration Covenants of Straus Park. The acceptance of a deed of conveyances or the entering into of a lease, or the entering into occupancy of any unit shall constitute agreement that the provisions of this Declaration, the Bylaws, any Rules and Regulations which may be adopted and the Declaration Covenants of Straus Park are accepted and ratified by such Unit Owner, tenant, or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease.

7.9. Violations, Enforcement. In the event of a violation or of any of these restrictions, or of any other covenants of this Declaration, including affirmative obligations therein, by any unit owner, occupant or agent thereof, the owners of other units or any of them, jointly or severally and/or the Association shall have the right to proceed at law or in equity to compel compliance with the term hereof or to prevent the violation or breach in any event. Additional rights and remedies in the event of a violation or breach of any of the restrictions, conditions or provisions of this Declaration, the Bylaws or the Rules and Regulations as set forth in Article XVIII of this Declaration.

The failure to enforce any rights reservation or condition contained in Declaration, however long continued, shall not be deemed a waiver of right to do so hereafter as to the same breach or as to a breach occurring prior to or subsequent thereto, and shall not bar or affect its enforcement. The invalidation by any court of any restrictions or obligations contained in this Declaration shall in no way affect any of the other restrictions or obligations, which shall remain in full force and effect.

ARTICLE VIII Administration

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8.1 Operation, Management and Administrations by the Association. To efficiently and effectively provide for the operation, management and administration of the Condominium by the Unit Owners, a North Carolina nonprofit corporation known as Straus Ridge Association, Inc. (the "Association") has been formed. The operation, management and administration of the Condominium shall be the right and responsibility of the Association and said management duties shall be carried out in accordance with the terms, conditions and provisions of this Declaration, the corporation's Articles of Incorporation and Bylaws and the Rules and Regulations of the Condominium. A true copy of said Bylaws are attached hereto as Exhibit "F" and made a part hereof by reference. The owner(s) of each unit in the Condominium shall automatically become members of the Association upon acquiring an ownership interest in any unit in the Condominium and such membership shall terminate automatically upon the unit owner being divested of such ownership interest in the unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage, security interest or other encumbrance upon any unit shall be entitled, by virtue of said lien, mortgage, security interest or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership. In the administration, 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, to adopt, promulgate and enforce such rules and regulations governing the use of the units, Common Elements and limited Common Elements as its Board of Directors deem in the best interests of all Unit Owners and to do and perform any other acts and carry out any other responsibilities or duties given to the Association by this Declaration, the Bylaws and the Articles of Incorporation of the Association, or the Act. The Association shall have all of the powers and duties set forth in the Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the Articles of Incorporation and Bylaws of the Association.

The Association shall assume responsibility for the operation, management, and administration of the Condominium upon the first conveyance of a unit to any person.

8.2. Board of Directors to Act on Behalf of Association: The Board of Directors of the Association is hereby designated to act on behalf of the Association. The Board of Directors of the Association is therefore the executive board of the unit owners association as that term is defined and used in the Act.

8.3. Declarant Control of Board of Directors. Except as provided in Section 8.4 of this Article, Declarant shall have the right to designate, select, appoint and remove all officers and members of the Board of Directors of the Association until the earlier of (i) one-hundred twenty (120) days after the conveyance by Declarant of seventy-five percent (75%) of all units (including all units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of this Declaration) to Unit Owners other than a Declarant; (ii) two years after all Declarants have ceased to offer units for sale in the ordinary course of business; or (iii) two years after any development right to add new units to the Condominium was last exercised. This time period hereinabove set out during which Declarant

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has the right to appoint and remove the officers and the members of the Board of Directors of the Association is called the Declarant Control Period. Prior to the expiration of the Declarant Control Period, Declarant may, by written agreement only, voluntarily surrender the right to appoint and remove all officers and members of the Board of Directors or the Association. In doing so Declarant may require, for the duration of the Declarant Control Period that specified actions of the Association of the Board of Directors of the Association must be approved in writing by the Declarant before they become effective. The list of such specific actions which may be taken only after first obtaining written consent of the Declarant shall be set forth in an instrument executed by Declarant which instrument shall be recorded in the Office of Register of Deeds for Transylvania County, North Carolina.

Whenever Declarant shall be entitled to designate, select and appoint 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 Bylaws of the Association, and Declarant 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. Any Director designated, selected and appointed by the Declarant to serve on the Board of Directors of the Association need not be a resident of the condominium, a resident of the State of North Carolina or a member of the Association. Any person serving on the Board of Directors of the Association who was appointed by Declarant shall not be required to *disqualify himself from any vote upon a management contract or other contract or lease between Declarant and the Association where said Declarant may have a pecuniary or other interest.* Similarly, Declarant, as a member of the Association shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other contract or lease between Declarant and the Association where Declarant may have a pecuniary or other interest.

8.4. Members of Board Elected by Unit Owners During Declarant Control Period.

Notwithstanding anything to the contrary in Section 8.3. of this Article, no later than sixty (60) days after conveyance by Declarant of twenty-five percent (25%) of all units (including all Units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of this Declaration) to Unit Owners other than a Declarant at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors of the Association shall be elected by Unit Owners other than Declarant at a Special Meeting of the Association called for such purpose. Notwithstanding anything to the contrary in Section 8.3 of this Article, no later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of all units (including all units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of this Declaration) to Unit Owners other than a Declarant, not less than thirty-three percent (33%) of the members of the Board of Directors of the Association shall be elected by Unit Owners other than Declarant. Any member of the Board elected by Unit Owners other than pursuant to this Section shall serve for a term of one (1) year or until the expiration of the Declarant Control Period whichever is shorter, provided that the first director elected by Unit Owners other than Declarant shall be

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elected for a term which expires at the next annual meeting of the members so that thereafter this member of the Board may be elected at the annual meeting of members.

8.5. Right of First Refusal. If, within the Declarant Control Period established by this Declaration, a Unit Owner other than the Declarant receives an offer to purchase, such Unit Owner shall deliver an offer to sell the subject unit to the Declarant on the same terms contained in the offer to purchase made to such Unit Owner. Declarant shall have ten (10) days from its actual receipt of the offer to sell to accept the same and notify the selling Unit Owner. If Declarant does not wish to accept the offer to sell, it shall deliver a written rejection of the offer to sell to the offering Unit Owner by said tenth (10th) day. If any part of the consideration contained in the offer to purchase is not cash, Declarant shall be entitled to have the non-cash consideration appraised, at the selling Unit Owner's expense, in order to determine the value in cash thereof, which amount Declarant may pay in cash. If a Unit Owner transfers the unit to the Unit Owner's spouse, a lineal descendant of the Unit Owner, a corporation whose stock is controlled (80% or more) by the Unit Owner, a partnership which has no more than two general partners, one of which is the Unit Owner, a limited liability company which has not more than two member-managers, one of which is the Unit Owner, or a trustee of a trust, the beneficiaries of which are the Unit Owner and/or the Unit Owner's spouse and/or a lineal descendant of the spouse, then such transfer, whether by deed, devise or operation of law, shall not require the submission of an offer to purchase and Declarant shall have no right of first refusal with respect to such transaction. Said transfer shall not terminate Declarant's right of first refusal with respect to other transfers of said unit.

8.5. Master Association. Straus Ridge Association, Inc. shall become a member of the Master Association and any unit owner shall be subject to the fees for the Master Association as set out in Exhibit "B" and the Declaration of Covenants of Straus Park.

8.6. Dispute Resolution. There is or shall be a contract between the Declarant, JTD Development Company of Brevard, LLC, and Straus Ridge Association providing the submission of any dispute between the parties to binding arbitration.

ARTICLE IX

Assessments, Budget, Liens, Collections

9.1. Budget, Assessments, Liens. As a part of its right and obligation to operate, manage and administer the Condominium, the Association shall have the right, authority and obligation to establish a budget for the Condominium and provide for the payment of the Common Expenses by levying assessments against the units for their proportional share of the Common Expenses which assessments shall be a lien on the units against which they are assessed and if payment thereof becomes delinquent, the lien may be foreclosed and the unit sold, or a money judgment obtained against the persons liable for such assessment, all as provided for herein and in the Bylaws of the Association and in the Act.

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9.2. Assessments for Common Expenses. The Association is given the authority to administer the operation and management of the property as being in the best interest of all Unit Owners. To accomplish this and to pay the Common Expenses of the Association, the Association has been granted the right to make, levy and collect assessments against the various units and unit owners.

Until the Association makes a Common Expense assessment, Declarant shall pay all the Common Expenses. Thereafter, each unit owner shall be personally and severally liable for the assessments that are levied against his unit.

9.3. Assessments Based on Percentage of Common Expenses Allocated to Unit. All assessments levied against Unit Owners and their corresponding units shall, except as otherwise provided herein, be made by the Association based upon the percentage of Common Expenses allocated to each unit by the Declaration. As set forth in the Declaration, the percentage of Common Expenses allocated to each unit is the same as that unit's undivided interest in the Common Elements of the Condominium.

9.4. Fiscal Year. The fiscal year for the Condominium and the Association shall be the calendar year.

9.5. Assessment in Monthly Installments. Assessments shall be payable by the Unit Owners in monthly installments on or before the first day of each month, or in such other manner as the Board of Directors shall determine.

9.6. Budget. Each year on or before October 15, the Board of Directors of the Association shall prepare and adopt a budget for the Condominium, for the purpose of (i) providing for the payment of all Common Expenses together with such amounts as considered necessary by the Board for contingencies and reserves; (ii) determining the amount of the Annual Assessment to be collected from the Unit Owners in order to provide for the payment of such Common Expenses and necessary reserves of the Association taking into consideration any expected income and any surplus from the prior year's operation; and (iii) to allocate and assess such Common Expenses among the Unit Owners according to the percentage of Common Expenses allocated to each unit by the Declaration. Such budget shall project all expenses for the forthcoming year and shall contain an estimate of the total amount which it considers necessary to pay the Common Expenses of the Association which shall include, but not be limited to, the amounts necessary to pay for the cost of the administration, operation and management of the Condominium property; the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of this Declaration or the Bylaws; the cost of maintenance, management, operations repair, replacement and restoration of the Common Elements (including Limited Common Elements) or any part thereof and those parts of the units as to which it is the responsibility of the Association to maintain, repair, and replace; the cost of wages, materials, services, supplies and other expenses that may be declared to be Common Expenses by this Declaration, the Act, the Bylaws

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or a resolution of the Association; such amounts as the Board may deem necessary and proper in providing for the convenience, comfort and well-being of the Unit Owners and for the rendering to the Unit Owners of all related services; the amount necessary to make up any deficit in the budget for any prior year, and any other expenses lawfully agreed upon. The budget shall include a reasonable amount for contingencies and reserves including, without limitation, an amount for a general operating reserve and a reserve for repairs and replacements as is hereinafter provided. Upon adoption of the annual budget by the Board of Directors, the Board shall cause to be sent to each unit owner, on or before December 1 preceding the fiscal year to which the budget applies, a copy of the budget in a reasonably itemized form which sets forth the amount of Common Expenses and provides notice of the amount of the annual assessment against each unit based upon such budget and each unit's allocated percentage of Common Expenses as set forth in this Declaration. The budget shall also state the amount of the twelve (12) monthly installment payments of the annual assessment due from each unit owner. The assessment shall be deemed levied upon the giving of such notice. Any increase in the annual assessment which exceeds the annual assessment for the previous year by more than twenty percent (20%) must be approved by the Unit Owners at a meeting specially called for such purpose after notice being duly given.

9.7. **Reserves.** The Board shall create, fund and maintain the following reserves:

(a) **General Operating Reserve.** The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, and contingencies, to defray unforeseen expenses, and to provide a measure of financial stability to the Association in times of special financial stress. This fund may also be used to meet deficiencies from time to time as a result of delinquent payments, losses due to insurance deductibles or coinsurance amounts not covered by insurance, or other contingencies. Unanticipated expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against this reserve.

(b) **Reserves for Repairs and Replacement.** The Board of Directors in establishing the annual budget shall designate a sum to be collected and maintained as a reserve fund for the repair and replacement of the capital improvements which are Common Elements (including Limited Common Elements) which shall be for the purpose of enabling the Association to repair and replace structural elements, mechanical equipment and other parts of the Common Elements of the Property. This fund shall also be used for the replacement of personal property constituting a portion of the Common Elements held for the joint use and benefit of the Unit Owners. The amount to be allocated to this reserve shall be established by the Board to collect and maintain an amount reasonably necessary to anticipate the need for the Common Elements (including the Limited Common Elements). In establishing this reserve for repair and replacement, the Board shall take into account the number and nature of the improvements and assets of the Condominium, the expected life of each improvement and asset, and the expected repair or replacement cost. The Board shall then attempt to set the required contribution to this reserve in an amount sufficient to permit meeting the projected capital needs of the Association

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with respect to both amount and timing by equal annual installments over the applicable period.

9.8. Additional Reserves. In addition to the two above reserve funds, the Board shall have power and authority to create any additional reserve funds it deems prudent and necessary and shall fund and maintain the same as a part of the Common Expenses.

9.9. Special Assessments. If the reserves hereinabove provided for are inadequate for any reason for the payment of necessary expenditures, the Board of Directors may at any time levy special assessments against the Unit Owners in accordance with the percentage of Common Expenses allocated to each unit by the Declaration, which special assessment may be payable in a lump sum or in installments as the Board may determine, provided that, except for any special assessment made to complete the repair or reconstruction of any portion of the Property made pursuant to Section 10.4 of the Bylaws, any special assessment to be made against all Unit Owners for an expenditure in excess of TEN THOUSAND AND 00/100 (\$10,000.00) DOLLARS shall first be approved by the Unit Owners at a special meeting of the members called for such purpose. The Board of Directors shall serve notice of any such special assessment on all Unit Owners by a statement in writing giving the amount of the assessment and the reasons therefor, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly installment of the annual assessment which is due more than seven (7) days after the delivery or mailing of such notice of special assessment. All Unit Owners shall thereafter be obligated to pay the adjusted monthly amount or, if not payable in installments, the entire amount of the special assessment as provided for in the notice of special assessment.

In addition, the Board may levy special assessments against one or more, but less than all of the units to cover repairs or maintenance for which any unit owner is legally responsible or for repairs or maintenance required of a unit owner, the failure to perform which will impair the value of the Common Elements or any unit, or to pay for expenses which are incurred in the abatement of or as a result of a violation by a unit owner of the provisions of this Declaration, the Bylaws or the Rules and Regulations, or for fines levied for said violations, or where the Board has purchased a unit on behalf of one or more Unit Owners. The period of assessment and manner of payment of such assessment shall be determined by the Board.

9.10. Common Expenses Benefitting Less Than All Units. The Association may assess any item of Common Expenses benefitting less than all of the units against the units benefitted in proportion to their Common Expense liability.

9.11. Assessments Against Unit Owners, Year End Accounting, Surplus, Shortage. All Unit Owners shall be obligated to pay (1) annual assessments for Common Expenses assessed by the Board pursuant to Section 9.6 of this Article; (2) special assessments to be established and collected as provided herein and in the Bylaws, and (3) specific assessments against any unit which are established pursuant to the terms of this Declaration or the Bylaws.

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The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors of the Association shall be assessed against each unit owner in proportion to the percentage of Common Expenses allocated to his unit in this Declaration. Such assessment shall be stated as an annual assessment and shall be a lien against each unit as provided in the Act, this Declaration and the Bylaws. On or before the first day of each fiscal year, each unit owner shall be obligated to pay to the Association or the Managing Agent the annual assessment against his unit for such fiscal year made pursuant to the foregoing provisions. If a unit is conveyed during the month the portion of the annual assessment due that month will be prorated and due at the date of closing. A late payment charge in an amount to be determined by the Board shall be assessed for any assessment or installment of an assessment not paid by the tenth (10th) of the first month of the fiscal year. Any assessment or installment of an assessment not paid within fifteen (15) days of its due date shall accrue interest as provided in Section 9.15 of this Article.

Within sixty (60) days after the end of each fiscal year, the Board of Directors of the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus payment to reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves may, if the Board deems it advisable, be credited according to each unit's percentage of Common Expenses to the monthly installments due from Unit Owners under the current fiscal year's budget until exhausted, or may in the Board's discretion be placed in the reserve accounts in such proportion as the Board, in its sole discretion, may determine. Any shortage shall be assessed promptly against the Unit Owners in accordance with the percentage of Common Expenses allocated to each unit by this Declaration and such Assessment shall be payable either (1) in full with payment of the next monthly installment of the annual assessment or (2) in not more than six (6) equal monthly installments payable over the six months immediately following the assessment, whichever the Board shall determine.

9.12. Funds of the Association. 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, managing, maintaining, repairing or replacing the Common Elements or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation of the Association and the Bylaws. Although all funds and common surplus, including other assets of the Association and any increments thereto or profits derived therefrom, 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 unit. When a unit owner shall cease to be a member of the Association, the Association shall not be required to account to such person for any share of the funds or assets of the Association, or for any amount which may have been paid to the Association by such person, as all funds which any unit owner has paid to the Association shall constitute an asset of the Association which may be used in the

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operation and management of the Condominium.

9.13. Initial Budget and Initial Payment of Unit Owners Upon Purchase.

(a) **Initial Budget.** Upon taking office the initial Board of Directors shall prepare and adopt a budget for the Condominium which budget shall pertain to the time period from the day of conveyance of the first unit by Declarant to someone other than a Declarant to the end of the calendar year in which such conveyance is made. Such budget shall be effective upon adoption by the Board for such time period and assessments shall be levied and become a lien against the units and Unit Owners during such time period as provided for in this Article.

(b) **Initial Payment by Unit Owners Upon Purchase.** The Declarant, as the agent of the Board of Directors, will collect from each purchaser of a unit, at the time the deed for such unit is delivered, an amount equal to twice the amount of the monthly installment of the annual assessment for Common Expenses applicable to such unit. Declarant will deliver these funds so collected to the Association to provide the necessary working capital for the Association. Such funds may be used by the Association for certain prepaid items, purchase of initial equipment, supplies, payment of insurance premiums, organizational costs and other start up costs, and for such other purposes as the Board of Directors may determine. This payment is not a prepayment of the monthly installments of the annual assessments due from such unit owner and shall not in any way delay, postpone or defer such unit owner's obligation to pay the regular monthly installment of the annual assessment as the same falls due.

9.14. Failure of Board to Prepare Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a unit owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted budget adopted by the Board, each unit owner shall continue to pay the monthly installment based upon the annual assessment established for the previous fiscal year until a new assessment is established as hereinabove provided.

9.15. Payment of Assessments, Penalties. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within nine (9) days of its due date. Assessments or installment payments of assessments not paid within nine (9) days of its due date shall be subject to a late payment charge in an amount to be determined by the Board from time to time. In addition, any assessment or installment of an assessment not paid within fifteen (15) days of its due date shall be subject to an interest charge of twelve percent (12%) per annum from its due date. The above described late charge and interest shall be added to and collected in the same manner as the assessment.

9.16. Personal Liability for Assessments. All Unit Owners of each unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against his unit while such person or

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persons are the owner or owners of such unit. In the event that any unit owner is in default in payment of any assessment or installment of an assessment owed to the Association, all owners of such unit shall be personally liable, jointly and severally, for payment of any late charge and interest on such delinquent assessment or installment of assessment as above provided for, and for all costs of collecting such amounts, including, but not limited to, reasonable attorney's fees whether suit be brought or not.

9.17. Liability for Assessments in Event of a Sale. No unit owner shall be liable for the payment of any part of the Common Expense assessments falling due subsequent to a sale, transfer or other conveyance by him of his unit. As provided in Section 9.25(a) of this Article, a purchaser of a unit shall be jointly and severally liable with the seller for the payment of assessments due prior to any such sale, transfer or other conveyance only if such purchaser expressly assumes such obligation in writing, provided however, that the lien against any such unit for such unpaid assessments shall remain in full force and effect.

9.18. No Exemption from Liability. No unit owner may exempt himself from liability for any assessment levied against him or his unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of his unit or in any other way.

9.19. Collection of Assessments. The Board shall take prompt action to collect any assessments due from any unit owner which remains unpaid for more than thirty (30) days after its due date.

9.20. Lien for Assessments and Enforcement of Lien. As provided in Section 47C-3-116 of the Act, all assessments (including any monthly installment of any assessment) provided for in this Article, together with late payment charges, interest and expenses, including reasonable attorney's fees (as permitted by law), relating to such assessment shall be a charge on and a continuing lien upon the unit against which the assessment is made when a notice of such lien has been filed of record in the Office of the Clerk of Superior Court for Transylvania County, North Carolina, in the manner provided therefor by Article 8 of Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of thirty (30) days after the same shall become due. Said notice of lien shall also secure all assessments against the unit becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner of a deed of trust on real property under a power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. The lien granted the Association for unpaid assessments by this Article shall further secure 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 rate of twelve percent (12%) per annum on any such advances.

Following the institution of any action by the Board to foreclose on a unit because of unpaid assessments, the unit owner shall pay a reasonable rental for the use of his unit, and the

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plaintiff or petitioner in such foreclosure action shall be entitled to the appointment of a receiver to collect the rental. The Board, acting on behalf of the Association, or on behalf of any one or more individual Unit Owners, if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, subject however, to applicable restrictions of record.

9.21. Personal Liability for Assessments and Suit for Such Assessments. In addition to the remedies provided in Section 9.20 of this Article regarding liens for assessments and foreclosure of such liens, each unit owner shall at all times be personally liable, jointly and severally, for payment of any and all assessments made against his unit becoming due and payable while he is the owner of such unit. Nothing in this Article shall prevent an action by the Association against any unit owner to recover a money judgment for unpaid assessments. Any such action may be brought without foreclosing the lien hereinabove provided and any such action against the unit owner for such a money judgment shall not be a waiver of the lien hereinabove provided or of the Association's right to foreclose such lien, nor shall proceeding by foreclosing the lien against any unit in default be deemed to be an election or waiver of the right of the Association to bring an action at law against the unit owner on his personal liability for such unpaid assessments.

9.22. Priority of Assessment Lien. The lien for assessments provided for in this Article shall be prior and superior to all other liens except (a) liens for ad valorem taxes, and (b) liens for all sums unpaid on deeds of trust, mortgages or other encumbrances against the unit recorded prior to the docketing of the assessment lien in the Office of the Clerk of Superior Court for Transylvania County, North Carolina. The sale or transfer of any unit shall not affect the assessment lien against such unit or the ability to record, perfect, and enforce such lien pursuant to the provisions of this Article and the Act. Provided, however, the sale of a unit pursuant to a foreclosure sale or execution sale instituted by a superior lien holder or the conveyance to a First Mortgagee of a deed in lieu of foreclosure shall extinguish the inferior assessment lien against the subject unit but no such sale or transfer shall relieve any unit owner from liability for any assessment thereafter becoming due or for any future lien in connection therewith. Such extinguishment of the lien shall not in any way do away with the personal liability for such assessment of the owner(s) of the unit when such assessment was made. The Association shall share in the excess, if any, realized by the sale of any unit pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien

9.23. Assessment Roll, Statement of Assessments. All assessments shall be set forth upon a roll of the units, which shall be available in the Office of the Association for inspection at all reasonable times by members and shall include, for each unit, the name and address of the member or members, all assessments levied, and the amount of all assessments unpaid. The Association shall promptly provide any unit owner or mortgagee of any unit so requesting the same in writing with a written statement of all unpaid charges due from the owner of any unit, for which the Association may institute a reasonable charge at its discretion.

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9.24. Common Surplus. Any surplus funds of the Association remaining after payment of or provisions for the Common Expenses and any payment or prepayment to reserves may be paid to the Unit Owners in proportion to their common expense liabilities or may be credited to them in proportion to their common expense liabilities to reduce their future common expense assessments.

9.25. Personal Liability of Transferees, Statement Liability of Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a unit shall not pass to the transferee of such unit unless said delinquent assessments are expressly assumed by said transferee. However, there shall be a lien upon such unit for the amount of any such delinquent assessments which lien shall continue and remain in place notwithstanding the conveyance of such unit.

(b) Any transferee referred to in (a) above shall be entitled to request and obtain from the Association a statement setting out the total of all unpaid assessments levied against a unit. Such statement shall be executed by an officer of the Association or any other duly authorized person, and the Association shall be bound by such statement. Such transferees' unit shall not be subject to a lien for any unpaid assessments in excess of the amount set forth on such statement.

(c) Where a mortgagee or other person claiming through such mortgagee, pursuant to the remedies provided in a deed of trust, or by foreclosure, or by deed in lieu of foreclosure, obtains title to a unit, the liability of such mortgagee or such other person for assessments shall be only for the assessments or installments thereof, that will become delinquent, if not paid, after acquisition of title.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien because of the operation of (b) above or resulting, as provided in (c) above, from the exercise of remedies in a deed of trust, or by foreclosure thereof, or by deed in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the mortgagee or such other person who acquires ownership as described in (c) above.

ARTICLE X
Insurance

10.1. Casualty Insurance. The Association shall obtain and maintain, to the extent available, casualty insurance insuring against all risks of direct physical loss commonly insured against including fire and extended coverage insurance on all units and Common Elements (including Limited Common Elements) of the Condominium in the name of, and the proceeds thereof shall be payable to, the Association, as Insurance Trustee for all Unit Owners and Security Holders as their interests may appear, which proceeds shall be disbursed pursuant to the

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provisions of the Act, this Declaration, and the Bylaws. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis, exclusive of land, excavations, foundations and other items normally excluded from property policies and shall insure against such risks and contain such provisions including deductibles, as the Board of Directors of the Association shall from time to time determine, but at a minimum shall conform in all to the requirements of the Act and the Bylaws of the Association and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore or repair damage in lieu of making a cash settlement, such option shall not be exercised if such repair or restoration would be prohibited by the provisions of Section 47C-3-113(h) of the Act.

10.2. Public Liability Insurance. The Association shall, to the extent available, maintain public liability insurance for the benefit of the Unit Owners, occupants, the Association, the Board of Directors of the Association, the members of the Association, the manager, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board, provided that the coverage for such public liability insurance shall be for at least ONE MILLION AND 00/100 (\$1,000,000) DOLLARS per occurrence for death, bodily injury and property damage. Such insurance shall comply with all requirements of the Act and shall (i) contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; (ii) insure all of such benefitted parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks, and public spaces adjoining the Condominium; and (iii) insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the units. Such insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action or claim against another named insured.

10.3. Fidelity Coverage. If available at reasonable cost, fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, and any employee or agent of the Association or any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1-1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three (3) months aggregate assessments on all units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds, as with all other insurance premiums, shall be a part of the Common Expenses.

10.4. Other Insurance. The Association may procure and maintain such other insurance, including but not limited to, workers' compensation insurance, flood insurance, and Directors and Officers Liability Insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners.

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10.5. Premiums. The premiums for all insurance policies obtained and maintained by the Association and all other expenses in connection with such insurance shall be paid by the Association as a part of the Common Expenses assessed against all Unit Owners.

10.6. Improvements. Each unit owner shall be required to notify the Board of Directors of the Association of all improvements made to his unit, the value of which is in excess of \$1,000.00.

10.7. Insurance Trustee. All policies of casualty insurance purchased by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as Insurance Trustee. All proceeds of such insurance shall be used and applied as provided for in the Act, this Declaration and the Bylaws. Insurance proceeds for any physical loss covered by the casualty insurance maintained by the Association shall be payable to the Association as Insurance Trustee and not to any unit owner or mortgagee. The Association as Insurance Trustee shall hold any such insurance proceeds in trust for the Unit Owners and lien holders as their interests may appear. Unless the damage is not going to be replaced or repaired pursuant to the provisions of the Act, this Declaration and the Bylaws, all such insurance proceeds shall be disbursed first by the Insurance Trustee for the repair or restoration of the damaged property as is provided for in the Act, this Declaration and the Bylaws, and the Unit Owners or lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

10.8. Association as Agent. The Association is hereby irrevocably appointed Agent for each unit owner and for each owner or holder of a security interest, deed of trust or other lien upon any unit or any part of the Condominium, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

10.9. Notice of Action in Excess of Coverage. In any legal action in which the Association or the Unit Owners may be exposed to liability in excess of insurance coverage, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to liability and such unit owner shall have the right to intervene and defend.

10.10. Declarant's Interest. All insurance purchased by the Association on behalf of the Association and the Unit Owners shall include Declarant as its interests may appear, and the Declarant shall share in the proceeds of any insurance payments as its interest may appear.

10.11. Insurance Unavailable. If the insurance described in Section 10.1, 10.2, or 10.3 is not available, the Association shall promptly cause notice of such fact to be hand delivered or sent first class mail, postage prepaid by United States mail to all Unit Owners.

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10.12. Inspection of Insurance Policy. A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners or their mortgages of record at reasonable times.

10.13. Individual Policy of Unit Owners. Each unit owner may obtain insurance, at his own expenses, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such unit owner deems necessary to protect his own interests; provided that any such insurance shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a unit owner under this Section, such unit owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assign the proceeds of his insurance, to the extent of such reduction, to the Association.

Each unit owner, at their own expense, shall obtain and keep in force comprehensive personal liability insurance for injury or damage to the person or property of others occurring within such unit owner's unit, another unit or upon the Common Elements, in an amount of at least ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$100,000.00) for each occurrence.

ARTICLE XI Casualty Damage

As provided by Section 47C-3-113 of the Act, if all or any part of the Property for which insurance is maintained shall be damaged or destroyed by casualty, the same shall be promptly repaired or replaced by the Association unless: (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners decide not to repair or replace by an eighty percent (80%) vote, including one hundred percent (100%) approval of owners of units not to be rebuilt and one hundred percent (100%) approval of owners of units to which Limited Common Elements not to be repaired or replaced are assigned. Any reconstruction or repair must be substantially in accordance with the Plans for the Condominium filed in conjunction with this Declaration. The proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113 of the Act and the Bylaws. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense to be assessed against all Unit Owners in proportion to each unit's Common Expense liability.

ARTICLE XII Modification of Units and Common Elements

12.1. Limitation on Unit Owners to Alter or Modify Units. No unit owner or occupant

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shall make any addition, alteration or improvement in or to his unit which impairs the structural integrity or mechanical systems or lessens the support of any part of the Property. No unit owner or occupant shall permit any structural modification or alteration to be made to his unit without first obtaining the written consent of the Board of Directors of the Association, which consent may be withheld in the event that a majority of the Board, in its sole discretion, shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Property in part or in its entirety.

12.2. Changes to Building Exteriors. No unit owner or occupant, other than Declarant, shall cause any improvements or changes to be made to the Common Elements or the exterior of any unit or building in the Condominium (including painting, decorating or otherwise changing in any way such exterior, including any doors or windows and also including the installation of electrical wiring, television or radio antennae, satellite dish, or any other objects or machines which may protrude through or attach to the walls or roof of any building on the Property) or in any manner alter the appearance of the exterior portion of any unit or building without first obtaining the written consent of the Board of Directors of the Association. No unit owner or occupant shall paint, decorate or otherwise alter or change the appearance of any exterior door (including garage doors or sliding glass doors) or window without the prior written consent of the Board of Directors of the Association. All window screens shall be kept and maintained as they exist when the unit is first conveyed by Declarant. All windows, window screens and exterior doors (including sliding glass doors and garage doors) shall be repaired or replaced at all times so as to be identical or as similar as possible to the windows, window screens and exterior doors in the unit when first conveyed by Declarant. All glass shall be replaced with substantially similar glass as existed in the windows and doors when the unit was first conveyed by Declarant.

12.3. Changes to Common Elements. No unit owner or occupant, other than Declarant, shall cause any thing or object to be affixed to the Common Elements or the Limited Common Elements (including, but not limited to, the location or construction of fences or the planting or growing of flowers, trees, vegetables, shrubs or any other vegetation) or in any manner change the appearance of the Common Elements or Limited Common Elements of the Condominium without obtaining the prior written consent of the Board of Directors of the Association.

12.4. Subdivision of Units: Prohibition against Separate Conveyance of Undivided Interest in Common Elements. No unit may be divided or subdivided into a smaller unit or units than as shown on the Plans. The undivided interest in the Common Elements allocated to each unit is an appurtenance to such unit and shall not be conveyed, devised, encumbered or otherwise dealt with separately from said unit. The undivided interest in Common Elements appurtenant to each unit shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a unit shall be null and void insofar as it purports to affect any interest in a unit and

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its appurtenant interest in the Common Elements, unless it purports to convey, devise or encumber the entire unit. Any instrument conveying, devising or encumbering any unit, which described the unit by the unit designation assigned thereto in the Unit Ownership File shall be construed to affect the entire unit and its appurtenant interest in the Common Elements. No limitation is placed on the ownership of any unit by any persons as tenants in common, joint tenants or as tenants by the entirety.

12.5. Restraint upon Separation and Partition of Common Elements. Recognizing that the proper use of a unit by a unit owner is dependant upon the use and enjoyment of the Common Elements in conjunction with all other Unit Owners, and that it is in the interest of all Unit Owners that the ownership of the Common Elements be retained in common by all Unit Owners, it is hereby declared that the percentage of undivided interest in the Common Elements appurtenant to each unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition or division of such Common Elements.

12.6. Right of Association and Declarant to Alter or Improve Common Elements. The Association and the Declarant shall have the right to make such alterations or improvements to the Common Elements of the Condominium which do not prejudice the rights of any unit owner in the use and enjoyment of his unit or the Limited Common Elements appurtenant to his unit.

Whenever in the judgment of the Board of Directors of the Association the Common Elements shall require additions, alterations or improvements costing in excess of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) during any period of twelve (12) months consecutive, the making of such additions, alterations or improvements shall be first approved by the Unit Owners at a special meeting called for such purpose. In the event of such approval the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a part of the Common Expenses. However, whenever, in the opinion of a majority of the Board of Directors of the Association, 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 benefitted, the assessment to be in such proportion as such Unit Owners approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors of the Association.

ARTICLE XIII

Maintenance Repair and Replacement

13.1. Maintenance, Repair and Replacement of the Common Elements.

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(a) By The Association. The management, maintenance, repair, replacement, alteration and improvement of the Common Elements (including the Limited Common Elements) wherever located shall be the responsibility of the Association, and subject to the provisions of Section 13.2 hereof, the cost and expense thereof shall be a part of the Common Expenses to the extent not paid by Unit Owners pursuant to Section 13.1 (b) hereof. All damage caused to a unit by any work or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

Without in any way limiting the foregoing, the Association shall be responsible for the maintenance, repair and replacement of the following, the cost and expense of which shall, subject to the provision of Section 13.2 and 13.1 (b) of this Article, be charged to all Unit Owners as a part of the Common Expenses:

(1) All of the Common Elements and the Limited Common Elements. This shall include those portions thereof which contribute to the support of the buildings and all conduits, ducts, flues, pipes, electric wires, and cables, water lines, gas lines, sewer lines, telephone lines, television cable and wires, plumbing, roadways and any other such facilities located in the Common Elements or any unit for the furnishing of such utility services and public conveniences to two or more units or to any portion of the Common Elements.

(2) The roof, all support walls, all exterior walls and doors (including all garage doors but excluding all sliding glass doors) and all exterior surfaces of all buildings on the Property. This shall include all party walls and all other portions of the buildings or units which contribute to the support of any building and all fixtures on the exterior ceilings (that is all ceilings on any portion of a building not located within a unit), corridors and unit party walls, but excluding, however, any interior walls, interior ceilings and interior floors of all units.

(3) Any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including, but not limited to, all water pipes, electric wires and cables, telephone lines and cables, television wires or cables, conduits, flues, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serves only one unit but is located outside the boundaries of that unit.

(4) All portions of any carport including, but not limited to, all exterior and interior walls, the interior ceiling, the roof, the storage closet, and the concrete slab.

(5) All incidental damage caused to any unit by such work as may be done or caused to be done by the Association.

(b) By Unit Owners. Each unit owner shall promptly repair or replace, at his own expense, all damage to the Common Elements, limited Common Elements or any unit intentionally or negligently caused by such unit owner or any occupant of his unit, his guests,

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agents, tenants, servants, lessees, employees or contractors. If such unit owner responsible for such repair or replacement fails to make the necessary repairs within ten (10) days after written demand upon him to do so, the same may be repaired by the Board and the cost thereof shall be assessed against the unit owned by such unit owner. If such damage is covered by insurance maintained by the Association the insurance proceeds shall be used first for such repair or replacement and the unit owner shall be responsible for payment of all costs and expenses of such repair or replacement in excess of the insurance proceeds. Any payment due under this section by such unit owner shall be paid upon demand by the Association and if not then paid such amount due from the unit owner shall be levied as a Special Assessment against such unit owner's unit which assessment shall be collected like any other assessment. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

13.2. Common Expenses Benefitting Less Than All Units. The Association may assess any portion of the Common Expenses benefitting less than all of the units against the unit or units benefitted in proportion to their Common Expense liability. If there is only one unit benefitted, the Association may assess any portion of the Common Expenses benefitting only that unit against such unit.

13.3. Maintenance and Repair of Units by Unit Owners. Each unit owner shall maintain his unit at all times in a good and clean condition. Each unit owner shall perform promptly, at his own expense, all maintenance, repair and replacement necessary to his unit which, if omitted, would affect the Property, either in its entirety or in a part belonging to other Unit Owners, every unit owner being expressly responsible for the damages and liability which his failure to so maintain, repair or replace may cause. To the extent that such expense is not covered by the proceeds of insurance carried by the Association, every unit owner shall pay all costs to repair and replace any portion of another unit or the Common Elements (including the Limited Common Elements) that has become damaged or destroyed by reason of his own intentional or negligent acts or omissions, or the intentional or negligent acts or omissions of any occupant of his unit. Such payment shall be made upon demand by the Unit Owners of such other unit, or by the Association if it is a Common Element that is damaged or destroyed and if not properly paid such amount may be assessed as a special assessment against such defaulting unit owner's unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

Each unit owner shall maintain, repair and replace, at his own expense, all portions of his unit including, but not limited to, all heating and air conditioning equipment serving his unit regardless of where located, all interior walls, stoves, refrigerators, hot water heaters, garbage disposals, microwave ovens, fans, all kitchen and bathroom fixtures and all other appliances or equipment located within the boundaries of his unit, including all fixtures and their connections required to provide water, light, power, telephone, gas, sewage and sanitary service to his unit, all water lines, gas lines, telephone lines and cables, electric lines, wires and cables, sewer lines, ducts, conduits, flues and other similar utility apparatus from the point where such pipes, lines, wires, cables, ducts, flues and conduits enter the boundaries of the unit to their end use in the

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unit, all drywall, wallboard, sheet rock, molding, paneling, interior doors, tile, garage door openers, light fixtures, wall and ceiling covering materials, paint, wallpaper, carpeting, matting, padding, drapes, furnishings and all other accessories such unit owner may desire to place or maintain in his unit. Each unit owner shall at all times maintain wall-to-wall carpet of a comparable grade as installed in his unit at the time of purchase. However, notwithstanding any provision in this Article or any other provision of this Declaration or the Bylaws, no unit owner shall paint, otherwise decorate or change the outside appearance of his unit or the building in which his unit is located, including, but not limited to, the doors and windows of his unit or any appurtenance thereto or any Limited Common Element serving his unit without the prior written consent of the Board of Directors of the Association.

Each unit owner shall keep the interior of his unit and its fixtures, equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the unit. Each unit owner shall be responsible for keeping the Limited Common Elements appurtenant to his unit in a neat, clean, sightly, sanitary and proper manner free and clean of snow and ice or any accumulation of water. Each unit owner shall also replace all light bulbs in fixtures (if any) located in the Limited Common Elements appurtenant to his unit. In addition, each unit owner shall be responsible for all damages to any and all other units or the Common Elements resulting from his failure to make any of the repairs, or perform any of the maintenance required to be made by him under this Declaration or the Bylaws. Each unit owner shall perform his responsibilities in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each unit owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Association is responsible.

13.4. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality.

13.5. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any unit or any of the Limited Common Elements in the case of an emergency or dangerous condition or situation originating in or threatening that unit, any other unit or any of the Common Elements or Limited Common Elements. In the event of such an emergency or dangerous condition or situation the right of entry shall be immediate.

The Association, and any person authorized by the Association, after reasonable notice to a unit owner or occupant, may enter any unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other unit, any Limited Common Elements or the Common Elements. The Association shall be responsible for the repair of any damage caused by the Association or its authorized person(s) to

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the entered unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the unit owner or occupant of the entered unit, except that in the case of an emergency or dangerous condition or situation the right of entry shall at all times be immediate. In furtherance of this provision, the Association or its representative shall retain a key to all units so as to permit access to all units in case of an emergency or the prolonged absence of the unit owner or occupant.

(b) By Unit Owners. Each unit owner and occupant shall allow other Unit Owners and occupants, and their representatives, to enter his unit, or Limited Common Elements allocated to his unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the unit or performing the duties and obligations under the Act, this Declaration or the Bylaws of the unit owner or occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the unit owner or occupant whose unit or Limited Common Element is being entered. In the case of an emergency or dangerous situation or condition, such right of entry by other Unit Owners or occupants shall be immediate. The person making such entry shall be responsible for repair of any damage caused by such person to the entered unit or limited Common Element.

ARTICLE XIV Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XV Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act provided, however, that in addition to compliance with said Section 47C-2-118 of the Act, the prior written consent of the owners or holders of first mortgages representing at least sixty-seven percent (67%) of the votes allocated to units subject to a first mortgage shall be necessary before the Condominium may be terminated.

ARTICLE XVI Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation Section 47C-2-110 and Section 47C-2-117 of the Act, except that no amendment altering or impairing any Special Declarant Rights (including, but not limited to, Declarant's right to add the Additional Real Property or any portion thereof to the Condominium by way of amendment of this Declaration) may be made without the prior written consent of the Declarant. Further, in the event that an amendment of this Declaration shall conflict with the Bylaws, the Bylaws shall override such

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an amendment during the Declarant Control Period.

An amendment to this Declaration may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Board of Directors or may be proposed by the members of the Association entitled to a majority of the votes in the Association, 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 of the Association or the members of the Association, such proposed amendments 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 as provided for in the bylaws for the purpose of voting on the proposed amendment. Notwithstanding anything in this Article, Article VII, Section 8.5 shall not be amended at any time without Declarant's consent.

Amendments to this Declaration by the Association shall be prepared by the Secretary or Assistant Secretary and shall be certified and executed by the President or Vice-President of the Association and attested by the Secretary or Assistant Secretary of the Association with all the formalities of a deed.

Every amendment of this Declaration shall be effective only upon the recording thereof in the Office of the Register of Deeds for Transylvania County, North Carolina.

ARTICLE XVII Rights of First Mortgagees

As long as any lender shall hold a first mortgage upon any unit or units, or shall be the owner of any unit or units, such lender 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 a copy of the annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

(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 of payment of assessments by any unit owner owning a condominium unit encumbered by a mortgage or deed of trust held by the lender, which default remains uncured for sixty (60) days, such notice to be sent to the place lender designates in writing.

(d) To be given written notice of any loss to or damage of the Common Elements of the condominium if such loss or damage exceeds \$15,000.00 or of any damage to a unit in excess of

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\$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 desires the provisions of this Article to be applicable to it, it shall serve written notice of such fact upon the Association by registered or certified mail addressed to the Association and sent to its registered office identifying the unit or units upon which any such lender holds any mortgage, deed of trust or other lien or identifying any units owned by it, together with sufficient facts to identify such mortgage, which notice shall designate the place to which notices are to be given by the Association to such lender.

ARTICLE XVIII Compliance, Default and Remedies

18.1. Compliance. Each unit owner and any occupant of any unit shall be governed by and shall comply with the terms, conditions, restrictions, obligations and provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association and the Rules and Regulations of the Condominium, as the same may be amended from time to time.

18.2. Default and Remedies. A default or failure by a unit owner or occupant of any unit to comply with the terms, conditions, provisions, restrictions and obligations of the Act, this Declaration, the Articles of Incorporation or the Bylaws of the Association or the Rules and Regulations of the Condominium shall entitle the Association or other Unit Owners to the following relief.

(a) Failure to comply with any of the terms, conditions, obligations, restrictions and provisions of the Act, this Declaration, the Articles of Incorporation or the Bylaws of the Association, or the Rules and Regulations of the Condominium established by the Board of Directors of the Association shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any other relief provided for in the Act, this Declaration or the Bylaws, all of which relief may be sought by the Association, the Board of Directors of the Association, the Managing Agent or if appropriate, any aggrieved unit owner.

(b) Each unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his intentional act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, tenants, agents 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 insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances by any unit owner or occupant. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

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(c) The violation of any of the Rules and Regulations of the Condominium, or the violation or failure to abide by any terms, obligations, conditions, restrictions or provisions of the Bylaws, this Declaration or the Act, shall give the Board of Directors the right in addition to any other rights set forth in the Act, this Declaration or the Bylaws, to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Act, this Declaration or the Bylaws, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; to use self-help to remove or cure any violation of said Declaration or Bylaws or the Rules and Regulations in the Common Elements or in any unit; or to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(d) If any unit owner fails to perform any obligation under this Act, this Declaration, the Bylaws, the Articles of Incorporation or the Rules and Regulations of the Condominium, then the Association may, but is not obligated to, perform the same for such Unit Owners account, and for such purpose may enter such unit owner's unit, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs incurred in so doing, may levy a special assessment against the unit owned by such defaulting unit owner.

(e) Pursuant to the provisions of Section 47C-3-102(11) and Section 47C-3-107A of the Act, the Board of Directors of the Association may issue a fine not to exceed ONE HUNDRED FIFTY AND 00/100 DOLLARS (\$150.00) against any unit owner for a violation of this Declaration, the Bylaws or the Rules and Regulations of the Condominium. In levying such fine the Board shall accord the party charged with the violation notice of the charge, an opportunity to be heard and to present evidence to the Board and notice of the Board's decision. Each day a violation continues, after notice is given the unit owner, is a separate violation. Any such fine shall be a special assessment against such unit owner's unit and shall be collectible as such.

18.3. No Waiver of Rights or Election of Remedies. The failure of the Association, any unit owner, Declarant or any mortgagee, to enforce any right, provision, obligation, covenant, restriction or condition which may be granted by the Act, this Declaration, the Bylaws or the Rules and Regulations of the Condominium shall not constitute a waiver of the right of the Association, the unit owner, Declarant, or mortgagee, to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association or the Unit Owners pursuant to any terms, provisions, covenants or conditions of the Act, this Declaration or the Bylaws shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it 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.

18.4. Cost and Fees. Any cost, including without limitation reasonable legal fees, incurred as a result of a failure by any unit owner of such unit owner's family, guests, tenants, agents or employees to comply with the Act, this Declaration, the Bylaws or the Rules and Regulations of the Condominium may be assessed against such unit owner's unit. In any action or proceeding arising

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because of an alleged default by a unit owner, the Association or other person bringing such action or proceeding shall be entitled to recover the costs of such action or proceeding, including, but not limited to, reasonable attorneys' fees.

ARTICLE XIX
General Provisions

19.1. **Conflict with the Act; Severability.** Should any of the terms, conditions, provisions, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision or clause to any other person or circumstances.

19.2. **Interpretation.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

19.3. **Restrictions Run with the Land.** 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 unit and its appurtenant and undivided interest in the Common Elements. This Declaration shall be binding upon Declarant, its successors and assigns and upon all persons who may become Unit Owners or occupants of the units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

19.4. **Captions.** The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provisions.

19.5. **Failure to Enforce Not a 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.

19.6. **Exhibits.** Exhibits "A," "B," "C," "D," "E," "F," "G," "H" and "T" attached hereto are hereby incorporated herein by reference.

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IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed by its duly authorized member/manager the day and year first above written.

JTD Development Company of Brevard, LLC

By: *John T. Dowden*

John T. Dowden, Member-Manager

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JOHN T. DOWDEN personally came before me this day and acknowledged that he is a Member and Manager of JTD Development Company of Brevard, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name.

WITNESS my hand and official stamp or seal, this the 17th day of June, 1999.

Victoria J. Mullins
NOTARY PUBLIC

My Commission Expires:

June 24, 2003

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

Each of the foregoing certificates, namely of *Victoria J. Mullins*, a notary or Notaries public of the State and County designated is hereby certified to be correct. Filed for registration on this the *17* day of June, 1999, at *4:31 P.m.* *CDB 1 page 1*

Wini Adhward
Register of Deeds, Transylvania County

By: _____
Asst./Deputy/Register of Deeds

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EXHIBIT A

Brevard Township

Being all of Phase 1 of Straus Ridge Condominium, which is a portion of the property designated as Lot 4 of Southern Knoll at Straus Park recorded in Plat File 7, Slides 795 through 797 of the Transylvania County Registry more fully described as follows:

BEGINNING at Control Monument "SKN4" on the easterly right-of-way line of Straus Park; THENCE along said right-of-way line the following two (2) calls, North 27° 19' 02" East for a distance of 70.83 feet to a set rebar; THENCE North 33° 20' 29" East for a distance of 18.57 feet to a set rebar; THENCE South 69° 14' 06" East for a distance of 151.59 feet; THENCE South 48° 06' 11" East for a distance of 66.84 feet to a point on a non-tangent curve; THENCE along a curve to the left having a radius of 112.50 feet and an arc length of 58.54 feet, being subtended by a chord of South 10° 58' 22" East for a distance of 57.88 feet; THENCE South 25° 52' 41" East for a distance of 57.81 feet; THENCE South 41° 03' 16" West for a distance of 108.50 feet; THENCE North 51° 12' 41" West for a distance of 48.77 feet; THENCE North 26° 35' 27" West for a distance of 21.89 feet; THENCE North 54° 26' 06" West for a distance of 27.14 feet; THENCE North 26° 35' 27" West for a distance of 18.50 feet; THENCE North 71° 54' 38" West for a distance of 45.90 feet; THENCE North 65° 29' 56" West for a distance of 113.87 feet to a point in the aforesaid easterly right-of-way line of Straus Park; THENCE along said right-of-way line, North 21° 28' 11" East for a distance of 71.63 feet to the point and place of BEGINNING. Together with and subject to covenants, easements, and restrictions of record. Said property contains 1.041 acres more or less.

Reserving, however, to the Declarant, JTD Development Company of Brevard, LLC, an unrestricted right of way for ingress, egress and regress to the adjoining property and to complete any improvements upon the adjoining property more particularly described on Exhibit B attached to the Declaration of Condominium of Straus Ridge condominium, including such a right of way over all roadways crossing said property known as Ridgetop Circle and as shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium, Phase One dated June 10, 1999.

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EXHIBIT B

ADDITIONAL REAL PROPERTY

Brevard Township

Being a portion of that property designated as Lot 4 of Southern Knoll at Straus Park recorded in Plat File 7, Slides 795 through 797 of the Transylvania County Registry which portion does not include Phase 1 of Straus Ridge Condominium, more fully described as follows:

BEGINNING at Control Monument "SKN3" on the easterly right-of-way line of Straus Park; THENCE along said right-of-way line North 21° 28' 34" East for a distance of 221.97 feet to a corner of Phase 1, Straus Ridge; THENCE along the Phase 1 boundary of the following eleven (11) calls, South 65° 29' 56" East for a distance of 113.87 feet; THENCE South 71° 54' 38" East for a distance of 45.90 feet; THENCE South 26° 35' 27" East for a distance of 18.50 feet; THENCE South 54° 26' 06" East for a distance of 27.14 feet; THENCE South 26° 35' 27" East for a distance of 21.89 feet; THENCE South 51° 12' 41" East for a distance of 48.77 feet; THENCE North 41° 03' 16" East for a distance of 108.50 feet; THENCE North 25° 52' 41" West for a distance of 57.81 feet to a point of curvature; THENCE along a curve to the right having a radius of 112.50 feet and an arc length of 58.54 feet, being subtended by a chord of North 10° 58' 22" West for a distance of 57.88 feet; THENCE North 48° 06' 11" West for a distance of 66.84 feet; THENCE North 69° 14' 06" West for a distance of 151.59 feet to a point in the aforesaid easterly right-of-way line of Straus Parkway; THENCE along said right-of-way line the following three (3) calls, North 33° 20' 29" East for a distance of 71.57 feet to a set rebar; THENCE North 15° 33' 10" East for a distance of 66.95 feet; THENCE North 24° 00' 54" West for a distance of 5.12 feet to a point in or near Allison Creek; THENCE along or near the centerline of Allison Creek the following fourteen (14) calls, North 80° 24' 37" East for a distance of 30.22 feet; THENCE North 85° 51' 55" East for a distance of 30.11 feet; THENCE North 64° 11' 13" East for a distance of 26.37 feet; THENCE North 76° 20' 49" East for a distance of 40.55 feet; THENCE North 59° 25' 27" East for a distance of 31.82 feet; THENCE North 67° 33' 48" East for a distance of 45.74 feet; THENCE North 85° 35' 27" East for a distance of 40.45 feet; THENCE North 70° 06' 53" East for a distance of 106.00 feet; THENCE South 83° 35' 49" East for a distance of 12.14 feet; THENCE North 62° 48' 56" East for a distance of 30.52 feet; THENCE North 87° 55' 16" East for a distance of 71.26 feet; THENCE South 56° 10' 23" East for a distance of 84.16 feet; THENCE South 71° 43' 17" East for a distance of 79.65 feet; THENCE South 64° 13' 40" East for a distance of 33.61 feet; THENCE South 37° 29' 09" West for a distance of 357.48 feet to a set rebar; THENCE South 53° 07' 26" West for a distance of 195.08 feet to a set rebar on the easterly right-of-way line of Old Cottage Lane; THENCE along the right-of-way line of Old Cottage Lane the following six (6) calls, along a non-tangent curve to the left having a radius of 45.00 feet and an arc length of 169.71 feet, being subtended by a chord of South 35° 35' 24" West for a distance of 85.58 feet to a point of reverse curvature; THENCE along a curve to the right having a radius of 25.00 feet and an arc length of 26.94 feet, being subtended by a chord of South 41° 34' 51" East for a distance of 25.65 feet to a point of compound curvature; THENCE along a curve to the right

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having a radius of 208.60 feet and an arc length of 27.69 feet, being subtended by a chord of South 06° 54' 32" East for a distance of 27.67 feet; THENCE South 03° 06' 20" East for a distance of 263.03 feet to a point of curvature; THENCE along a curve to the right having a radius of 173.87 feet and an arc length of 105.07 feet, being subtended by a chord of South 14° 12' 23" West for a distance of 103.48 feet; THENCE South 31° 31' 06" West for a distance of 31.90 feet to a point on the right-of-way line of the aforesaid Straus Parkway, said point lying on a non-tangent curve; THENCE along said right-of-way line the following six (6) calls, along a curve to the left having a radius of 475.00 feet and an arc length of 114.10 feet, being subtended by a chord of North 49° 52' 54" West for a distance of 113.82 feet; THENCE North 56° 45' 47" West for a distance of 295.18 feet to a point of curvature; THENCE along a curve to the right having a radius of 215.00 feet and an arc length of 79.36 feet, being subtended by a chord of North 46° 11' 21" West for a distance of 78.91 feet to a point of compound curvature; THENCE along a curve to the right having a radius of 61.17 feet and an arc length of 38.28 feet, being subtended by a chord of North 17° 41' 16" West for a distance of 37.66 feet to a point of compound curvature; THENCE along a curve to the right having a radius of 322.85 feet and an arc length of 63.11 feet, being subtended by a chord of North 05° 50' 23" East for a distance of 63.01 feet to a point of compound curvature; THENCE along a curve to the right having a radius of 50.00 feet and an arc length of 8.76 feet, being subtended by a chord of North 16° 27' 28" East for a distance of 8.75 feet to a point and place of BEGINNING. Together with and subject to covenants, easements, and restrictions of record. Said property contains 7.823 acres more or less.

OPTION PROPERTY

Brevard Township

Being all of Lot 3 of Southern Knoll at Straus Park recorded in Plat File 7, Slides 795 through 797 of the Transylvania County Registry more fully described as follows:

BEGINNING at Control Monument "SKN2" on the easterly right-of-way line of Old Cottage Lane; THENCE along said right-of-way line the following four (4) calls, North 03° 06' 20" West for a distance of 137.57 feet to a point of curvature; THENCE along a curve to the left having a radius of 253.60 feet and an arc length of 57.91 feet, being subtended by a chord of North 09° 38' 49" West for a distance of 57.78 feet to a point of reverse curvature; THENCE along a curve to the right having a radius of 25.00 feet and an arc length of 15.51 feet, being subtended by a chord of North 01° 34' 55" East for a distance of 15.26 feet to a point of reverse curvature; THENCE along a curve to the left having a radius of 45.00 feet and an arc length of 43.76 feet, being subtended by a chord of North 08° 30' 33" West for a distance of 42.06 feet to a set rebar; THENCE, North 53° 07' 26" East for a distance of 195.08 feet to a set rebar; THENCE North 37° 29' 09" East for a distance of 357.48 feet to a point in or near Allison Creek; THENCE along or near the centerline of Allison Creek the following two (2) calls, South 44° 23' 45" East for a distance of 44.52 feet; THENCE South 61° 04' 36" East for a distance of 127.96; THENCE South 37° 46' 33" West for a distance of 604.79 feet; THENCE South 56° 58' 19" West for a distance of 147.10 feet to the point and place of BEGINNING. Together with and subject to covenants, easements, and restrictions of record. Said property contains

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2.714 acres more or less.

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EXHIBIT C

The plat of survey made by Hafler Land Surveying appears on two (2) sheets. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium dated June 10, 1999, which plat is duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 8 at Slide 229 shows the location of Phase One of Straus Ridge Condominium and shows all areas in which development rights have been reserved. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium dated June 10, 1999, which plat is duly recorded in said Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 8 at Slide 230 shows a detail map of Phase One of Straus Ridge Condominium showing the location of all units and buildings in Phase One of the Condominium. Both plats are recorded simultaneously herewith as a part of this Declaration and as a part of the Plans filed in the Office of the Register of Deeds for Transylvania County for Straus Ridge Condominium referred to on Exhibit "D". Said plats are hereby incorporated herein by reference as though fully set out herein. A reference in said Declaration to the Plat shall be a reference to both of said plats recorded in Plat File 8 at Slide 229 and Plat File 8 at Slide 230.

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EXHIBIT D

Being eight (8) pages of plans prepared by Bloodgood Sharp Buster, which plans are duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 8 at Slides 231, 232, 233, 234, 235, 236, 237, 238, consisting of lower level floor plans, main level floor plans and upper level floor plans, front elevation and right side elevation for Building 1, all eight pages of which plans are marked Exhibit "D" and are duly recorded with the Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina.

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EXHIBIT E

ALLOCATION OF UNDIVIDED INTEREST
IN
COMMON ELEMENTS, COMMON EXPENSES AND VOTES
FOR PHASE ONE OF STRAUS RIDGE CONDOMINIUM

Unit No.	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Votes in Association
101	8.84%	8.84%	One
102	11.88%	11.88%	One
103	8.84%	8.84%	One
201	10.52%	10.52%	One
202	12.32%	12.32%	One
203	10.52%	10.52%	One
301	12.18%	12.18%	One
302	12.76%	12.76%	One
303	12.18%	12.18%	One

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EXHIBIT F

BYLAWS
OF STRAUS RIDGE ASSOCIATION, INC.

ARTICLE I
PLAN OF CONDOMINIUM, NAME, APPLICABILITY

1.1. Unit Ownership. The property located in Transylvania County, North Carolina, which is more particularly described in the Declaration of Condominium of Straus Ridge Condominium (hereinafter called the "Declaration"), has been submitted to the provisions of Chapter 47C of the North Carolina General Statutes entitled "North Carolina Condominium Act" (the "Act") by Declaration of Condominium recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, simultaneously herewith, and shall be known as Straus Ridge Condominium (hereinafter referred to as the "Condominium").

1.2. Formation of Association; Name. Straus Ridge Association, Inc. (hereinafter the "Association") is a North Carolina nonprofit corporation which has been formed for the purpose of administering the operation and management of the Condominium (a copy of the Articles of Incorporation of the Association has been or will be recorded in the Office of the Register of Deeds for Transylvania County, North Carolina), including all additional phases which may be added thereto. The Association shall be governed by a Board of Directors as is hereinafter provided.

1.3. Applicability of Bylaws. The provisions of these Bylaws are applicable to all affairs of the Association and to the Property of the Condominium, including all additional phases which may be added thereto, and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees and occupants of all units in the Condominium and their agents and employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, the Articles of Incorporation of the Association, these Bylaws and any Rules and Regulations made pursuant hereto and any amendment to any of said documents. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration and said Articles of Incorporation, as they may be amended from time to time, are accepted, ratified, and will be complied with. The provisions of the Declaration regarding the governing and administration of the Condominium by the Association are incorporated herein by reference.

ARTICLE II
Definitions

The definitions of words contained in Article I of the Declaration shall apply to the words and terms used in these Bylaws. The definitions set forth in said Article I of the Declaration are hereby incorporated herein by reference.

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ARTICLE III
Membership, Meetings and Voting

3.1. Membership. Membership in the Association shall be confined to and consist exclusively of all the Unit Owners of the various units in the Condominium. Each unit owner shall be a member of the Association and shall remain a member until he ceases to be a unit owner. Membership in the Association shall be appurtenant to and inseparable from Unit Ownership. No unit owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to Unit Owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more units and shall end automatically upon the conveyance of such unit. The date of registration of the conveyance in the Register of Deeds Office for Transylvania County, North Carolina, shall govern the dates of ownership of each particular unit.

3.2. Annual Meetings. The annual meeting of the Association shall take place at 7:00 o'clock P.M. on the second Tuesday in October of each and every year for the purpose of transacting business as may be properly brought before the meeting. If the day for the annual meeting is a legal holiday, the meeting will be held at the same time on the next business day which is not a holiday.

3.3. Place of Meeting. All meetings of the membership shall be held in the County of Transylvania, State of North Carolina, at the registered office of the Association or at such other place within Transylvania County, North Carolina, as is convenient to the members as may be designated by the Board in the notice of any meeting.

3.4. Substitute Annual Meetings. If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 3.5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

3.5. Special Meetings. After the first Annual Meeting of the members, special meetings of the members may be called at any time by the President, a majority of the Board of Directors, or pursuant to a written request to the Secretary of the Association made by Unit Owners having not less than twenty percent (20%) of the votes in the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Business to be acted upon at all special meetings shall be confined to the objects stated in the notice of such special meeting.

3.6. Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary of the Association shall cause notice of such meeting to be hand-delivered or mailed first class mail postage prepaid to the members of the Association at the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice shall state the time and place of the meeting and shall state the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a director or officer. If such notice is mailed, notice shall be deemed given upon the deposit of such notice in an official depository of the United States Postal Service in an envelope properly addressed to the unit owner(s) at the address of his unit or at such other address supplied to the Association by the unit owner, with sufficient postage affixed thereto. When a meeting is

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adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting, other than by announcement at the meeting at which the adjournment is effective.

3.7. **Quorum.** The presence in person or by proxy at any meeting of members having a majority of the total votes in the Association shall constitute a quorum. If there is no quorum at the opening of the meetings, such meeting may be adjourned from time to time by the vote of a majority of the members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting. The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum.

3.8. **Voting.** As provided in the Declaration, voting is based upon equality, with each unit in the Condominium being entitled to one vote in the Association. The unit owner of each unit shall be entitled to one vote. Where the ownership of a unit is in more than one person, the person who shall be entitled to cast the vote for such unit shall be the person named in a certificate executed by all of the owners of such unit and filed with the Secretary of the Association (if such a certificate is on file). If there is no such certificate on file or in the absence of such person named on the certificate from the meeting, the person who shall be entitled to cast the vote of such unit shall be the unit owner of such unit who is present. If more than one person owning such unit is present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the vote allocated to that unit without protest being made promptly to the person presiding over the meeting by any other owners of the unit. If a unit owner is not a natural person, the vote for such unit may be cast by any natural person having authority to vote on behalf of such unit owner, which authority shall be evidenced by a certificate properly executed by such unit owner who is not a natural person, which certificate shall be filed with the Secretary of the Association prior to any meeting at which the appointed person is to vote. Subject to the requirements of the Act, whenever the approval or disapproval of a unit owner is required by the Act, the Declaration, the Articles of Incorporation or these Bylaws of the Association, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such unit at any meeting of the members of the Association. There shall be no cumulative voting. If Declarant owns or holds title to any units in the Condominium, Declarant shall be entitled to cast the vote or votes to which such unit or units are entitled.

3.9. **Majority Vote.** Except where a greater number or percentage is required by the Act, the Declaration, the Articles of Incorporation of the Association or these Bylaws, a simple majority vote of all members entitled to cast votes present at any meeting at which a quorum shall be present shall be sufficient to adopt decisions at any meeting of the Association which decisions shall be binding on all Unit Owners for all purposes.

3.10. **Proxies.** Members may vote either in person or by agents duly authorized by written proxy executed by the subject member or by his duly authorized attorney-in-fact. A proxy shall be valid only for the particular meeting designated therein, unless the person executing it specifies therein the length of time for which it is to continue in force, which time shall not extend beyond eleven (11)

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months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary of the Association or duly acting Secretary prior to the meeting in question. All of the above provisions concerning the voting by co-owners shall apply to votes cast for one unit by two or more proxy holders.

3.11. Order of Business. The order of business at all annual meetings of the Association shall be as follows:

- (A) Roll Call.
- (B) Proof of notice of meeting or waiver of notice.
- (C) Reading of minutes of preceding meeting.
- (D) Reports of Officers.
- (E) Report of Board of Directors.
- (F) Reports of Committees.
- (G) Election of Inspectors of Election (when so required).
- (H) Election of members of the Board of Directors (when so required).
- (I) Unfinished business.
- (J) New business.

3.12. Waiver of Notice. Any unit owner may at any time waive notice of any meeting of this Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a unit owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof, except where a unit owner attends a meeting and indicates immediately upon the meeting's being called to order that his sole purpose in attending is to object to the transaction of business because the meeting has not been lawfully called.

3.13. Minutes of Meetings. The Secretary of the Association shall prepare or cause to be prepared, and keep accurate minutes of every meeting of the Unit Owners. Such minutes shall be made available for examination and copying by any unit owner at any reasonable time.

3.14. Actions Without Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the Action so taken or to be taken shall be signed by one hundred percent (100%) of the persons who would be entitled to vote at a meeting and such consent is filed with the Secretary of the Association and inserted in the Minute Book of the Association.

ARTICLE IV Board of Directors

4.1. General Powers. The business and property of the Condominium and the Association shall be managed, governed and directed by the Board of Directors of the Association (the "Board") or by such Executive Committees as the Board may establish pursuant to these Bylaws. The Board of Directors of the Association is the body designated in the Declaration and herein to act on behalf of the Association. As such the Board of Directors of the Association constitutes the Executive

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Board as that term is defined and used in the Act.

4.2. Number. The Board of Directors shall be composed of not less than three (3) nor more than five (5) persons. The initial Board, who shall serve until Unit Owners other than Declarant elect a majority of the Board as is hereafter provided, shall be composed of three (3) persons who need not be Unit Owners, members of the Association or residents of the State of North Carolina. As is hereinafter provided in Section 4.5 of this Article, at the meeting in which the Unit Owners other than Declarant are entitled to elect a majority of the members of the Board, the number of Directors on the Board shall be increased from three (3) to five (5). Subsequent to the Declarant Control Period the number of members of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of persons entitled to seventy-five percent (75%) of the votes in the Association.

4.3. Qualification and Term. Except for members of the Board of Directors (hereinafter "Directors") designated and appointed by Declarant as is hereinafter provided, all members of the Board shall be a unit owner, or a spouse of a unit owner, provided, however, that in the event a unit owner is a corporation, partnership, trust or other legal entity other than a natural person, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a director. Other than the Directors appointed by Declarant each Director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

4.4. Election. Initial Board.

(a) Election. Except as provided in this Article regarding Declarant's right to appoint and remove members of the Board, the members of the Board of Directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected.

(b) Initial Board. Notwithstanding anything herein to the contrary, the Board shall consist of three (3) directors during the time that Declarant is entitled to appoint a majority of the members of the Board. The initial Board shall be composed of those Directors appointed at the initial meeting of the Corporation who shall serve until their replacements are appointed or elected as the case may be.

4.5. Appointment of Board by Declarant.

(a) Subject to the provisions of subparagraph (b) of this Section 4.5., Declarant shall have the right to designate, select and appoint all officers of the Association, and all the members of the Board of Directors of the Association until the earlier of (i) one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of all units (including all units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of the Declaration) to Unit Owners other than a Declarant; (ii) two (2) years after all Declarants have ceased to offer units for sale in the ordinary course of business; or (iii) two (2) years after any development

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right to add new units to the Condominium was last exercised. This time period hereinabove set out during which the Declarant has the right to appoint the members of the Board of Directors is referred to in these Bylaws as the Declarant Control Period. Declarant shall have the right to remove any person appointed by it to serve as a Director and to replace such person with another person selected by Declarant to act and serve in the place of any Director so removed. Any Director designated, selected and appointed by Declarant need not be a unit owner, a member of the Association or a resident of the State of North Carolina. Any representative of Declarant serving on the Board shall not be required to disqualify himself from any vote upon a management contract or any other contract or lease between Declarant and the Association where the Declarant may have a pecuniary or other interest. Declarant shall designate, appoint, remove and reappoint directors when entitled to do so by written statement addressed to the Association and a copy of such statement shall be placed in the minute book.

The Declarant can turn over control of the Association prior to the expiration of the Declarant Control Period hereinafter set out by causing all or part of its appointed Directors to resign and by not appointing replacement Directors, whereupon it shall be the affirmative obligation of the Unit Owners other than the Declarant to elect Directors and assume control of the Association. Declarant shall give written notice of its intention to so surrender control of the Association to the Board and the members of the Association and provide that at least thirty (30) days notice of Declarant's decision to cause its appointees to resign without replacement is given to the Unit Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than Declarant refuse or fail to assume control.

(b) Notwithstanding anything to the contrary in subparagraph (a) of this Section 4.5., no later than sixty (60) days after conveyance of twenty-five percent (25%) of all units (including all units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of this Declaration) to Unit Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors of the Association shall be elected by Unit Owners other than Declarant. Notwithstanding anything to the contrary in subparagraph (a) of this Section 4.5., no later than sixty (60) days after conveyance of fifty percent (50%) of all units (including all units which Declarant has the right to create on the Additional Real Property and add to the Condominium by amendment of this Declaration) to Unit Owners other than a Declarant, not less than thirty-three percent (33%) of the members of the Board of Directors of the Association shall be elected by Unit Owners other than Declarant. Any member of the Board elected by Unit Owners other than Declarant pursuant to this provision shall serve for a term of one year or until the expiration of the Declarant Control Period whichever is shorter, provided that the first Director elected hereunder by members other than Declarant shall be elected for a term which expires at the next annual meeting of the members so that thereafter this member of the Board may be elected at the annual meeting of members.

(c) Upon the expiration of the Declarant Control Period provided for in Subparagraph (a) of this Section 4.5 or if the Declarant should sooner decide to voluntarily surrender its control of the Association, the Board shall notify all Unit Owners of a special meeting of the Association for the purpose of electing Directors of the Association and such other matters as may be specified in the notice. Notice of such meeting shall be given by the Secretary in accordance with the provisions of

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these Bylaws.

At the time of such meeting of the Association where the Unit Owners are entitled to elect a majority of the members of the Board of Directors, the number of Directors on the Board shall be increased from three (3) persons to five (5) persons. All five (5) positions on the Board shall be filled at this special meeting of the members. The Directors shall be divided into two (2) classes, the first class to consist of three (3) Directors, the second class to consist of two (2) Directors. The Directors of the first class shall initially hold office for a term of three (3) years; the Directors of the second class shall initially hold office for a term of two (2) years. The three (3) persons who receive the most votes shall fill the positions of the Directors of the first class elected for an initial term of three (3) years and the two (2) persons who receive the next highest number of votes shall fill the positions of the Directors in the second class elected for an initial term of two (2) years. At all annual meetings thereafter, a number of Directors shall be elected by the members of the Association to succeed those Directors whose terms then expire. Thereafter, each Director shall serve for a two (2) year term. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself.

4.6. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium, and may do all such acts and things as are not by the Act, the Declaration, or these Bylaws directed to be exercised and done only by the Unit Owners. In addition to the powers, duties and responsibilities granted to or imposed on the Board of Directors by the Act, the Declaration, these Bylaws or by any resolution of the members of the Association that may hereafter be adopted, the powers and duties of the Board of Directors shall include but not be limited to the following:

(a) Determining the Common Expenses required for the affairs of the Condominium including, without limitation the operation, maintenance and repair of the Common Elements and the obtaining of insurance on all Common Elements and units.

(b) Preparing and adopting an annual budget in which there shall be established the annual assessment against each unit owner for the Common Expenses. The Board shall also have the power and authority to create such additional reserve funds as it shall deem prudent and necessary and fund the same as a part of the Common Expenses.

(c) Making assessments against the Unit Owners to pay the Common Expenses of the Association, including allocations to reserves; establishing the means and methods of collecting such assessments from the Unit Owners; establishing the period and amount of the monthly installment payment of the annual assessment for the Common Expenses and to collect the Common Expenses from the Unit Owners. Unless otherwise determined by the Board of Directors, the annual assessment against each unit owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month in the calendar year.

(d) Providing for and supervising the operation, care, upkeep, maintenance, repair and replacement, as necessary, of the Common Elements including the Limited Common Elements.

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(e) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and providing services for the property, and where appropriate, providing for the compensation of such personnel. Further, to purchase the equipment, supplies and material to be used by such personnel in the performance of their duties which supplies and equipment shall be deemed the common property of all Unit Owners to be used by the Association in the performance of its duties and obligations.

(f) Collecting the assessments against the Unit Owners, depositing the proceeds thereof in a bank depository which it shall approve and using such funds to carry out the administration, operation, maintenance and repair of the Common Elements of the Condominium.

(g) Adopting and amending, from time to time, any rules and regulations it may deem advisable for the maintenance, conservation, enjoyment, and beautification of the Property and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such Rules and Regulations shall be provided to all Unit Owners and occupants. The entire Property and Condominium shall at all times be maintained subject to such rules and regulations. Such rules and regulations must be in accordance with the provisions and restrictions contained in the Declaration and not in modification thereof.

(h) Acting as Insurance Trustee in the manner provided for by the Act, the Declaration and these Bylaws.

(i) Opening of bank accounts on behalf of the Association and designating the signatories required therefor, and depositing and withdrawing Association funds from such accounts. This includes the authority to open and maintain one or more checking accounts in the name of the Condominium or the Association and designate the persons authorized to write checks on such checking account(s). The Board has the duty and authority to pay from the funds of the Association the Common Expenses of the Condominium and all other duly authorized expenditures.

(j) Purchasing or leasing or otherwise acquiring in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners, units offered for sale or lease.

(k) Selling, leasing, mortgaging or otherwise dealing with units acquired by and subleasing units leased by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners.

(l) Purchasing of units at foreclosure or other judicial sales in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(m) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing units on behalf of all Unit Owners.

(n) Making or contracting for the making of repairs, additions, and improvements to or alterations or restorations of the Property in accordance with the other provisions of these Bylaws, the Act or the Declaration, after destruction by fire or other casualty or as a result of condemnation or eminent domain proceeding.

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(o) Enforcing by legal means the provisions of the Act, the Declaration, these Bylaws and the Rules and Regulations of the Condominium for the use of the Property, and bringing any proceedings which may be instituted on behalf of the Unit Owners.

(p) Obtaining and carrying insurance against casualties, loss and liabilities as provided in Article IX of these Bylaws and paying the cost and expense thereof as a part of the Common Expenses.

(q) Paying the cost and expense of all authorized services, materials and work rendered to the Property or the Association and not billed to Unit Owners.

(r) In accordance with Section 47C-3-118 of the Act, keeping books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for the examination by the Unit Owners, their duly authorized agents or attorneys during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside accountant employed by the Board of Directors who shall not be a resident of the Condominium or an owner of a unit therein. The cost of such audit shall be a Common Expense.

(s) Whenever requested in writing by a first mortgage the Board shall notify any first mortgage of any unit more than sixty (60) days in default for failure to make payment of monthly assessments.

(t) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board of Directors or by operation of applicable provisions of the Declaration or these Bylaws to protect the Common Elements or any other portion of the Property when the unit owner of such unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair is delivered or mailed by the Board to said unit owner, provided that the Board shall levy a special assessment against such unit owner for the costs of such maintenance or repair.

(u) Entering any unit when necessary in connection with any maintenance, repair or construction for which the Association is responsible, provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the unit owner or occupant as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as Common Expenses.

(v) To enter into and execute on behalf of the Association any and all agreements, contracts, notes, deeds, deeds of trust and vouchers for payment of expenditures and any other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and

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countersigned by the Secretary of this Association.

(w) Contracting for all goods, services and insurance necessary for the maintenance, operation, replacement and repair of the Property the payment of which is to be made by the Association as part of the Common Expenses.

(x) Instituting, defending or intervening in litigation or administrative proceedings in the name of or on behalf of the Association or two or more Unit Owners on matters affecting the Condominium.

(y) Borrowing money on behalf of the Condominium or the Association when required in connection with the operation, care, upkeep, maintenance, repair, replacement or improvement of the Common Elements or the acquisition of property, and granting mortgages, deeds of trust or security interests in Association owned property in accordance with the Declaration and these Bylaws regarding the creation of any lien on the Common Elements, or to pledge and pay assessments and any and all other revenue and income for such purposes; provided, however, that the consent of the Unit Owners shall be required for the borrowing of any sum in excess of \$5,000.00.

(z) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levying reasonable fines for violations of the Declaration, the Bylaws, or Rules and Regulations established by the Association, all in accordance with Sections 47C-3-107 and 47C-3-107A of the Act.

(aa) Hearing and deciding upon requests by the Unit Owners to alter, change or modify units, Common Elements or Limited Common Elements. Any decision by the Board shall be final.

(bb) Granting leases, licenses, concessions and easements over, upon, under and through the Common Elements.

(cc) Making or constructing any alterations or improvements to the Common Elements.

(dd) To impose and collect reasonable charges, including reasonable costs and attorney fees for the evaluation, preparation and recordation of any amendments to the Declaration or these Bylaws, resale certificates required by Section 47C-4-109 of the Act, or certificates of assessments.

(ee) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use.

(ff) Exercising (i) all powers and performing all the duties and obligations granted to the Board in the Declaration, the Articles of Incorporation, these Bylaws and in the Act, as amended from time to time; (ii) all powers incidental thereto; and (iii) all other powers of a North Carolina nonprofit corporation.

(gg) Suspending the right of any unit owner to vote or use the recreational facilities of the

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Condominium as long as such unit owner is delinquent in the payment of Common Expenses or is otherwise in violation of the Declaration, these Bylaws or the Rules and Regulations of the Condominium.

(hh) To do such other things and acts not inconsistent with the Act and with the Declaration as the Board may deem necessary and prudent and to do such things as it may be authorized to do by a resolution of the Association.

4.7. Managing Agent. The Board of Directors may, on behalf of the Associations' contract with or employ any person, firm or corporation, including Declarant, or an affiliate of Declarant, to act as managing agent for the Association at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in paragraphs (d) (e) (f) (n) (p) (q) (r) (s) (t) (u) and (w) of Section 4.6. of this Article IV. The Board of Directors may delegate to the managing agent all of the powers granted to the Board other than the powers set forth in paragraphs (a) (b) (c) (g) (h) (i) (j) (k) (l) (m) (o) (v) (x) (y) (z) (aa) (bb) (cc) (dd) (ee) (ff) (gg) of Section 4.6 of this Article IV.

4.8. Removal of Members of the Board. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by Unit Owners owning a majority of the votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and he shall be given the opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected and appointed by the Declarant as a member of the Board of Directors may be removed without the written consent of the Declarant and in such event the Declarant shall select and designate his successor.

A Director who was a unit owner when elected shall be deemed to have resigned upon conveyance of such Directors' unit or if such Director is not in attendance at three (3) consecutive regular meetings of the Board unless the minutes reflect the Board's consent to such absence. Any time Declarant has, in accordance with the rights set out in this Article, appointed any person to serve as a member of the Board of Directors, Declarant shall have the absolute right at any time, in its sole discretion, to remove any such person so appointed and to replace such person with another person. Replacement of any person designated by Declarant to serve on the Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board. The removal of any such Director and the designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

4.9. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the

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Board of Directors until a successor shall be elected at the next annual meeting of the Association of Unit Owners; provided, however, that the vacancy of any Director designated and appointed by Declarant pursuant to a right of Declarant to make such appointment shall be filled by the Declarant.

4.10. Organizational Meeting of the Board. Regular Meetings. An organizational meeting of the Board shall be held immediately after, and at the same place as the Annual Meeting or substitute Annual Meeting of the Association. This meeting shall be the organizational meeting of the new Board each year. No notice of this organizational meeting of the Board held following the annual meeting of the membership shall be necessary in order to legally constitute such meeting, providing a quorum is present. In addition, regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four meetings (including the organizational meeting) shall be held each year, one in each quarter of the fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director by mail or telephone at least five (5) business days prior to the day named for such meeting and need not specify the purpose of or agenda for the meeting. Meetings of the Board shall be open to all Unit Owners and notices of such meetings shall be posted conspicuously for the attention of Unit Owners in advance of the meeting.

4.11. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association or by any two (2) Directors on three (3) business days' notice of each Director, given by mail or telephone which notice shall state the time, place and purpose of the special meeting.

4.12. Notice of Meetings. Notice of all meetings of the Board shall be given as required herein by the Secretary of the Board or in his absence or unavailability by the President of the Board. Notice may be either mail or telephone. Notices of regular meetings of the Board need not specify the purpose of or agenda for the meeting.

4.13. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at a meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting. If all of the Directors are present at any meeting of the Board no notice shall be required and any business may be transacted at such meeting.

4.14. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the vote of a majority of the Directors present at any meeting at which a quorum is present shall constitute the act and decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.15. Fidelity Bonds. The Board of Directors may obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a part of the Common Expenses. This provision shall not

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require that the Treasurer be bonded if, under the terms of any management agreement in effect from time to time, the person, firm or corporation serving as management agent is responsible for collecting and disbursing assessment funds and required to account to the Association for said funds at least annually.

4.16. Compensation. No Director shall receive any compensation for acting as such unless expressly allowed by the Board at the direction of the Unit Owners other than Declarant having sixty-seven percent (67%) of the total votes in the Association; except that a Director may be reimbursed for any actual expenses he incurs in performing any of his duties as a Director.

4.17. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book recording therein the minutes of all meetings of the Board. Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Act. All minutes of Board meetings shall be available for inspection by the Unit Owners during reasonable business hours.

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

4.19. Executive Committees. The Board may by resolution designate two (2) or more Directors to constitute an Executive Committee, which Committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board in the management of the Condominium.

4.20. Liability of the Board. The members of the Board shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium or the Association unless any such contract shall have been made in bad faith or knowingly contrary to the provisions of the Declaration or these Bylaws. Said indemnity obligation and all costs reasonably incurred in enforcing it, including reasonable attorneys fees, shall be secured by a lien in favor of the Board and each of its members individually identical to that provided in connection with Common Expenses. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium or the Association, except to the extent they are Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board or by the managing agent on behalf of the Association shall provide that the members of the Board, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit

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Owners in the Common Elements.

ARTICLE V Committees

5.1. Creation. The Board, by resolutions adopted by a majority of the number of Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium property. Each committee so created shall have such authority as contained in the resolution creating such committee. The Board shall elect the members of such committees. Each committee shall have in its membership at least one (1) member of the Board.

5.2. Vacancy. Any vacancy occurring on a committee shall be filled by a majority vote of the number of Directors then holding office at a regular or special meeting of the Board.

5.3. Removal. Any member of a committee may be removed at any time with or without cause by a majority of the Directors then holding office.

5.4. Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

5.5. Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility or liability imposed upon it or him by law. If action taken by a committee is not considered formally thereafter by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

5.6. Nomination Committee. The Board may appoint a nominating committee.

ARTICLE VI Officers

6.1. Designation. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other officer may be, but shall not be required to be members of the Board of Directors. The office of the Secretary and Treasurer may be combined and held by one person.

6.2. Election of Officers and Term. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors which

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follows the annual meeting of the members of the Association and shall hold office at the pleasure of the Board of Directors. The officers elected by the Initial Board or by any Board to which Declarant is entitled to appoint a majority of the Directors are not required to be Unit Owners.

Each Officer shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

6.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

6.4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all the general powers and duties which are incident to the office of the President of a stock corporation organized under the Business Corporation Act of the State of North Carolina, including but not limited to the power to appoint such committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

6.5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

6.6. Secretary. The Secretary shall keep the minutes of all meeting of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the Office of Secretary.

6.7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association, and shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors; provided, however, that the Treasurer shall not be responsible for such of the foregoing matters as have been delegated to a Managing Agent. The Treasurer shall, in general, perform all the duties incident to the Office of the Treasurer of a stock corporation organized under the Business Corporation Act of the State of North Carolina.

6.8. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall in the absence or disability of the Secretary or Treasurer, respectively, have all the powers and perform all of the duties of those officers and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President.

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ARTICLE VII
Amendment to Bylaws

7.1. Amendments. These Bylaws may be amended in the following manner:

(a) Amendments to these Bylaws may be proposed by the Board of Directors acting upon a vote of a majority of the Directors or amendments may be proposed by members of the Association holding a majority of the votes in the Association, whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment to these Bylaws being proposed in the manner hereinabove set out, such proposed amendment shall be transmitted to the President or other officer of the Association in the absence of the President. A Special Meeting of the members shall then be called for the purpose of voting on such proposed amendment. Notice of the subject matter of a proposed amendment shall be included in the written notice of any meeting in which a proposed amendment is to be considered.

(c) These Bylaws may be amended by an affirmative vote of the members holding at least sixty-seven percent (67%) of the votes in the Association; provided, however if a larger vote is required to take or refrain from taking a specific action as set forth in these Bylaws, the Declaration or the Act, no amendment of such provision shall be made unless and until members who hold such larger percentage of the votes shall affirmatively vote for such amendment.

(d) A copy of each amendment duly passed shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to these Bylaws, which certificate shall be prepared and executed by the President or Vice President of the Association with all the formalities of a deed. The amendment shall be effective only when the certificate and a copy of the amendment is recorded in the Office of the Register of Deeds for Transylvania County, North Carolina.

(e) No amendment may be adopted which would eliminate, alter, modify, amend, prejudice, abridge, change or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved in these Bylaws, the Declaration, or the Act by Declarant including, without limitation, any and all Special Declarant Rights, without the prior written consent of Declarant. There can be no revocation, amendment or modification of Declarant's right and privilege to designate and appoint members of the Board of Directors of the Association as provided in Section 4.5 of Article IV hereof. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or the Declaration without satisfaction of the requirements therein contained. No amendment to this Article shall be valid.

(f) No amendment to these Bylaws by the members of the Association shall be effective prior to the expiration of the Declarant Control Period without the prior written consent of Declarant.

(g) All Unit Owners shall be bound to abide by any amendment upon its proper recordation in the Register of Deeds Office for Transylvania County, North Carolina, as hereinabove provided.

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ARTICLE VIII
Offices, Registered Agent, Seal

8.1. **Registered Office.** The address of the initial registered office of the Association shall be 99 Ridgetop Circle, Unit 303, Brevard Township, Transylvania County, North Carolina 28712.

8.2. **Registered Agent.** The initial Registered Agent of the Association located at said initial registered office is John T. Dowden.

8.3. **Seal.** The seal of the Association shall contain the name of the association, the word "Seal" and such other words and figures as may be desired by the Board of Directors.

ARTICLE IX
Miscellaneous

9.1. **Powers of the Association.** The Association shall have all the powers granted to a nonprofit corporation under Chapter 55A of the North Carolina General Statutes and all powers granted to the Association by Chapter 47C of the North Carolina General Statutes. Without limiting the foregoing, the Association shall have all those powers set forth in North Carolina General Statutes Section 55A-15 and North Carolina General Statutes Section 47C-3-102 which powers are hereby incorporated herein by reference as they exist on the date of this instrument to the same extent as if set forth herein in their entirety. In addition, the Association shall have all of those powers granted to the Board of Directors in Section 4.6 of these Bylaws which powers are incorporated herein by reference. The Association shall also have all those powers granted or reserved to it in the Articles of Incorporation of the Association and the Declaration.

9.2. **Execution of Amendments to the Declaration.** Any and all amendments to the Declaration on behalf of the Association shall be prepared by the Secretary or Assistant Secretary. Such Amendments shall be certified and executed by the President or Vice President of the Association and attested by the Secretary or Assistant Secretary of the Association with all the formalities of a deed. Any such amendment shall be recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, by the President, Vice President, Secretary or any Assistant Secretary of the Association.

9.3. **Notices.** All notices, demands, bills, statements or other instruments called for in the Declaration or these Bylaws shall be deemed to have been duly given, if made in writing, upon deposit in a receptacle of the United States Postal Service with the mailing address of the unit or such other address as provided to the Association by the unit owner or mortgagee thereon in a postage pre-paid, first class mail envelope, or if delivered personally or if posted upon the front door of the unit or in the mail receptacle for such unit.

9.4. **Parliamentary Rules.** Robert's Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Declaration or these Bylaws.

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9.5. Fidelity Bond. The Board of Directors may require that all employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association as a Common Expense.

9.6. Conflicts. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of the Act, the provisions of the Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of the Declaration, the provisions of the Declaration shall control unless the Declaration permits these Bylaws to override the Act, in which event these Bylaws shall control.

9.7. Waiver. No provision of these Bylaws or of the Rules and Regulations promulgated pursuant thereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

9.8. Severability. The provisions of these Bylaws are severable, and the invalidity of any one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

9.9. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

9.10. Gender, Singular, Plural. Wherever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Straus Ridge Association, Inc., a North Carolina nonprofit corporation; and that the foregoing Bylaws constitute the original Bylaws of said corporation as duly adopted at a meeting of the initial Board of Directors thereof, held on the 11th day of June, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the 11th day of June, 1999.



John T. Dowden, Secretary

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STRAUS RIDGE CONDOMINIUM RULES & REGULATIONS

In order to afford all residents of Straus Ridge Condominium a congenial community, permanent in nature, the Board of Directors of Straus Ridge Association, Inc. (the "Association") pursuant to authority contained In the Bylaws of the Association have adopted the following Rules and Regulations. These Rules and Regulations are designed to help make life more pleasant for everyone in Straus Ridge Community. All Unit Owners, their families, tenants and guests shall abide by the following Rules and Regulations:

APPEARANCE

1. No entrance, stairway, building exterior (including doors and windows) or any other portion of the Common Elements shall be decorated, painted, altered or changed in anyway by any unit owner or occupant without the prior written consent of the Board of Directors of the Association. Privacy shades of any type shall not be installed on any porch, patio or deck without the prior written consent of the Board of Directors of the Association.

2. No article shall be placed in the entrances or stairways nor shall anything be hung or shaken from the balconies or patios. No clothing or other articles shall be hung in the Common Elements or on any portion of any balcony, deck or patio. No clothes lines shall be permitted outside the unit.

3. Each unit owner shall keep his unit in a good state of preservation and cleanliness and shall not throw or permit to be thrown therefrom, or from the doors, windows, balconies or patios thereof, any dirt or other substance. Unit Owners shall maintain in good condition and repair all interior surfaces and fixtures in their units.

4. Any blinds or other window treatments on windows and/or doors when such unit was first conveyed by Declarant shall be kept in place at all times by all Unit Owners. When replacement of blinds or other window treatments is needed the same shall be replaced by the unit owner at his own expense with similar blinds or window treatments of the same color and comparable type and quality.

5. Except as provided below, no radio or television antennas, satellite dish or other reception device shall be attached to or hung from the exterior of any building including the roof without the prior written approval of the Board of Directors. Any such device erected on the roof or exterior of any building by any unit owner is subject to removal without notice. Satellite dishes no larger than 18 inches in diameter may be allowed to be attached to any unit, provided the number of such dishes and the color and exact location of any such dish must be approved, in writing, by the directors of the Association and the location of any such dish may not be changed. Any such dish that is not actively being used for television reception must be removed. Upon removal, the owner of the dish will repair any damage.

6. No owner shall do any painting or decorating of the exterior of his unit or any building or make any alterations or construct any improvements to the exterior of the buildings or any of the

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Common Elements without prior written approval of the Board of Directors.

7. Sidewalks, entrances, passages, roads and parking areas shall not be used as play areas and shall be kept clear and passable at all times.

8. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any unit owner or occupant of any unit on any part of the outside or inside (if visible from the outside) of his unit without the prior written consent of the Board of Directors of the Association. Any sign, advertisement, notice or lettering so displayed in violation of this regulation shall be subject to removal without notice. This regulation shall not apply to the Declarant.

9. No awnings or other projections shall be attached to the outside walls of the building and no other modifications shall be permitted to the exterior of any building without the prior written consent of the Board of Directors of the Association.

10. All garbage and refuse must be taken to the common dumpster. No trash cans shall be placed, kept or maintained outside any unit.

11. No new planting or changes in the existing planting or landscaping may be made without prior written consent of the Board of Directors of the Association.

12. No garbage cans, supplies of any type, milk bottles or other articles shall be placed or kept in or upon the Common Elements.

PARKING AND STORAGE

1. No bicycles or similar vehicles or other personal articles shall be stored in the entrances, stairways or Common Elements of the buildings except as approved in writing by the Board of Directors of the Association.

2. No vehicle belonging to any unit owner, a member of his family, guest, or tenant of an owner shall be parked in such manner to impede or prevent ready access to the remaining parking areas. The Unit Owners, visitors, licensees and the Unit Owners' families will obey the posted parking regulations and any other traffic regulations published in the future for the safety, comfort and convenience of the Unit Owners.

3. The Board of Directors may, in its discretion, elect to assign specific parking spaces to specific units, and if parking places are so assigned, each unit owner will be bound by such decision and will abide by such rules and regulations as may be established in such regard.

4. No boats, trailers, campers, recreational vehicles, buses, travel trailers, tents, boat trailers, mini bikes or other such items shall be parked or stored in parking areas or any other part of the property. No trucks larger than a van or pickup truck will be parked on any parking areas of the property and if such van or pickup truck is used for any commercial purpose, it shall have no outside

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equipment or unsightly material. This rule shall not apply to the equipment of the Declarant's contractors, subcontractors or vendors.

GARAGES

1. Garages shall be used only for the parking of standard passenger automobiles, vans, pickup trucks and motorcycles and for the storage of other personal property. All garages shall be kept in a neat and orderly appearance. Garages may not be used in any manner as a living area. No person shall be allowed to reside in any garage. Garage doors shall at all times be kept closed.

DISTURBANCES

1. No owner shall make or permit any noises that will disturb or annoy the occupants of the buildings or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other owners. PLEASE BE CONSIDERATE OF YOUR NEIGHBORS. EXCESSIVE NOISE FROM PARTIES, STEREOs, TV, ETC., CAN RUIN OUR FINE COMMUNITY. No owner shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated a phonograph, television set, radio or musical instrument, or other electrical devise designed for the transmission and reproduction of sound, in any unit between the hours of 11:30 p.m. and the following 8:00 a.m., if the same shall disturb occupants of other units. No unit, owner or occupant of any unit shall give nor permit to be given vocal or instrumental instruction at any time in his unit if complaint shall be made by an adjoining unit owner because of sound emissions.

2. No discharge of firearms or fireworks shall be permitted on any part of the Condominium.

UTILITIES

1. Water closets (commodes) and other water apparatus in the buildings shall not be used for any purposes other than those for which they were constructed nor shall any sweeping, rubbish, rags, paper, ashes, or any other article be thrown into same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the owner in whose unit it shall have been caused.

2. No owner shall interfere in any manner with any portion of the common lighting apparatus in or about the buildings.

3. All Unit Owners must insure that a temperature of at least 55 degrees is maintained in their unit throughout the cold season in order to prevent freezing of pipes, and water is not to be cut off.

4. Unit Owners shall promptly pay all bills for utilities metered separately to their units.

5. If any unit owner should desire the burglar alarm system installed by the Declarant to be connected to a telephone line for the purpose of a monitoring system, such unit owner shall be responsible for all charges for such monitoring system.

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6. All plumbing and electrical repairs within a unit shall be the responsibility of the owner of that unit and shall be paid for by such owner.

PETS

No animals, livestock, or poultry of any kind may be raised, bred or kept on any part of the Property, or Condominium except for small household pets permitted by the Declaration. Such may be kept by their respective owners only, in their respective units, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of or, in the sole discretion of the Board of Directors of the Association, unreasonably disturb the owner of any unit or any resident thereof. All pet owners shall be responsible for exercising such care and restraint as is necessary to prevent their pet from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions or other nuisance. No savage or dangerous animal shall be kept or permitted on the property or in any unit. No pets may be permitted to run loose upon the Common Elements and any unit owner who causes or permits any animal to be brought or kept upon the Condominium Property shall indemnify and hold harmless the Association for and from any loss, damage or liability which it sustains as a result of the presence of such animal upon the Condominium Property.

GENERAL

1. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; further, no use shall be made which would be in violation of any federal, state, county or municipal law, statute, ordinance, or administrative rule or regulation, or which would be injurious to the reputation of the condominium.

2. Unit Owners shall be held responsible for the actions of their children, guests, invitees and their pets.

3. The Association assumes no liability for nor shall it be liable for any loss or damage to articles left or stored in the Common Elements.

4. Sidewalks and entrances must not be obstructed and shall not be used for any purpose other than ingress, egress and regress to and from the premises.

5. The washing of cars or any other type vehicle on any part of the Condominium property is absolutely prohibited.

6. Major vehicle maintenance or repair is not permitted on any part of the Condominium Property.

7. No unit owners or residents shall direct, supervise or in any manner attempt to assert any control over any employees of the Association or the Managing Agent.

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8. In the event of a Management Agreement between the Association and a Managing Agent, routine enforcement of these rules and regulations shall be the responsibility of the Board of Directors and the Managing Agent and they shall have full responsibility to implement and apply the rules and regulations in accordance with established procedure.

9. Any consent or approval given under these community rules by the Board of Directors of the Association shall be revocable at any time.

10. Complaints regarding the service of the buildings and grounds or regarding actions of other owners shall be made in writing to the Board of Directors and sent to:

Board of Directors
Straus Ridge Association, Inc.
Post Office Box 307
Brevard, N.C. 28712

11. In the event a mechanical gate is constructed at the entrance to the property, the Declarant, JTD Development Company of Brevard, LLC, shall be entitled to control the opening, closing and operation of this gate at all times until all units in the Condominium have been constructed and conveyed to purchasers. This is so that JTD Development Company of Brevard, LLC, can provide access to the property for their agents, employees, servants, guests, invitees and contractors.

12. No gas or charcoal grills will be permitted under covered porches.

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EXHIBIT G

CAROLINA COMMUNITY BANK, a corporation organized and existing under the laws of the State of North Carolina, is the owner, and holder of that promissory note executed by JTD Development Company of Brevard, LLC, dated October 30, 1998, in the original amount of \$2,650,000.00 which note is secured by that deed of trust in favor of Carolina Community Bank dated October 30, 1998 recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Deed of Trust Book 289 at Page 553. As the holder of said promissory note and as the beneficiary in said Deed of Trust, Carolina Community Bank hereby consents to the terms and conditions of the foregoing Declaration of Condominium of Straus Ridge Condominium.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed in its corporate name by its duly authorized officers with its corporate seal hereunto affixed this the ____ day of June, 1999.

CAROLINA COMMUNITY BANK

By: _____

President



Asst. Secretary

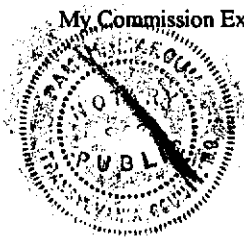
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of said County and State aforesaid, certify that Mary Lynn Manley personally appeared before me this day and acknowledged that she is Asst Secretary of CAROLINA COMMUNITY BANK, a corporation, and that by authority duly given and a the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Asst Secretary.

WITNESS my hand and official stamp or seal this the 10 day of June, 1999.

NOTARY PUBLIC

My Commission Expires: Nov. 8, 2000



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EXHIBIT H

DATA FOR RECORDED EASEMENTS, LICENSES AND OTHER
ENCUMBRANCES ON CONDOMINIUM

1. Extraterritorial use provisions and zoning ordinances of Brevard Township and all State and Federal Regulations.
2. The lien of taxes for the year 1999.
3. The right-of-way of Old Cottage Lane to its full and legal width and the rights of others to use said roadway.
4. Declaration of Covenants of Straus Park as amended which is recorded in the Transylvania County Registry and any Bylaws and Covenants attached thereto.
5. Deed of Trust from JTD Development Company of Brevard, LLC (Declarant) to Philip Carson, Trustee for Carolina Community Bank, dated October 30, 1998 and recorded in Deed of Trust Book 289 at Page 553 in the Transylvania County Registry, securing the sum of \$2,650,000.00.
6. Unrecorded easements for water, sewer, power, telephone and television as shown or referenced on the plat recorded in Plat File 8 at Slide 230.

Exhibit I

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CONDO CERTIFICATION

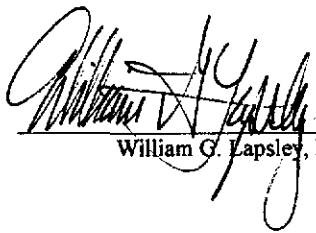
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

CERTIFICATE OF PROFESSIONAL ENGINEER

WILLIAM G. LAPSLEY, being duly sworn, deposes and says:

I certify that the plats and plans which are filed herewith the Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, JTD Development Company of Brevard, LLC are in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and contain all the information required. The undersigned is a Professional Engineer duly licensed by the State of North Carolina.

THIS the 17th day of June, 1999.


William G. Lapsley, P.E.

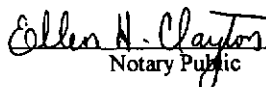


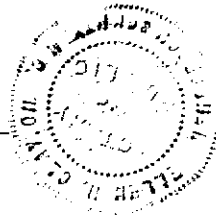
STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

Personally appeared before me this 17th day of June, 1999, *Professional Engineer, and acknowledged the due execution by him of the foregoing instrument.

Duly licensed under North Carolina General Statute 89-C.

WITNESS my hand and seal this 17th day of June, 1999.


Notary Public



My Commission Expires November 5, 2000

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CONDO CERTIFICATION

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA CERTIFICATE OF PROFESSIONAL ARCHITECT

DOUGLAS SHARP, being duly sworn, deposes and says:

The plans for Building No. 1 Units 101, 102, 103, 201, 202, 203, 301, 302 and 303 of the condominium project known as STRAUS RIDGE which are attached to this Declaration as Exhibit D and filed in the Office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, JTD Development Company of Brevard, LLC, a full copy of the plans of the building which show graphically particulars of the building including but not limited to, the layout, location, ceiling and floor elevations, dimensions of the unit, the number of the building and the area and location of the limited common areas. I certify that the plans are an accurate copy of a portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. The plans fully and accurately depict the layout, location, ceiling and floor elevations, unit number and dimensions of the unit as built in all material respects. This certificate is given under and in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and the plats and plans contain all the information required thereby. The undersigned is a Professional Architect duly licensed by the State of North Carolina.

THIS the 16 day of June, 1999.


DOUGLAS SHARP

STATE OF COLORADO
COUNTY OF EAGLE

Personally appeared before me this day Douglas Sharp

*Professional Architect, and acknowledged the due execution by him of the foregoing instrument.

Duly licensed under North Carolina General Statute 83-C.

WITNESS my hand and seal this 16 day of June, 1999.


Notary Public

My Commission Expires:



MY COMMISSION EXPIRES:
NOVEMBER 28, 2000

mail:
Prepared by and return to: Marjorie C. Redding, Adams, Hendon, Carson, Crow & Saenger, P.A.
Post Office Box 2714, Asheville, North Carolina 28802

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STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

This First Amendment to the Declaration of Condominium of Straus Ridge Condominium (sometimes hereinafter referred to as "First Amendment to Declaration") is made this 16th day of September, 1999 by JTD DEVELOPMENT COMPANY OF BREVARD, LLC ("Declarant"), a North Carolina limited liability company, pursuant to the provisions of Chapter 47C of the North Carolina General Statutes (the North Carolina Condominium Act, sometimes hereinafter referred to as the "Act") and to the provisions of the Declaration of Condominium of Straus Ridge Condominium.

WITNESSETH:

THAT WHEREAS, on the 17th day of June, 1999, Declarant executed a Declaration of Condominium of Straus Ridge Condominium which Declaration of Condominium was duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1 (the "Declaration"); and

WHEREAS, in the Declaration the Declarant reserved certain development rights which provide that Declarant may amend the Declaration for the purpose of adding additional real property and additional condominium units to the Condominium and expanding the Condominium; and

WHEREAS, Declarant desires to exercise its right to amend the Declaration and expand the Condominium by adding to the Condominium the real property described on Exhibit "A" attached hereto which real property is also shown on a plat entitled Straus Ridge Condominium and is designated as Phase Two (2), which plat is duly recorded in said Register's Office in Plat File B at Slide 30 and is referred to in Exhibit "B" attached hereto, which real property, includes nine (9) additional condominium units constructed thereon, together with supporting facilities, Common Elements and Limited Common Elements; and

WHEREAS, Declarant hereby exercises its right to amend the Declaration as provided for in the Declaration and in Chapter 47C of the North Carolina General Statutes to accomplish such expansion of the Condominium and to subject the real property described on Exhibit "A" attached hereto and the condominium units which are located thereon, to the Act and to the terms, conditions, restrictions and provisions of the Declaration; and

WHEREAS, the definition of words contained in Article I of Declaration shall apply to the words and terms used in this First Amendment to Declaration. The definitions set forth in said Article I of the Declaration are hereby incorporated herein by reference to the same extent as if set forth herein in their entirety.

This document has been re-revised to include
two previously omitted plat references on page 2.
Marjorie C. Redding

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NOW, THEREFORE, in consideration of the foregoing and pursuant to the provisions of Section 47C-2-105(a)(8) and Section 47C-2-110 of the North Carolina General Statutes and pursuant to the provisions of the Declaration wherein Declarant reserved certain development rights, the Declaration of Condominium of Straus Ridge Condominium as recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1, Declarant hereby declares as follows:

1. Declarant hereby certifies that it is the owner of the real property described on Exhibit "A" attached hereto which real property is also shown on plat entitled Straus Ridge Condominium recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 8 at Slide 377 reference to which is hereby made for purposes of further description. Said plat is one of two plats referred to in Exhibit "B" attached hereto. Said real property described on Exhibit "A" attached hereto, together with all buildings and improvements now or hereafter located thereon and all easements, rights, licenses and appurtenances thereunto appertaining, are hereby submitted to and made subject to the provisions of the Act and to the terms, provisions, restrictions and conditions of the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. The Declaration recorded in said Register's Office in said Condo Book 7 at Page 1, is hereby amended to add the real property described on Exhibit "A" attached hereto and the buildings and units located thereon to Straus Ridge Condominium created by said Declaration. Said real property described on Exhibit "A" attached hereto shall be known as Phase Two (2) of Straus Ridge Condominium, and upon the execution and recording of this First Amendment to Declaration said real property described on Exhibit "A" attached hereto, and the buildings and units located thereon shall become a part of Straus Ridge Condominium established by said Declaration recorded in said Register's Office Condo Book 7 at Page 1.

2. There has been constructed on the real property described on Exhibit "A" attached hereto one (1) three-story, nine-plex building which contains nine (9) units, three (3) units on the lower floor, three (3) units on the main floor and three (3) units on the upper floor.

3. The three-story, nine-plex building containing nine (9) units constructed on the real property described on Exhibit "A" attached hereto is a wood framed structure with an occupied full basement. The roof is a three-tab, twenty five (25) year shingle.

Declarant hereby certifies that the materials used in the construction of the building located on the real property described on Exhibit "A" attached hereto and the units located therein are substantially the same and are of comparable quality as those used in the buildings and units located in Phase One of Straus Ridge Condominium. Declarant further certifies that the architectural style of the building located on the real property described on Exhibit "A" attached hereto and the units located therein are substantially the same as all previously dedicated buildings and units.

4. The location of Phase Two (2) of the Condominium is as shown on said plat prepared by Hafler Land Surveying recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 8, at Slides 377, 378, which plat is referred to in Exhibit "B" attached hereto and made a part of this description by reference. Phase Two (2) of the

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Condominium is described graphically in the Plans for the building located in Phase Two (2) of the Condominium filed contemporaneously herewith and referred to in Exhibit "C" attached hereto and made a part of this description by reference. The Plat prepared by Hafler Land Surveying referred to in Exhibit "B" attached hereto and the Plans referred to in Exhibit "C" attached hereto show the particulars of each building and unit in Phase Two (2) of the Condominium including the location, layout, number of rooms, dimensions, elevations, area, building designations, unit numbers and the location of Common Elements affording access to each unit, reference to said Plat referred to in Exhibit "B" attached hereto and said Plans referred to in Exhibit "C" attached hereto being hereby made for purposes of additional description. Said Plat and Plans recorded simultaneously herewith and referred to in Exhibits "B" and "C" respectively are hereby incorporated as part of the Plats and Plans of the Condominium.

5. William G. Lapsley, an engineer registered under the provisions of Chapter 89C of the North Carolina General Statutes, by certificate attached hereto as Exhibit "D", certifies that the plans and drawings filed simultaneously herewith and referred to in Exhibit "C" attached hereto fully and accurately depict the layout, locations, ceiling and floor elevations, building and unit designations and dimensions of the buildings and units located in Phase Two (2) of the Condominium, as built; and that the Plats and Plans referred to in Exhibits "B" and "C" respectively contain all of the information required by North Carolina General Statutes Section 47C-2-109.

6. By the addition of the real property described on Exhibit "A" attached hereto to the Condominium additional Common Elements and Limited Common Element have been created and added to the Condominium. The Common Elements created and added to the Condominium by this First Amendment consist of all of the real property described on Exhibit "A" attached hereto and all improvements located thereon, other than the units, and shall include but not be limited to:

(a) the real property on which the buildings are located and all the real property surrounding the buildings which lies within the boundaries of the Property subject to the Declaration;

(b) all foundations, columns, girders, beams, supports and other structural members of all buildings;

(c) the exterior walls and roofs of all buildings;

(d) guttering, halls, corridors, attics, stairs, (except for those stairs and stairways which are Limited Common Elements as hereinafter set out) lobbies and fire escapes;

(e) all central and appurtenant installations wherever located, for services such as, but not limited to, power, lights, electricity, gas, water, cable television, plumbing, sewer, incinerating, and solid waste collection, (including all pumps, pipes, ducts, shafts, conduits, vents, wire, tubes, cables, motors, fans and compressors) designed and intended for common use;

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(f) any portion of the plumbing, electrical, gas, telephone, cable television, sewerage or other similar utility service or systems including, but not limited to, all water lines, electric wires and cables, telephone lines, television cables, gas lines, conduits, sewer pipes or lines and other similar apparatus, wherever located, which serves two or more units or any portion of the Common Elements;

(g) the yards, landscaping, trees, shrubs, vegetation, fences, non-public roads, driveways, parking areas, walks, retaining walls and all other maintenance and recreational areas;

(h) all other parts of the Property and all improvements located thereon not located within or being a part of a unit, and all apparatus and installations in the buildings or on the Property for the common use of the unit owners or necessary or convenient to the existence, maintenance and safety of the Condominium.

7. Certain portions of the Common Elements created by the addition of the real property described on Exhibit "A" attached hereto to the Condominium by virtue of this First Amendment are reserved for the use of a particular unit or units to the exclusion of all other units and as such are designated Limited Common Elements. The Limited Common Elements serving or designed to serve a particular unit or units are hereby reserved and allocated solely and exclusively to such unit or units. The Limited Common Elements appurtenant to each unit may not be reallocated. The location and dimensions of all Limited Common Elements created by this First Amendment are as shown on the Plat and Plans attached hereto as Exhibits "B" and "C" respectively. The Limited Common Elements and the units to which they are reserved and allocated are depicted on said Plat and Plans referred to in Exhibits "B" and "C" attached hereto and shall include:

(a) as shown on said Plans referred to in Exhibit "C" attached hereto each unit added to the Condominium by virtue of this First Amendment has one or more patios, porches, decks or balconies adjacent to such unit and interior access to which can be had only through such unit. Such patios, porches, decks or balconies are Limited Common Elements which Limited Common Elements are hereby allocated to the unit which affords interior access to such patios, porches, decks and balconies. The use of such patios, porches, decks and balconies shall be limited to the unit owner or occupant whose unit affords interior access to such patio, porch, deck or balcony;

(b) the steps, stoops and stairways which lead exclusively to one unit are Limited Common Elements allocated to such unit and as such are reserved for the exclusive use of the unit owner or occupant to whose unit such steps, stoops and stairways lead;

(c) as may be shown on said Plans referred to in Exhibit "C" attached hereto, there may be storage closets (mechanical rooms) located on or adjacent to some of the patios, porches, decks or balconies associated with the units as hereinabove described. These storage closets are Limited Common Elements and as such are allocated to and reserved for the exclusive use of the unit to which each such storage closet is associated and through which interior access to such storage closet may be had;

(d) any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or

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other similar utility service or system, including but not limited to, all water pipes, electric wires and cables, telephone lines and cables, television cables, conduits, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serve only one unit but is located outside the boundaries of that unit is a Limited Common Element allocated exclusively to the unit it serves. All exterior doors (but specifically not including any sliding glass doors) designed to serve a single unit but located outside that unit's boundaries are Limited Common Elements allocated exclusively to the unit such door is designed to serve;

(e) all areas designated on the Plat and Plans referred to in Exhibits "B" and "C" attached hereto as Limited Common Elements which Limited Common Elements are allocated as shown on said Plat and Plans.

8. No portion of the Common Elements may be conveyed or encumbered except with the unanimous consent in writing of all Unit Owners except such liens as may arise or be created against the several units and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the provisions of this Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

9. The allocations to each unit of a percentage of undivided interest in the Common Elements of the Condominium, votes in the Association and of a percentage of the Common Expenses of the Association are hereby reallocated as stated on Exhibit "E" attached hereto and incorporated herein by reference. Exhibit "E" attached to the Declaration recorded in the Office of the Register of Deeds Office for Transylvania County, North Carolina in Condo Book 7 at Page 1 is hereby declared to be null and void and is hereby deleted in its entirety and is replaced by Exhibit "E" attached hereto which is hereby substituted for said Exhibit "E" attached to the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. Declarant hereby certifies that this reallocation of the allocated interests has been done pursuant to the formula set out for such reallocation in the Declaration.

10. Declarant certifies that this amendment does not divest any unit owner of any portion of his dwelling unit and does not materially alter the plan of development set forth in the Declaration.

11. Each of the units created by this First Amendment to Declaration of Condominium of Straus Ridge Condominium are hereby assigned the unit number shown on the Plats and Plans referred to in Exhibits "B" and "C" respectively, attached hereto, which Plats and Plans show the location of each newly created unit and its unit number.

12. Exhibits "A", "B", "C", "D", "E" and "F" attached hereto are hereby incorporated herein by reference.

13. Pursuant to the rights and powers reserved by Declarant in the Declaration and the provisions of Chapter 47C of the North Carolina General Statutes (the Act) Declarant has executed this First Amendment to Declaration for and on behalf of Itself as Declarant; and Declarant, for and on behalf of itself and each and every unit owner, does hereby consent to the

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execution and recording of this First Amendment to Declaration and does hereby consent to any and all other acts necessary to give effect to this First Amendment.

This First Amendment is intended to dedicate and add additional real property to the Condominium pursuant to the provisions of the Declaration and the Act except as modified by this First Amendment, all of the terms, conditions, restrictions and provisions of the Declaration, as heretofore amended, are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this First Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed by its duly authorized members on the day and year first above written.

JTD Development Company of Brevard, LLC

By: John T. Dowden (Member-Manager)

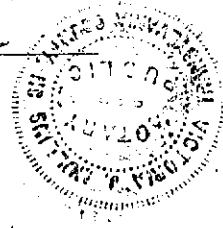
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JOHN T. DOWDEN personally came before me this day and acknowledged that he is Member-Manager of JTD Development Company of Brevard, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by JOHN T. DOWDEN as Member-Manager.

WITNESS my hand and official stamp or seal, this the 16 day of September, 1999.

Victoria J. Mullins
NOTARY PUBLIC

My Commission Expires: 6/24/2003



STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

Each of the foregoing certificates, namely of Victoria J. Mullins, a notary or Notaries public of the State and County designated is hereby certified to be correct. Filed for registration on this the 17 day of September, 1999, at 3:20 pm.

Vickie L Edwards
Register of Deeds, Transylvania County

By: Beth C Sales
Asst./Deputy/Register of Deeds

Filed for registration on the 2 day of Nov. 1999 at 9:05 o'clock A.M. and registered and verified on the 2 day of Nov. 1999 in Book No. 7 of page 85
Vickie L Edwards
Register of Deeds, Transylvania County

By: Cindy M. Dunskey, Asst.

Filed for registration on the 17 day of Sept 1999 at 3:20 o'clock P.M. and registered and verified on the 17 day of Sept 1999 in Book No. 7 of page 85
Vickie L Edwards
Register of Deeds, Transylvania County

By: Beth C Sales, Deputy

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EXHIBIT A

Being all of Phase Two (2), Straus Ridge, which is a portion of Lot 4 of Southern Knoll at Straus Park recorded in Plat File 7, Slides 795 through 797, more fully described as follows:

BEGINNING at a set rebar on the easterly right-of-way line of Straus Parkway, the southwesterly corner of Phase 1, Straus Ridge, said rebar being located South 21° 28' 34" West 71.63 feet from Control Monument "SKN4"; Thence along the southerly boundary of said Phase 1 the following five (5) calls, South 65° 29' 56" East for a distance of 113.87 feet; thence South 71° 54' 38" East for a distance of 45.90 feet; thence South 26° 35' 27" East for a distance of 18.50 feet; thence South 54° 26' 06" East for a distance of 27.14 feet; thence South 26° 35' 27" East for a distance of 18.00 feet to additional real property of Lot 4, Southern Knoll; thence along the boundary of said additional real property of Lot 4 the following fourteen (14) calls, South 63° 24' 33" West for a distance of 18.00 feet; thence North 26° 35' 27" West for a distance of 12.99 feet; thence along a curve to the left having a radius of 5.00 feet and an arc length of 7.78 feet, being subtended by a chord of North 71° 10' 10" West for a distance of 7.02 feet; thence along a curve to the left having a radius of 90.00 feet and an arc length of 53.54 feet, being subtended by a chord of South 47° 12' 34" West for a distance of 52.75 feet; thence along a curve to the left having a radius of 5.00 feet and an arc length of 8.35 feet, being subtended by a chord of South 17° 39' 57" East for a distance of 7.41 feet; thence South 65° 29' 56" East for a distance of 12.58 feet; thence South 24° 30' 04" West for a distance of 36.00 feet; thence North 65° 29' 56" West for a distance of 13.00 feet; thence along a curve to the left having a radius of 5.00 feet and an arc length of 7.85 feet, being subtended by a chord of South 69° 30' 04" West for a distance of 7.07 feet; thence South 24° 30' 04" West for a distance of 14.80 feet; thence along a curve to the left having a radius of 30.00 feet and an arc length of 7.37 feet, being subtended by a chord of South 17° 27' 49" West for a distance of 7.35 feet; thence North 78° 10' 53" West for a distance of 22.53 feet; thence South 85° 30' 01" West for a distance of 34.40 feet; thence North 65° 35' 16" West for a distance of 105.23 feet to a set rebar on the aforesaid easterly right-of-way line of Straus Parkway; thence along said easterly right-of-way line, North 21° 28' 24" East for a distance of 168.82 feet to the POINT AND PLACE OF BEGINNING; together with and subject to covenants, easements, and restrictions of record. Said property contains 0.656 acres more or less.

Reserving however, to the Declarant, JTD Development Company of Brevard, LLC, an unrestricted right of way for ingress, egress and regress to the adjoining property and to complete any improvements upon the adjoining property more particularly described on Exhibit B attached to the Declaration of Condominium of Straus Ridge condominium, including such a right of way over all roadways crossing said property known as Ridgetop Circle and as shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium, Phase One (1) dated June 10, 1999, and as further shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium Phase Two (2) dated September 3, 1999.

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EXHIBIT B

The plat of survey made by Hafler Land Surveying appears on two (2) sheets. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium Phase 2 dated September 3, 1999, which plat is duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 8 at Slide 377 shows the location of Phase One (1) and Phase Two (2) of Straus Ridge Condominium and shows all areas in which development rights have been reserved. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium Phase Two (2) dated September 3, 1999, which plat is duly recorded in said Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 8 at Slide 378 shows a detail map of Phase Two (2) of Straus Ridge Condominium showing the location of all units and buildings in Phase Two (2) of the Condominium. Both plats are recorded simultaneously herewith as a part of this First Amendment to Declaration of Condominium of Straus Ridge Condominium and as a part of the Plans filed in the Office of the Register of Deeds for Transylvania County for Straus Ridge Condominium referred to on Exhibit "C". Said plats are hereby incorporated herein by reference as though fully set out herein. A reference in this First Amendment to Declaration of Condominium of Straus Ridge Condominium shall be a reference to both of said plats recorded in Plat File 8 at Slide 377 and Plat File 8 at Slide 378.

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EXHIBIT C

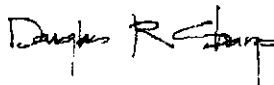
Being 8 pages of plans prepared by Bloodgood Sharp Buster, which plans are duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 8 at Slides 379, 380, 381, 382, 383, 384, 385 consisting of lower level floor plans, main level floor plans and upper level floor plans, front elevation and right side elevation for Building 2, all eight pages of which plans are marked Exhibit "C" and are duly recorded with the First Amendment to Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina.

CONDO CERTIFICATION

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIACERTIFICATE OF PROFESSIONAL ARCHITECT

Douglas Sharp, being duly sworn, deposes and says:

The plans for Building No. 2, Units 101,102,103,201,202,203,301,302 and 303 of the condominium project known as STRAUS RIDGE which are attached to this First Amendment to Declaration as Exhibit D and filed in the Office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, JTD Development Company of Brevard, LLC, a full copy of the plans of the building which show graphically particulars of the building including but not limited to, the layout, location, ceiling and floor elevations, dimensions of the units, the number of the building and the area and location of the limited common areas. I certify that the plans are an accurate copy of the portions of the plans of the building as filed with the approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. The plans fully and accurately depict the layout, location, ceiling and floor elevation, unit number and dimensions of the unit as built in all material respects. This certificate is given under and in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and the plans and plans contained all the information required thereby. The undersigned is a Professional Architect duly licensed by the State of North Carolina.

THIS the 17th day of September 1999.STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

Personally appeared before me this day Doug Sharp, Professional Architect, and acknowledged the due execution by him of the foregoing instrument.

Duly licensed under North Carolina General Statute 83-A.

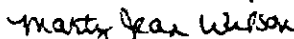
WITNESS my hand and seal this 17th Day of September 1999.Marty Jean Wilson
Commission # CC #42900
Expires June 3, 2003
Bonded Thru
Atlantic Bonding Co., Inc.
Notary PublicMy commission Expires: 6/3/03

Exhibit D

7/108

7/95

CONDO CERTIFICATION
PHASE TWO

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

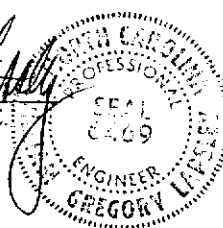
CERTIFICATE OF PROFESSIONAL ENGINEER

WILLIAM G. LAPSLEY, being duly sworn, deposes and says:

I certify that the plats and plans which are filed herewith the First Amendment to Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, JTD Development Company of Brevard, LLC are in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and contain all the information required. The undersigned is a Professional Engineer duly licensed by the State of North Carolina.

THIS the 17th day of September, 1999


William G. Lapsley, P.E.

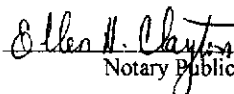


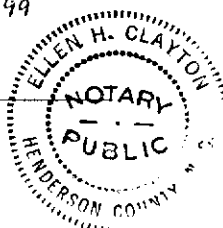
STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

Personally appeared before me this 17th day of September, 1999, *Professional Engineer, and acknowledged the due execution by him of the foregoing instrument.

Duly licensed under North Carolina General Statute 89-C.

WITNESS my hand and seal this 17th day of September, 1999


Notary Public



My Commission Expires Nov. 5, 2000

7/96

7/109

EXHIBIT E

ALLOCATION OF UNDIVIDED INTEREST
IN
COMMON ELEMENTS COMMON EXPENSES AND VOTES

Unit No.	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Votes in Association
PHASE ONE (1)			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One
PHASE TWO (2)			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One

EXHIBIT F

7/1/10 7/97

CAROLINA COMMUNITY BANK, a corporation organized and existing under the laws of the State of North Carolina, is the owner, and holder of that promissory note executed by JTD Development Company of Brevard, LLC, dated October 30, 1998, in the original amount of \$2,650,000.00 which note is secured by that deed of trust in favor of Carolina Community Bank dated October 30, 1998 recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Deed of Trust Book 289 at Page 553. As the holder of said promissory note and as the beneficiary in said deed of trust, Carolina Community Bank hereby consents to the terms and conditions of the foregoing Declaration of Condominium of Straus Ridge Condominium.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed in its corporate name by its duly authorized officers with its corporate seal hereunto affixed this the 15th day of September, 1999.

CAROLINA COMMUNITY BANK

By: [Signature]

President

ATTEST

[Signature]
Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of said County and State aforesaid, certify that Maura McCarthy personally appeared before me this day and acknowledged that she is Asst Secretary of CAROLINA COMMUNITY BANK, a corporation, and that by authority duly given and a the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Asst Secretary.

WITNESS my hand and official stamp or seal this the 15 day of, 1999.

[Signature]
NOTARY PUBLIC

My Commission Expires: My Commission Expires 05-03-2003

Book 7 p. 135

Prepared by and return to: Brian P. Philips, Brian P. Philips, P.A., P.O. Box 432, Brevard, NC 28712

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

SECOND AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

This Second Amendment to the Declaration of Condominium of Straus Ridge Condominium (sometimes hereinafter referred to as "Second Amendment to Declaration") is made this 11 day of January, ~~2000~~ by JTD DEVELOPMENT COMPANY OF BREVARD, LLC ("Declarant"), a North Carolina limited liability company, and BREVARD MAIN STREET PROPERTIES, LLC, MCKEE DEVELOPMENT, INC., A. WILLIAM MCKEE, JANET WELSH, EDWARD M. GLOVER, SHIRLEY S. GLOVER, DARNELL L. DOWDEN, SR., BETTY A. DOWDEN, ARTHUR G. FISHER, JILL ALICIA FINK, LUCILLE M. REESE, JOYCE M. HYOTLAINE, Trustee, WILLIAM KENNETH HYOTLAINE, Trustee, CHARLES H. JARBOE and NANCY J. JARBOE ("Straus Ridge Condominium unit owners").

WITNESSETH:

THAT WHEREAS, on the 17th day of June, 1999, Declarant executed a Declaration of Condominium of Straus Ridge Condominium which Declaration of Condominium was duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1(the "Declaration"); and

WHEREAS, on the 16th day of September, 1999, Declarant executed a First Amendment to Declaration of Condominium of Straus Ridge Condominium which First Amendment to Declaration of Condominium was duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 85 and re-recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at page 98; and

WHEREAS, Article III, Section 3.3 of the Declaration states that the Declarant may increase the size of the Condominium units up to 1800 heated square feet; and

WHEREAS, Declarant and Straus Ridge Condominium unit owners desire to amend the Declaration; and

WHEREAS, the definition of words contained in Article I of Declaration shall apply to the words and terms used in this Second Amendment to Declaration. The definitions set forth in said Article I of the Declaration are hereby incorporated herein by reference to the same extent as if set forth herein in their entirety.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration the Declaration shall be amended as follows:

1. The last sentence of Article III, Section 3.4 which states "Declarant may increase the size of the units up to 1800 heated square feet" is hereby deleted and revoked and the following sentence shall be placed in its stead:

"Declarant may increase the size of the units up to 2200 heated square feet."

2. All other terms, conditions, restrictions and provisions of the Declaration, as heretofore amended, are hereby expressly ratified and confirmed and shall remain in full force and effect.

*This Second Amendment shall be executed in separate counterparts which shall be attached together for recordation.

Book 7 Page 136

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

JTD DEVELOPMENT COMPANY OF BREVARD, LLC

By: John T. Dowden (SEAL)
John T. Dowden, Member-Manager

BREVARD MAIN STREET PROPERTIES, LLC

By: David Neumann (SEAL)
David Neumann, Member-Manager

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JOHN T. DOWDEN personally came before me this day and acknowledged that he is a Member-Manager of JTD Development Company of Brevard, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by JOHN T. DOWDEN as Member-Manager.

WITNESS my hand and official stamp or seal, this the 18 day of JANUARY, 2000.

Victoria G. Mullins
NOTARY PUBLIC

My Commission Expires: June 24, 2003

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that DAVID NEUMANN personally came before me this day and acknowledged that he is a Member-Manager of BREVARD MAIN STREET PROPERTIES, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by DAVID NEUMANN as Member-Manager.

WITNESS my hand and official stamp or seal, this the 18 day of JANUARY, 2000.

Victoria G. Mullins
NOTARY PUBLIC

My Commission Expires: June 24, 2003

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate

of

Victoria J. Mullins, Susan Hamilton, Katrina C. Posey, Julie Hall, Theresa Lamb, Marian D. Clements, Janet L. Pearson, Ellen M. Watson

Notar(y) (ies) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 7, Page 135.

This 2 day of April, 2001, at 2:00 o'clock P.M.

Vickie L. Edwards
Register of Deeds
By: Beth C. Sales
Deputy Register of Deeds

book 7 page 137

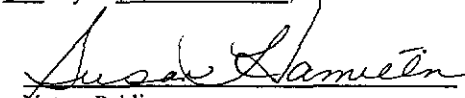
IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium Unit owners have caused this Second Amendment to the Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

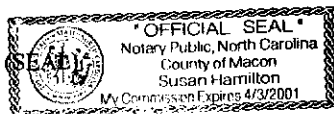
 (SEAL)
A. WILLIAM McKEE

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

I, SUSAN HAMILTON, a Notary Public of the County and State aforesaid, certify that A. WILLIAM McKEE, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this the 20th day of NOVEMBER, 2000.


Notary Public



My Commission Expires:

4-3-2001

Book 7 Page 138

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium Unit owners have caused this Second Amendment to the Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.



McKEE DEVELOPMENT, INC.

By: [Signature]
President

ATTEST:

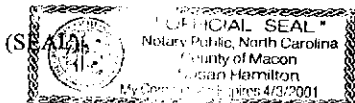
[Signature]
Secretary

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

I, SUSAN HAMILTON, a Notary Public, certify that J. EDWIN HENSON personally appeared before me this day who, by me being first duly sworn, says that he is the _____ Secretary of McKEE DEVELOPMENT, INC., and that the foregoing instrument was signed in its name by its President, sealed with its SEAL and attested by me as its _____ Secretary by authority duly given so that the time is the act and deed thereof.

Witness my hand and official stamp or seal this the 20th day of NOVEMBER, 2000.

[Signature]
Notary Public



My Commission Expires:

4-3-2001

BOOK 7 Page 139

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Janet Welsh (SEAL)
JANET WELSH

STATE OF Pennsylvania
COUNTY OF Delaware

I, a Notary Public of the County and State aforesaid, certify that JANET WELSH personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 11th day of January

Katrina C. Posey
NOTARY PUBLIC

Katrina C. Posey
Commission Expires 11/28/2002
Commissioner of Deeds
Commonwealth of Pennsylvania
Office Seal

Book 7 Page 140

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Edward M. Glover (SEAL)
EDWARD M. GLOVER

Shirley S. Glover (SEAL)
SHIRLEY S. GLOVER

STATE OF South Carolina
COUNTY OF Beaufort

I, a Notary Public of the County and State aforesaid, certify that EDWARD M. GLOVER personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 12th day of January, 2000.

My Commission Expires
January 14th, 2008

Julie C. Hale
NOTARY PUBLIC

My Commission Expires: _____

STATE OF South Carolina
COUNTY OF Beaufort

I, a Notary Public of the County and State aforesaid, certify that SHIRLEY S. GLOVER personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 12th day of January, 2000.

My Commission Expires
January 14th, 2008

Julie C. Hale
NOTARY PUBLIC

My Commission Expires: _____

BOOK 7 Page 141

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Darnell L. Dowden, Sr. (SEAL)
DARNELL L. DOWDEN, SR.

Betty A. Dowden (SEAL)
BETTY A. DOWDEN

STATE OF Tennessee
COUNTY OF Shelby

I, a Notary Public of the County and State aforesaid, certify that DARNELL L. DOWDEN, SR. personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 12th day of January, 2000

Sheresa Lamb
NOTARY PUBLIC

My Commission Expires: My Commission Expires April 1, 2000

STATE OF Tennessee
COUNTY OF Shelby

I, a Notary Public of the County and State aforesaid, certify that BETTY A. DOWDEN personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 12th day of January, 2000

Sheresa Lamb
NOTARY PUBLIC

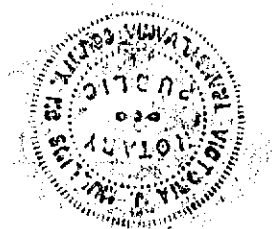
My Commission Expires: My Commission Expires April 1, 2000

BOOK 7 Page 142

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Arthur G. Fisher (SEAL)
ARTHUR G. FISHER

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA



I, a Notary Public of the County and State aforesaid, certify that ARTHUR G. FISHER personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 18 day of JANUARY, 2000

Victoria J. Mullins
NOTARY PUBLIC

My Commission Expires: JUNE 24, 2003

Book 7 Page 143

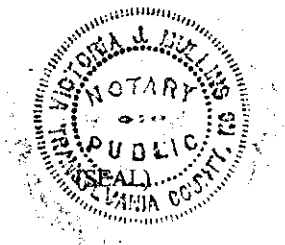
IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium Unit owners have caused this Second Amendment to the Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written

Jill Alicia Fink (SEAL)
JILL ALICIA FINK

STATE OF North Carolina
COUNTY OF Transylvania

I, Victoria J. Mullins, a Notary Public of the County and State aforesaid, certify that JILL ALICIA FINK, Trustee, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this the 17 day of January, 2000.



Victoria J. Mullins
Notary Public

My Commission Expires:

June 24, 2003

Book 7 Page 144

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Lucille M. Reese (SEAL)
LUCILLE M. REESE

STATE OF FLORIDA
COUNTY OF BOYD MARTIN

I, a Notary Public of the County and State aforesaid, certify that LUCILLE M. REESE personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 19 day of JANUARY, 2000.

Marian D Clements
NOTARY PUBLIC MARIAN D. CLEMENTS

My Commission Expires: 9/17/2000



Marian D Clements
My Commission CC585669
Expires Sep. 17, 2000

BOOK 7 Page 145

IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Joyce M. Hyotlaine (SEAL)
JOYCE M. HYOTLAINE, Trustee of the
Joyce M. Hyolaine Trust U/A dated May 8,
1989.

William Kenneth Hyotlaine (SEAL)
WILLIAM KENNETH HYOTLAINE,
Trustee of the William Kenneth Hyotlaine
Trust U/A dated May 8, 1989.

STATE OF Florida
COUNTY OF Martin

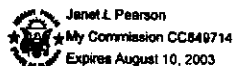
I, a Notary Public of the County and State aforesaid, certify that JOYCE M. HYOTLAINE, Trustee, personally appeared before me this day and acknowledged the execution of the foregoing instrument as Trustee of the Joyce M. Hyotlaine Trust U/A dated May 8, 1989.

Witness my hand and official stamp or seal this the 13 day of January, 2000

Janet L. Pearson
NOTARY PUBLIC

My Commission Expires Aug 10, 2003

STATE OF Florida
COUNTY OF Martin

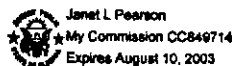


I, a Notary Public of the County and State aforesaid, certify that WILLIAM KENNETH HYOTLAINE, Trustee, personally appeared before me this day and acknowledged the execution of the foregoing instrument as Trustee of the William Kenneth Hyotlaine Trust U/A dated May 8, 1989.

Witness my hand and official stamp or seal this the 13 day of January, 2000

Janet L. Pearson
NOTARY PUBLIC

My Commission Expires Aug 10, 2003



BOOK 7 Page 146

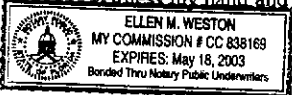
IN WITNESS WHEREOF, the Declarant and Straus Ridge Condominium unit owners have caused this Second Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed on the day and year first above written.

Charles H Jarboe (SEAL)
CHARLES H. JARBOE

Nancy J Jarboe (SEAL)
NANCY J. JARBOE

STATE OF Florida
COUNTY OF Lee


I, a Notary Public of the County and State aforesaid, certify that CHARLES H. JARBOE personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 11 day of January, 2000

Ellen M. Weston
NOTARY PUBLIC

My Commission Expires: 5-18-03

STATE OF FL
COUNTY OF Lee

I, a Notary Public of the County and State aforesaid, certify that NANCY J. JARBOE personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this the 11 day of January, 2000

Ellen M. Weston
NOTARY PUBLIC

My Commission Expires: 5-18-03



Book 7 Page 149

Prepared by and return to:

Brian P. Philips, Attorney-at-Law, Brian P.
Philips, P.A. P.O. Box 432, Brevard, North
Carolina 28712

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

THIRD AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

This Third Amendment to the Declaration of Condominium of Straus Ridge Condominium (sometimes hereinafter referred to as "Third Amendment to Declaration") is made this 1st day of April, 2001 by JTD DEVELOPMENT COMPANY OF BREVARD, LLC ("Declarant"), a North Carolina limited liability company, pursuant to the provisions of Chapter 47C of the North Carolina General Statutes (the North Carolina Condominium Act, sometimes hereinafter referred to as the "Act") and to the provisions of the Declaration of Condominium of Straus Ridge Condominium.

W I T N E S S E T H:

THAT WHEREAS, on the 17th day of June, 1999, Declarant executed a Declaration of Condominium of Straus Ridge Condominium which Declaration of Condominium was duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1(the "Declaration"); and

WHEREAS, in the Declaration the Declarant reserved certain development rights which provide that Declarant may amend the Declaration for the purpose of adding additional real property and additional condominium units to the Condominium and expanding the Condominium; and

WHEREAS, Declarant desires to exercise its right to amend the Declaration and expand the Condominium by adding to the Condominium the real property described on Exhibit "A" attached hereto which real property is also shown on a plat entitled Straus Ridge Condominium and is designated as Phase Three (3), which plat is duly recorded in said Register's Office in Plat File 9 at Slide 126 and is referred to in Exhibit "B" attached hereto, which real property, includes five (5) additional condominium units constructed thereon, together with supporting facilities, Common Elements and Limited Common Elements; and

Book 7 Pg 150

WHEREAS, Declarant hereby exercises its right to amend the Declaration as provided for in the Declaration and in Chapter 47C of the North Carolina General Statutes to accomplish such expansion of the Condominium and to subject the real property described on Exhibit "A" attached hereto and the condominium units which are located thereon, to the Act and to the terms, conditions, restrictions and provisions of the Declaration; and

WHEREAS, the definition of words contained in Article I of Declaration shall apply to the words and terms used in this First Amendment to Declaration. The definitions set forth in said Article I of the Declaration are hereby incorporated herein by reference to the same extent as if set forth herein in their entirety.

NOW, THEREFORE, in consideration of the foregoing and pursuant to the provisions of Section 47C-2-105(a)(8) and Section 47C-2-110 of the North Carolina General Statutes and pursuant to the provisions of the Declaration wherein Declarant reserved certain development rights, the Declaration of Condominium of Straus Ridge Condominium as recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1, Declarant hereby declares as follows:

1. Declarant hereby certifies that it is the owner of the real property described on Exhibit "A" attached hereto which real property is also shown on plat entitled Straus Ridge Condominium recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 9 at Slides 125 and 126, reference to which is hereby made for purposes of further description. Said plat is one of two plats referred to in Exhibit "B" attached hereto. Said real property described on Exhibit "A" attached hereto, together with all buildings and improvements now or hereafter located thereon and all easements, rights, licenses and appurtenances thereunto appertaining, are hereby submitted to and made subject to the provisions of the Act and to the terms, provisions, restrictions and conditions of the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. The Declaration recorded in said Register's Office in said Condo Book 7 at Page 1, is hereby amended to add the real property described on Exhibit "A" attached hereto and the buildings and units located thereon to Straus Ridge Condominium created by said Declaration. Said real property described on Exhibit "A" attached hereto shall be known as Phase Three (3) of Straus Ridge Condominium, and upon the execution and recording of this Third Amendment to Declaration said real property described on Exhibit "A" attached hereto, and the buildings and units located thereon shall become a part of Straus Ridge Condominium established by said Declaration recorded in said Register's

Book 7 Page 157

Office Condo Book 7 at Page 1.

2. There has been constructed on the real property described on Exhibit "A" attached hereto one (1) two-story, five-plex building which contains five (5) units, two (2) units on the lower floor, three (3) units on the main floor.

3. The two-story, five-plex building containing five (5) units constructed on the real property described on Exhibit "A" attached hereto is a wood framed structure with an occupied full basement. The roof is a three-tab, twenty five (25) year shingle.

Declarant hereby certifies that the materials used in the construction of the building located on the real property described on Exhibit "A" attached hereto and the units located therein are substantially the same and are of comparable quality as those used in the buildings and units located in Phase One of Straus Ridge Condominium. Declarant further certifies that the architectural style of the building located on the real property described on Exhibit "A" attached hereto and the units located therein are substantially the same as all previously dedicated buildings and units.

4. The location of Phase Three (3) of the Condominium is as shown on said plat prepared by Hafler Land Surveying recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 9, at Slides 125 and 126, which plat is referred to in Exhibit "B" attached hereto and made a part of this description by reference. Phase Three (3) of the Condominium is described graphically in the Plans for the building located in Phase Three (3) of the Condominium filed contemporaneously herewith and referred to in Exhibit "C" attached hereto and made a part of this description by reference. The Plat prepared by Hafler Land Surveying referred to in Exhibit "B" attached hereto and the Plans referred to in Exhibit "C" attached hereto show the particulars of each building and unit in Phase Three (3) of the Condominium including the location, layout, number of rooms, dimensions, elevations, area, building designations, unit numbers and the location of Common Elements affording access to each unit, reference to said Plat referred to in Exhibit "B" attached hereto and said Plans referred to in Exhibit "C" attached hereto being hereby made for purposes of additional description. Said Plat and Plans recorded simultaneously herewith and referred to in Exhibits "B" and "C" respectively are hereby incorporated as part of the Plats and Plans of the Condominium.

5. William G. Lapsley, an engineer registered under the

Book 1 Page 152

provisions of Chapter 89C of the North Carolina General Statutes, by certificate attached hereto as Exhibit "D", certifies that the plans and drawings filed simultaneously herewith and referred to in Exhibit "C" attached hereto fully and accurately depict the layout, locations, ceiling and floor elevations, building and unit designations and dimensions of the buildings and units located in Phase Three (3) of the Condominium, as built; and that the Plats and Plans referred to in Exhibits "B" and "C" respectively contain all of the information required by North Carolina General Statutes Section 47C-2-109.

6. By the addition of the real property described on Exhibit "A" attached hereto to the Condominium additional Common Elements and Limited Common Element have been created and added to the Condominium. The Common Elements created and added to the Condominium by this First Amendment consist of all of the real property described on Exhibit "A" attached hereto and all improvements located thereon, other than the units, and shall include but not be limited to:

(a) the real property on which the buildings are located and all the real property surrounding the buildings which lies within the boundaries of the Property subject to the Declaration;

(b) all foundations, columns, girders, beams, supports and other structural members of all buildings;

(c) the exterior walls and roofs of all buildings;

(d) guttering, halls, corridors, attics, stairs, (except for those stairs and stairways which are Limited Common Elements as hereinafter set out) lobbies and fire escapes;

(e) all central and appurtenant installations wherever located, for services such as, but not limited to, power, lights, electricity, gas, water, cable television, plumbing, sewer, incinerating, and solid waste collection, (including all pumps, pipes, ducts, shafts, conduits, vents, wire, tubes, cables, motors, fans and compressors) designed and intended for common use;

(f) any portion of the plumbing, electrical, gas, telephone, cable television, sewerage or other similar utility service or systems including, but not limited to, all water lines, electric wires and cables, telephone lines, television cables, gas lines, conduits, sewer pipes or lines and other similar apparatus, wherever located, which serves two or more units or any portion of the Common Elements;

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(g) the yards, landscaping, trees, shrubs, vegetation, fences, non-public roads, driveways, parking areas, walks, retaining walls and all other maintenance and recreational areas;

(h) all other parts of the Property and all improvements located thereon not located within or being a part of a unit, and all apparatus and installations in the buildings or on the Property for the common use of the unit owners or necessary or convenient to the existence, maintenance and safety of the Condominium.

7. Certain portions of the Common Elements created by the addition of the real property described on Exhibit "A" attached hereto to the Condominium by virtue of this First Amendment are reserved for the use of a particular unit or units to the exclusion of all other units and as such are designated Limited Common Elements. The Limited Common Elements serving or designed to serve a particular unit or units are hereby reserved and allocated solely and exclusively to such unit or units. The Limited Common Elements appurtenant to each unit may not be reallocated. The location and dimensions of all Limited Common Elements created by this First Amendment are as shown on the Plat and Plans attached hereto as Exhibits "B" and "C" respectively. The Limited Common Elements and the units to which they are reserved and allocated are depicted on said Plat and Plans referred to in Exhibits "B" and "C" attached hereto and shall include:

(a) as shown on said Plans referred to in Exhibit "C" attached hereto each unit added to the Condominium by virtue of this First Amendment has one or more patios, porches, decks or balconies adjacent to such unit and interior access to which can be had only through such unit. Such patios, porches, decks or balconies are Limited Common Elements which Limited Common Elements are hereby allocated to the unit which affords interior access to such patios, porches, decks and balconies. The use of such patios, porches, decks and balconies shall be limited to the unit owner or occupant whose unit affords interior access to such patio, porch, deck or balcony;

(b) the steps, stoops and stairways which lead exclusively to one unit are Limited Common Elements allocated to such unit and as such are reserved for the exclusive use of the unit owner or occupant to whose unit such steps, stoops and stairways lead;

(c) as may be shown on said Plans referred to in Exhibit "C" attached hereto, there may be storage closets (mechanical rooms) located on or adjacent to some of the patios, porches, decks or balconies associated with the units as hereinabove

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described. These storage closets are Limited Common Elements and as such are allocated to and reserved for the exclusive use of the unit to which each such storage closet is associated and through which interior access to such storage closet may be had;

(d) any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including but not limited to, all water pipes, electric wires and cables, telephone lines and cables, television cables, conduits, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serve only one unit but is located outside the boundaries of that unit is a Limited Common Element allocated exclusively to the unit it serves. All exterior doors (but specifically not including any sliding glass doors) designed to serve a single unit but located outside that unit's boundaries are Limited Common Elements allocated exclusively to the unit such door is designed to serve;

(e) all areas designated on the Plat and Plans referred to in Exhibits "B" and "C" attached hereto as Limited Common Elements which Limited Common Elements are allocated as shown on said Plat and Plans.

8. No portion of the Common Elements may be conveyed or encumbered except with the unanimous consent in writing of all Unit Owners except such liens as may arise or be created against the several units and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the provisions of this Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

9. The allocations to each unit of a percentage of undivided interest in the Common Elements of the Condominium, votes in the Association and of a percentage of the Common Expenses of the Association are hereby reallocated as stated on Exhibit "E" attached hereto and incorporated herein by reference. Exhibit "E" attached to the Declaration recorded in the Office of the Register of Deeds Office for Transylvania County, North Carolina in Condo Book 7 at Page 1 is hereby declared to be null and void and Exhibit "E" attached to the First Amendment to the Declaration of Condominium is hereby deleted in its entirety and is replaced by Exhibit "E" attached hereto which is hereby substituted for said Exhibit "E" attached to the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. Declarant hereby certifies that this reallocation of the allocated interests has been done

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pursuant to the formula set out for such reallocation in the Declaration.

10. Declarant certifies that this amendment does not divest any unit owner of any portion of his dwelling unit and does not materially alter the plan of development set forth in the Declaration.

11. Each of the units created by this First Amendment to Declaration of Condominium of Straus Ridge Condominium are hereby assigned the unit number shown on the Plats and Plans referred to in Exhibits "B" and "C" respectively, attached hereto, which Plats and Plans show the location of each newly created unit and its unit number.

12. Exhibits "A", "B", "C", "D", "E" and "F" attached hereto are hereby incorporated herein by reference.

13. Pursuant to the rights and powers reserved by Declarant in the Declaration and the provisions of Chapter 47C of the North Carolina General Statutes (the Act) Declarant has executed this Third Amendment to Declaration for and on behalf of Itself as Declarant; and Declarant, for and on behalf of itself and each and every unit owner, does hereby consent to the execution and recording of this Third Amendment to Declaration and does hereby consent to any and all other acts necessary to give effect to this First Amendment.

This Third Amendment is intended to dedicate and add additional real property to the Condominium pursuant to the provisions of the Declaration and the Act except as modified by this Third Amendment, all of the terms, conditions, restrictions and provisions of the Declaration, as heretofore amended, are hereby expressly ratified and confirmed and shall remain in full force and effect.

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IN WITNESS WHEREOF, Declarant has caused this Third Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed by its duly authorized members on the day and year first above written.

JTD Development Company of Brevard, LLC

By: John T. Dowden
John T. Dowden, Member-Manager

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Sue A. Green
a Notary Public of the County and State aforesaid, certify that JOHN T. DOWDEN personally came before me this day and acknowledged that he is Member-Manager of JTD Development Company of Brevard, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by JOHN T. DOWDEN as Member-Manager.

WITNESS my hand and official stamp or seal, this the 3rd day of April, 2001.

Sue A. Green
NOTARY PUBLIC

My Commission Expires: September 3, 2002

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

Each of the foregoing certificates, namely of Sue A. Green, a notary or Notaries public of the State and County designated is hereby certified to be correct. Filed for registration on this the 3 day of April, 2001, at 2:00 p. m.

Vickie L Edwards
Register of Deeds,
Transylvania County

By: Beth C Sales
Asst./Deputy/Register of Deeds

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EXHIBIT A

BEING all of Phase 3, Straus Ridge which is a portion of Lot 4 of the plat of Southern Knoll at Straus Park, said plat being recorded in Plat File 7, Slides 795 through 797, Phase 3 being more fully described as follows:

BEGINNING at a concrete monument designated Control Corner "SKN3" on the aforesaid plat, said monument located on the easterly right-of-way line of Straus Parkway (formerly Camp Straus Road); THENCE along said easterly right-of-way line, North 21 degrees 28 minutes 34 seconds East a distance of 53.14 feet; THENCE leaving said right-of-way line, South 65 degrees 35 minutes 16 seconds East a distance of 105.24 feet; THENCE North 85 degrees 30 minutes 01 seconds East a distance of 34.40 feet; THENCE crossing a common access drive, South 78 degrees 10 minutes 53 seconds East a distance of 23.47 feet to a point on the east side of said drive; THENCE following along the easterly side of said drive the following three (3) courses, South 04 degrees 57 minutes 25 seconds East a distance of 18.94 feet to a point of curvature; THENCE along a curve to the left having a radius of 36.00 feet and an arc length of 24.78 feet, being subtended by a chord of South 24 degrees 40 minutes 37 seconds East a distance of 24.29 feet to a point of tangency; THENCE South 44 degrees 23 minutes 50 seconds East a distance of 5.32 feet; THENCE leaving the east side of the aforesaid drive, North 45 degrees 36 minutes 10 seconds East a distance of 6.31 feet; THENCE South 44 degrees 51 minutes 20 seconds East a distance of 12.39 feet; THENCE North 49 degrees 58 minutes 24 seconds East a distance of 10.67 feet to the northeast corner of a parking area; THENCE along the easterly line of the parking area and a southeasterly extension thereof, South 45 degrees 22 minutes 50 seconds East a distance of 81.99 feet; THENCE South 39 degrees 01 minutes 45 seconds West a distance of 169.91 feet to a point of the aforesaid easterly right-of-way line of Straus Parkway; THENCE along said easterly right-of-way line the following five (5) courses, North 56 degrees 45 minutes 47 seconds West a distance of 121.17 feet to a point of curvature; THENCE along a curve to the right having a radius of 215.00 feet and an arc length of 79.36 feet, being subtended by a chord of North 46 degrees 11 minutes 21 seconds West a distance of 78.91 feet to a point of compound curvature; THENCE along a curve to the right having a radius of 61.17 feet and an arc length of 38.28 feet, being subtended by a chord of North 17 degrees 41 minutes 16 seconds West a distance of 37.66 feet to a

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point of compound curvature; THENCE along a curve to the right having a radius of 322.85 feet and an arc length of 63.11 feet, being subtended by a chord of North 05 degrees 50 minutes 23 seconds East a distance of 63.01 feet to a point of compound curvature; THENCE along a curve to the right having a radius of 50.00 feet and an arc length of 8.76 feet, being subtended by a chord of North 16 degrees 27 minutes 28 seconds East a distance of 8.75 feet to the point and place of BEGINNING. Containing 1.012 acres, more or less.

Together with and subject to covenants, easements, right-of-ways and restrictions of record.

Reserving however, to the Declarant JTD Development Company of Brevard, LLC, an unrestricted right-of-way for ingress, egress and regress to the adjoining property and to complete any improvements upon the adjoining property more particularly described on Exhibit "B" attached to the Third Amendment to the Declaration of Condominium of Straus Ridge Condominium, including such right-of-way over all roadways crossing said property known as Ridgetop Circle and as shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium, Phase One (1) dated June 10, 1999, and as further shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium Phase Two dated September 3, 1999 and as further shown on the plat prepared by Hafler Land Surveying entitled Straus Ridge Condominium Phase Three dated February 2, 2001.

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EXHIBIT B

The plat of survey made by Hafler Land Surveying appears on two (2) sheets. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium Phase (3) dated February 2, 2001, which plat is duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 9 at Slide 125 shows the location of Phase One (1), Phase Two (2) and Phase Three (3) of Straus Ridge Condominium and shows all areas in which development rights have been reserved. That plat made by Hafler Land Surveying entitled Straus Ridge Condominium Phase Three dated February 2, 2001, which plat is duly recorded in said Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 9 at Slide 126 shows a detail map of Phase Three (3) of Straus Ridge Condominium showing the location of all units and buildings in Phase Three (3) of the Condominium. Both plats are recorded simultaneously herewith as a part of this Third Amendment to Declaration of Condominium of Straus Ridge Condominium and as a part of the Plans filed in the Office of the Register of Deeds for Transylvania County for Straus Ridge Condominium referred to on Exhibit "C". Said plats are hereby incorporated herein by reference as though fully set out herein. A reference in this Third Amendment to Declaration of Condominium of Straus Ridge Condominium shall be a reference to both of said plats recorded in Plat File 9 at Slide 125 and Plat File 9 at Slide 126.

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EXHIBIT C

Being four (4) pages of plans prepared by William P. Lapsley & Associates, P.A., which plans are duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 9 at Slides 137, 138, 139 and 140 consisting of lower level floor plans, main level floor plans, front elevation and right side elevation for Building 3, all four (4) pages of which plans are marked Exhibit "C" and are duly recorded with the Third Amendment to Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina.

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EXHIBIT "D"

CONDO CERTIFICATION

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

CERTIFICATE OF PROFESSIONAL ENGINEER

WILLIAM G. LAPSLEY, being duly sworn, deposes and says:

The plans for Building No.3 of the condominium project known as Straus Ridge Condominium Village - Phase 3, which are attached hereto and made a part hereof by reference and are filed with the Declaration Creating Unit Ownership for Units 101, 102, 201, 202 & 203 in the office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, JTD Development of Brevard, LLC, are a full and exact copy of the plans of „the building which show graphically all particulars of the building, including, but not limited to, the layout, location, ceiling and floor elevations, unit number and dimensions of „the unit, the numbers of the building and the area and location of the common areas and facilities affording access to the unit. I certify that the plans are an accurate copy of the portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. The plans fully and accurately depict the layout, location, ceiling and floor elevations, unit number and dimensions of the unit as built. This certificate is given under and in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and the plats and plans contain all the information required thereby. The undersigned is a Professional Engineer duly licensed by the State of North Carolina.

This 30th day of March, 2001



William G. Lapsley, P.E.

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

Personally appeared before me this day WILLIAM G. LAPSLEY, *Professional Engineer, and acknowledged the due execution by him of the foregoing instrument.

*Duly licensed under North Carolina General Statute 89-C.

WITNESS my hand and seal this 30th day of March, 2001



NOTARY PUBLIC

My Commission Expires: 8/20/05

Joyce M. Granere

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EXHIBIT E
ALLOCATION OF UNDIVIDED INTEREST
IN
COMMON ELEMENTS COMMON EXPENSES AND VOTES

Unit	Percentage of Undivided	Percentage of	Vot
No.	Interest in	Common Expenses	es
	Common Elements		in
			Ass
			oci
			ati
			on
<u>PHASE ONE (1)</u>			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One
<u>PHASE TWO (2)</u>			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One
<u>PHASE THREE (3)</u>			
101	4.64%	4.64%	One
102	3.55%	3.55%	One
201	4.57%	4.57%	One
202	5.06%	5.06%	One
203	4.08%	4.08%	One

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EXHIBIT "F"

CAROLINA COMMUNITY BANK, a corporation organized and existing under the laws of the State of North Carolina, is the owner, and holder of that promissory note executed by JTD Development Company of Brevard, LLC, dated October 30, 1998, in the original amount of \$2,650,000.00 which note is secured by that deed of trust in favor of Carolina Community Bank dated October 30, 1998 recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Deed of Trust Book 289 at Page 553. As the holder of said promissory note and as the beneficiary in said deed of trust, Carolina Community Bank hereby consents to the terms and conditions of the foregoing Declaration of Condominium of Straus Ridge Condominium.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed in its corporate name by its duly authorized officers with its corporate seal hereunto affixed this the 9 day of April, 2001.

CAROLINA COMMUNITY BANK

[Signature]
Vice President

ATTEST:

[Signature]
Asst. Secretary

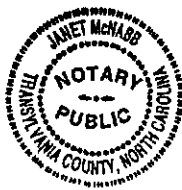
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Janet McNamee a Notary Public of said County and State aforesaid, certify that Mary Lynn Marley personally appeared before me this day and acknowledged that she is Asst. Secretary of CAROLINA COMMUNITY BANK, a corporation, and that by authority duly given and a the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Asst. Secretary.

WITNESS my hand and official stamp or seal this the 3rd day of April, 2001.

Janet McNamee
NOTARY PUBLIC

My Commission Expires: 9-25-02



2006004964

TRANSYLVANIA CO, NC FEE \$170.00

PRESENTED & RECORDED:

06-14-2006 11:27:34 AM

CINDY M OWNBEY

REGISTER OF DEEDS

BY: TERESA D MORTON

DEPUTY REGISTER OF DEEDS

BK: DOC 354

PG: 407-459

Hold

FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM
2006

1. Addresses

Mailing Address: Investment Properties Management
Post Office Box 580
Arden, North Carolina 28704-0580

Condominium: Straus Ridge Condominium
Ridgetop Circle
Brevard, North Carolina 28712-3070

2. Declaration of Condominium for Straus Ridge Condominium. Any purchaser of a Straus Ridge Condominium unit shall be subject to the Declaration of Condominium of Straus Ridge Condominium (hereinafter "Declaration") and any amendments thereto.

A declaration is an instrument which creates a condominium and sets out the details of the creation of the condominium and any guidelines and requirements which affect the condominium. Any declaration creating a condominium must be recorded with the Register of Deeds in the county in which the condominium shall be located. Virtually all information concerning the condominium can be found in the Declaration, including but not limited to: management of the condominium, maintenance of the condominium, common areas and common elements of the condominium, the types of buildings and other improvements which are a part of the condominium, an explanation of the construction materials and styles of the condominium, easements affecting the condominium, restrictions, conditions and covenants affecting the condominium, insurance coverage concerning the condominium, the condominium association and the unit owners of the condominium, and expenses relating to the condominium and each condominium unit owner's responsibility for such expenses.

3. Straus Ridge Association, Inc. Any purchaser of a Straus Ridge Condominium unit shall be subject to the Articles and Bylaws of Straus Ridge Association, Inc, a non-profit corporation organized under the laws of the state of North Carolina. A copy of the proposed Bylaws for Straus Ridge Association is attached to the Declaration of Condominium for Straus Ridge Condominium as Exhibit "B". Any purchaser will be responsible for fees collected by Straus Ridge Association for maintenance and other expenses as set out in the Declaration or determined by the Association.

A unit owner's association is responsible for the management and administration of the affairs of a condominium. An association operates much like a for-profit corporation in it has officers, a board of directors and meetings and other formalities which are required for its proper operation. The details of an association are set out in the declaration of the condominium and the articles and bylaws of the association.

4. Declaration of Covenants of Straus Park. Any purchaser of a Straus Ridge Condominium unit shall be subject to the Declaration of Covenants of Straus Park as amended and any Bylaws and Covenants attached thereto or included therein (hereinafter "Master Declaration"). Straus Ridge Association shall become a member of Straus Park Master Association and any owner of a condominium unit shall be subject to the fees for Straus Park Master Association for maintenance and other expenses as set out in the Master Declaration. Such fees shall be paid as part of the Straus Ridge Association, Inc. dues and/or assessments.

5. Initial and Special Fees At closing the purchaser shall pay two months of Straus Ridge Association dues. In addition, the purchaser shall pay Straus Ridge Association monthly dues prorated to the

date of closing. The purpose of payment of the above fees is to share equally in the expenses of Straus Ridge Association and Straus Park Master Association for the portion of time the purchaser owns a condominium unit.

6. Casualty Insurance Straus Ridge Association shall obtain and maintain, to the extent available, casualty insurance insuring against all risks of direct physical loss commonly insured against including fire and extended coverage insurance on all units and Common Elements (including Limited Common Elements) of the Condominium in the name of, and the proceeds thereof shall be payable to the Association, as Insurance Trustee for all Unit Owners and Security Holders as their interests may appear, which proceeds shall be disbursed pursuant to the provisions of the Act, the Declaration, and the Association Bylaws. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis, exclusive of land, excavations, foundations and other items normally excluded from property policies and shall insure against such risks and contain such provisions including deductibles, as the Board of Directors of the Association shall from time to time determine, but at a minimum shall conform in all to the requirements of the Act and the Bylaws of the Association and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore or repair damage in lieu of making a cash settlement, such option shall not be exercised if such repair or restoration would be prohibited by the provisions of Section 47C-3-113(h) of the Act.

7. Public Liability Insurance Straus Ridge Association shall, to the extent available, maintain public liability insurance for the benefit of the unit owners, occupants, Straus Ridge Association, the Board of Directors of the Association, the members of the Association, the manager, if any, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board, provided that the public liability insurance shall be for at least ONE MILLION AND 00/100 (\$1,000,000.00) DOLLARS per occurrence for death, bodily injury and property damage. Such insurance shall comply with all requirements of the act and shall (i) contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; (ii) insure all of such benefitted parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks, and public spaces adjoining the Condominium; and (iii) insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the units. Such insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action or claim against another named insured.

8. Fidelity Coverage. If available at reasonable cost, Straus Ridge Association shall maintain fidelity coverage in commercial blanket form covering each director and officer of the Association, and any employee or agent of the Association or any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1-1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three (3) months aggregate assessments on all units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds, as with all other insurance premiums, shall be a part of the Common Expenses.

9. Other Insurance. Straus Ridge Association may procure and maintain such other insurance, including but not limited to, workers' compensation insurance, flood insurance, and Directors and Officers Liability Insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners.

10. Conveyance or Encumbrance of Common Elements. Common Elements of Straus Ridge Condominium may be conveyed or encumbered only with the unanimous consent in writing of all condominium unit owners except such liens as may arise or be created against the several units

and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the provisions of the Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

11. Maximum Number of Additional Units, Units Restricted to Residential Use. The maximum number of additional units that may be created on the Additional Real Property and added to the Condominium by amendment of the Declaration is fifty four (54) units, not including attendant facilities such as detached garages and carports. The maximum number of total units that may be in the Condominium is seventy two (72), eighteen (18) units in Phase One and Phase Two by virtue of the Declaration, the First Amendment to Declaration and the fifty four (54) units which may be created on the Additional Real Property. The maximum number of units per acre is eighteen (18). All of such units will be restricted exclusively to residential use. No assurance is made as to the location of buildings or improvements which may be constructed or located upon the Additional Real Property.

12. Reallocation of Interests in Common Elements and Share of Common Expenses. If additional real property or any portion thereof is added to the Condominium by amendment of the Declaration, at the time of such amendment the percentage of undivided interest in the common elements of the Condominium and the percentage of common expenses of Straus Ridge Association allocated to each unit will be reallocated. Any addition of units to the Condominium will cause a decrease in the previously allocated percentage of undivided interest in the common elements of the Condominium and in the percentage of common expenses of the Association of each unit.

In the event any units are added to the Condominium by amendment of the Declaration, the percentage of undivided interest in the common elements of the Condominium and the percentage of Common Expenses of the Association of all units in the Condominium at that time (whether by virtue of the Declaration, a prior amendment of the Declaration or by virtue of the then current amendment of the Declaration) shall be reallocated pursuant to the following formula:

- 1) The square foot area of each unit located in each building shall first be determined,
- 2) The actual square foot area in each such unit will then be divided by a figure which represents the aggregate square foot area of all units then a part of the condominium. The result will be the ratio used below.
- 3) The ratio determined above, shall be the percentage of the undivided interest in the Common Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit located in each of the buildings.

Notwithstanding the differences in the allocation to the various units in the Condominium of the undivided interests in the common elements of the Condominium and the different percentage of common expenses of the Association allocated to the units, each unit in the condominium, at any time, shall be entitled to one vote in the Association.

13. Compatibility of New Units. Any buildings and units that may be erected upon additional real property or any portion thereof, will be compatible with the other buildings and units in the Condominium in terms of architectural style, quality of construction, and principal materials employed in construction.

14. Improvements and Limited Common Elements. No assurances are made with regard to any other improvements which may be made or limited common elements which may be created pursuant to any development right reserved in the Declaration.

15. Location of Buildings and Improvements. No assurances are made *with* regard to limitations as to the locations of any building or other improvement that may be made within any part of the condominium pursuant to any development right.

16. Types and Sizes of Improvements and Common Elements. In addition to the buildings and units that may be erected upon additional real property or a portion thereof, the other improvements and common elements that may be made or created upon or within additional real property or any portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and common elements located in the Condominium,

17. Proportion of Limited Common Elements. The proportion of limited common elements to units created pursuant to any development right will be approximately equal to the proportion existing within other parts of the Condominium.

18. Application of Use, Occupancy and Alienation to New Units. All restrictions in the Declaration and the Straus Ridge Association Bylaws affecting use, occupancy and alienation of units will apply to any and all additional units that may be created within additional real property and added to the Condominium by amendment of the Declaration.

ARTICLE I Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

1.1. Act means the North Carolina Condominium Act as set out and contained in Chapter 47C of the North Carolina General Statutes.

1.2. Additional Real Proper means the real property described on Exhibit "B" attached hereto together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said read property.

1.3. Association means Straus Ridge Condominium Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina in accordance with Section 47C-3-101 of the North Carolina General Statutes whose membership is made up entirely and exclusively of the owners of the various units in the Condominium.

1.4. Board or Board of Directors means the Board of Directors of Straus Ridge Condominium Association, Inc.

1.5. Bylaws mean the Bylaws of the Association, which are attached hereto as Exhibit "F" and are hereby incorporated herein and made a part hereof by this reference.

1.6. Common Elements means all portions of the Condominium except the units. Limited Common Elements are Common Elements.

1.7. Common Expenses means expenditures made or financial liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.8. Common Expense Liability means the liability, stated as a percentage, for the share of the Common Expenses allocated to each unit as set forth on Exhibit "E" attached hereto.

1.9. Condominium means the condominium created by this Declaration.

1.10. Declaration means this Declaration of Condominium and any amendment(s) to this Declaration

1.11. Directors means the members of the Board of Directors of the Association.

1.12. Licensee means any person, not a Unit Owner, who may hereafter be licensed by the Association to use any portion of the Common Elements upon special conditions.

1.13. Limited Common Elements means those portions of the Common Elements allocated and reserved for the exclusive use of one or more but fewer than all of the units, including but not limited to, any deck, porch, balcony, patio or carport allocated to a unit.

1.14. Master Association means Straus Park Master Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina whose membership is made up entirely and exclusively of the owners of property in Straus Park.

1.15. Occupant means any person or persons in possession of a unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees

1.16. Person means a natural person, Corporation, estate trust, partnership, or other legal or commercial entity, or any combination association, joint venture or other legal or commercial entity, or any combination thereof.

1.17. Plans mean the plans and specifications of the buildings, improvements and units located on the Property recorded with the Register of Deeds, see Section 3.3 of Article III.

1.18. Plat means the plats of the survey of the Property depicting the Condominium and the location of the buildings on the Property with and made a part of this Declaration, as the same may be hereafter amended. Plats are recorded with the Register of Deeds, see Section 3.3 of Article III.

1.19. Rules and Regulations mean the rules and regulations of the Condominium promulgated by the Board of Directors of the Association.

1.20. Unit means the physical portion of the Condominium designated for separate ownership or occupancy, whether or not contained solely or partially in one or more buildings, the boundaries of which are hereinafter described in Section 3.4. Each unit is designated, delineated and shown on the Plans referred to in Section 3.3 of Article III.

1.21. Unit Owner means the person or persons, who owns a unit in fee simple. Unit Owner does not include a person having an interest in a unit solely as security for an obligation.

ARTICLE II Additional Real Property

2.1. Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of additional units that may be created on the Additional Real Property and added to the Condominium by amendment of this Declaration is sixty three (63) units, not including attendant facilities such as detached garages and carports. The maximum number of total units that may be in the Condominium is seventy two (72), nine (9) units in Phase One by virtue of this

Declaration and the sixty three (63) units which may be created on the Additional Real Property. The maximum number of units per acre is twelve (12). All of such units will be restricted exclusively to residential use. No assurance is made as to the location of buildings or improvements which may be constructed or located upon the Additional Real Property.

2.2. Compatibility of Styles, Etc. Any buildings and units that may be erected upon the Additional Real Property or any portion thereof, will be compatible with the other buildings and units in the Condominium in terms of architectural style, quality of construction, and principal materials employed in construction.

2.3. Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of units will apply to any and all additional units that may be created within the Additional Real Property and added to the Condominium by amendment of this Declaration.

2.4. Other Improvements and Common Elements. In addition to the buildings and units that may be erected upon the Additional Real Property or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Property or any portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.

2.5. Applicability of Assurances if Additional Real Property is Not Added The assurances made in this Article III will not apply with respect to any Additional Real Property that is not added to the Condominium.

2.6. Reallocation of Interests in Common Elements and Share of Common Expenses. If Additional Real Property or any portion thereof is added to the Condominium by amendment of this Declaration, at the time of such amendment the percentage of undivided interest in the Common Elements of the Condominium and the percentage of Common Expenses of the Association allocated to each unit will be reallocated. Any addition of units to the Condominium will cause a decrease in the previously allocated percentage of undivided interest in the Common Elements of the Condominium and in the percentage of Common Expenses of the Association of each unit. In the event any units are added to the Condominium by amendment of this Declaration, the percentage of undivided interest in the Common Elements of the Condominium and the percentage of Common Expenses of the Association of all units in the Condominium at that time (whether by virtue of this Declaration, a prior amendment of this Declaration or by virtue of the then current amendment of this Declaration) shall be reallocated pursuant to the following formula:

1) The square foot area of each unit located in such a three-story, nine-plex building shall first be determined,

2) The actual square foot area in each such unit will then be divided by a figure which represents the aggregate square foot area of all units then a part of the condominium. The result will be the ratio used below.

3) The ratio determined above, shall be the percentage of the undivided interest in the Common Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit located in the three-story nine-plex buildings.

Notwithstanding the differences in the allocation to the various units in the condominium of the undivided interests in the common elements of the condominium and the different percentage of Common Expenses of the Association allocated to the units, each unit in the condominium, at any time, shall be entitled to one vote in the Association.

ARTICLE III
Buildings, Units and Unit Boundaries

3.1. Buildings. There have been constructed on the real property described in Plat File 8, Slides 229 and 377, two three-story, nine-plex buildings which contain nine (9) units, three (3) units on the lower floor, three (3) units on main floor and three (3) units on the upper floor. As shown on the Plat and Plans, all units except for the outer units on the lower floor include a garage as a portion of the unit. The three-story building containing nine (9) units is a wood framed structure with an occupied full basement. The roof is a three-tab, twenty five (25) year shingle. There has been constructed on the real property described in Plat File 9, Slide 126, one three story building, which contains five (5) units, two (2) on the lower level and three (3) on the main floor. As shown on the Plat and Plans, all units include a garage as a portion of the unit. The three-story building containing five (5) units is a wood framed structure with an occupied full basement. The roof is a three-tab, twenty five (25) year shingle.

3.2. Location of Buildings. The locations of these buildings are as shown on the Plat Files 8 and 9.

3.3. Units. Each of the units is as shown in the Plat File 8, Slides 235-238, and Plat File 9, Slides 138-140, which are not included in this document but are available through the
 Register of Deeds, Brevard, NC
 12 E. Main Street
 Brevard, NC 28712

3.4. Unit Boundaries. Each unit encompasses and includes all that portion of a building designated on the Plat and Plans and shall include all the space within the boundaries thereof. The boundaries of each unit, or portion thereof in the case of a garage, both as to vertical and horizontal planes, as shown on the Plans are the unexposed facing of the drywall, wallboard or sheet rock (that is the facing next to the studs, ceiling joists or other structural portions of the building) of its perimeter walls and ceilings, the uppermost surfaces of the subflooring, the exterior surfaces of all windows and sliding glass doors and the interior surface (that is the surface facing into the unit when the door is closed) of all other exterior doors (including garage doors). Each unit shall include all interior drywall, wallboard, sheet rock, paneling, molding, any surface finish, tile, plaster, wall covering or wall paper, paint, all finished *flooring such as* exposed wooden flooring, all interior partitions and doors, all carpet, padding, matting, vinyl, linoleum or other type floor coverings, cabinets, fireplaces, all bathroom and kitchen fixtures, ovens, refrigerators, garbage disposals, microwave ovens, dishwashers, hot water heaters and all other appliances contained within said boundaries. Each unit shall contain all windows, sliding glass doors and window screens provided however, that these windows; sliding glass doors and window screens may not be altered, decorated, repaired or replaced in any way that would change their appearance. In the event of repair or replacement of these windows or sliding glass doors, such windows or sliding glass doors and the screens in such windows shall be repaired or replaced so they are identical (or as identical as possible) to the windows and sliding glass doors that were in the unit when first conveyed.

Included also as a part of each unit are the following.

(a) the heating and air conditioning systems serving the unit, wherever located; (b) all door locks or other security or mechanical devices which control the opening and closing of doors and windows (including any garage door opener); (c) all electrical switches, electrical outlets and light fixtures within the boundaries of a unit together with the electrical breaker panel serving the unit and all of the electrical wiring and service system for each unit from the point where such electrical wiring and service system enters the unit to the-point where it connects with all uses within the unit; (d) the plumbing for water service for each unit from the point where such plumbing enters the boundaries of the unit to its end use in the unit; (e) the telephone and cable television service for

each unit, including all cables and wiring, from the point where such wiring and cable enters the unit to the point where it connects to all uses within the unit; and (f) the drainage or sewer system for each unit from its collection point in a unit to the point where it exits the boundaries of the unit; and (g) the gas lines) for each unit from the point where it enters the unit to the point where it connects with each use in the unit.

Any portion of the plumbing, electrical, telephone, cable television, gas or sewerage system, including all water lines, electric wires and cables, telephone lines, television cables, gas lines, sewer or drainage pipes or lines, conduits or other similar apparatus serving only one unit which is located within the boundaries of the unit which it serves is a part of that unit. Any portion of the plumbing, electrical, telephone, cable television, gas or sewerage system, including all water pipes, electric wires and cables, telephone lines, television cables, gas lines, sewer or drainage pipes or lines, conduits and other similar apparatus which serves two or more units or any portion of the Common Elements is a part of the Common Elements no matter where located.

In interpreting this Declaration and the Plans, the actual physical boundary of a unit as originally constructed, or of a unit as reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in this Declaration or the Plans, regardless of settling or lateral movement of the buildings and regardless of minor variances shown on the Plans and those of the unit.

3.5 Allocation of Percentage of Interest in Common Elements and of Common Expenses. The allocations to each unit of a percentage of undivided interest in the Common Elements of the Condominium, votes in the Association, and a percentage of the Common Expenses of the Association are as stated in Exhibit "A" attached hereto and incorporated herein by reference. As is indicated on said Exhibit "A" the percentage of individual interest in the Expenses of the Association allotted to that unit are the same. The votes in the Association are allotted equally to each unit, with each unit having one vote in the Association. The percentage of undivided interest in the Common Elements allocated to each unit is an appurtenance to such unit and such undivided interest in the Common Elements of the Condominium may not be separated from the unit to which it is appurtenant. The allocation of each unit of a percentage of the Common Expenses of the Association has been determined based on the following formula:

Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit are determined in the following manner:

- 1) The square foot area of each unit located in all buildings
- 2) The square foot area in each unit shall then be divided by a figure which represents the aggregate square foot area of all units now part of the condominium. The result is the ratio used below.
- 3) The ratio determined above is the percentage of the undivided interest in the Common Elements of the condominium and the percentage of Common Expenses of the Association allocated to each unit located in the existing buildings and any additional structures.

ARTICLE IV Common Elements

4.1. Common Elements. The Common Elements of the Condominium consist of all of the property of the Condominium, including all improvements located thereon, other than the units and shall include, but not be limited to:

- a) the real property on which the buildings are located and all the real property surrounding the buildings which lies within the boundaries of the Property subject to this Declaration, as amended from time to time,

- b) all foundations, columns, girders, beams. Supports and other structural members of all buildings (including garages);
- c) the exterior walls and roofs (including garages);
- d) gutterings, walls, corridors, attics, stairs (except for those stairs and stairways which are limited Common Elements as hereinafter set out) foyers and fire escapes;
- e) all central and appurtenant installations wherever located, for services such as, but not limited to, power, lights, electricity, gas, water, cable television, plumbing, sewer, incinerating solid waste collection, mail service, guardhouse and entrance sign (including all pumps, pipes, ducts, flues, shafts, conduits, vents, wire, tubes, cables, motors, fans and compressors) designed and intended for common use,
- f) any portion of the plumbing, electrical, gas, telephone, cable television, sewerage or other similar utility service or system, including, but not limited to, all water lines, electric wires and cables, telephone lines, television cables, gas lines, conduits, flues, sewer pipes or lines and other similar apparatus, wherever located, which serves two or more units or any portion of the Common Elements;
- g) the yards, landscaping, trees, shrubs, vegetation, fences, non-public roads, driveways, parking areas (not including garages), walks, retaining walls and all other maintenance and recreational areas;
- h) All other parts of the property and all improvements located thereon not located within or being a part of a unit, and all apparatus and installations in the buildings or on the property for the common use of the Unit Owners or necessary or convenient to the existence, maintenance and safety of the Condominium.

4.2. Limited Common Elements. Certain portions of the Common Elements are reserved for the use of a particular unit or units to the exclusion of all other units and as such are designated Limited Common Elements. The Limited Common Elements serving or designed to serve a particular unit or units are hereby reserved and allocated solely and exclusively to such unit or units. The Limited Common Elements appurtenant to each unit may not be reallocated. The location and dimensions of all Limited Common Elements are as shown on the Plat and Plans.

(a) As shown on the Plans, each unit has one or more patios, porches, decks, or balconies which is adjacent to such unit and interior access to which can be had only through such units. Such patios, porches, decks, or balconies are Limited Common Elements -which limited Common Elements are hereby allocated to the unit which affords interior access to such patios, porches, decks and balconies. The use of such porches, decks and balconies shall be limited to the unit owner or occupant whose unit affords interior access to such patio, porch, deck or balcony.

(b) The steps, stoops and stairways which lead exclusively to one unit are Limited Common Elements allocated to such unit and as such are reserved for the exclusive use of the unit owner or occupant to whose unit such steps, stoops and stairways lead;

(c) Any storage closets located on or adjacent to some of the patios, porches, decks or balconies associated with the units as hereinabove described in Section 4.2(a) are Limited Common Elements and as such are allocated to and reserved for the exclusive use of the unit to which each such storage closet is associated and through which interior access to such storage closet may be had;

(d) Any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including, but not limited to, all water pipes, electric wires, and cables, telephone lines and cables, television cables, conduits, flues, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serves only one unit but is located outside the boundaries of that unit is a Limited Common Element allocated exclusively to the unit it serves. All exterior doors (including all garage doors but specifically not including any sliding glass doors) designed to serve a single unit but located outside that unit's boundaries are Limited Common Elements allocated exclusively to the unit such door is designed to serve,

(e) As is shown on the Plat and Plans, there are seven garages located in front of each nine-plex building. This is a Limited Common Element allocated to and reserved for the exclusive use of the unit owner or occupant unit to which the garage is designated.

(f) All areas designated on the Plat and Plans as Limited Common Elements which

Limited Common Elements are allocated as shown on said Plat and Plans.

4.3. Conveyance or Encumbrance of the Common Elements. No portion of the Common Elements may be conveyed or encumbered except with the unanimous consent in writing of all Unit Owners except such liens as may arise or be created against the several units and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the provisions of this Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

ARTICLE V Easements

There shall exist, with respect to the Property, including the Common Elements, the Limited Common Elements, and the units, certain easements hereinafter set out, which easements shall run with the land and shall be binding as the case may be, on the Unit Owners and the Association, and their heirs, successors and assigns. These easements hereinafter granted shall be in addition to those easements contained in Section 47C-2-114 and Section 47C-2-116 of the Act.

5.1. Encroachments. in the event that, by reason of the construction, reconstruction, rehabilitation, alteration, improvement, settling, shifting or movement of the buildings or improvements located on the Property, or as a result of survey error or error in description, any part of the Common Elements now or hereafter encroaches upon any part of any unit, or any part of any unit now or hereafter encroaches upon part of the Common Elements, or upon any part of another unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or units so encroached upon.

5.2. Easements Through Walls, Ceilings and Floors. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, ducts, vents, pipes, wires, cables, conduits and other utility installations, and structural components running through the walls of the various units, whether or not such walls, ceilings and floors lie in whole or in part within the boundaries of any unit.

5.3 Common Elements, Access. Each unit owner, his family living in his unit, his tenants, guests and invitees shall have a right and easement of use and enjoyment in and to the Common Elements of the Condominium, except the Limited Common Elements, which right and easement shall include the right of ingress, egress and regress to and from his unit over those portions of Property designated for such purposes, and such easement shall be appurtenant to and shall pass with the title to every unit. Each unit owner, his family, tenants and guests shall have a right and easement of use and enjoyment, in common, with all other Unit Owners, of any and all recreational facilities located upon the Common Elements of the Property

5.4. Easement to Unit Owners Each unit owner shall have an easement in common with other Unit Owners for the use, maintenance and repair of all pipes, wires, ducts, cables, conduits, public utility lines, water pipes or lines, sewer lines, gas lines, telephone lines, electric wires and cable, cable television wires, chutes, chimneys, flues and any other utility apparatus

located in any of the units or the Common Elements (including the Limited Common Elements) and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units for the use, maintenance and repair of the pipes, ducts, cables, wires, conduits, public utility lines, water pipes or lines, gas lines, telephone lines, sewer lines, cable television wires, electric wires and cables and other utility apparatus serving any such other units and located in such unit. The Board of Directors of the Association shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements (including Limited Common Elements) contained therein or elsewhere in the building, at reasonable times and upon reasonable notice to the Unit Owners, except that access may be had at any time in case of an emergency.

5.5. Easements to Repair, Maintain, Restore and Reconstruct. Wherever in and whenever by this Declaration, the Bylaws of the Association or the Act, a unit owner, the Association, the Board of Directors of the Association, or any other person, is authorized to enter upon a unit or the Common Element to inspect, repair, maintain, restore, or reconstruct all or any part of a unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted. There shall be an easement through all units and the Common Elements, including the Limited Common Elements, for the benefit of all Unit Owners and the Association for the installation, maintenance, repair and replacement of all units and the Common Elements (including Limited Common Elements). The Association shall have the irrevocable right and easement to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any unit or of any of the Common Elements (including Limited Common Elements) located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to such unit, the Common Elements or to any other unit. Such access may be had at any time in the case of an emergency.

5.6. Easements for Structural Support. Every portion of a unit or the Common Elements which contributes to the structural support of another unit or another portion of the Common Elements shall be burdened with an easement of structural support.

5.7. General Easements. There shall be a general easement upon, across, above and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, wherever located, including, but not limited to, water lines, sewer lines, telephone and electric lines, gas lines or pipes, cable television lines, or other community service. (i.e., master television antenna system or security system, if installed) which the Association has installed or might determine to install to serve the Property whether such utilities are located on the real property. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain wire, conduits, cables and the like on, above, across, under, and through the roofs and exterior walls of the units. Should any party furnishing any service covered by this general easement request a specific easement by separate recordable document, the Association as the case may be, shall have the right to grant such easement under the terms hereof.

The units and Common Elements shall be, and are hereby, made subject to easements in favor of the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section shall include, without limitation, the right of the Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits and equipment and ducts, vents, and flues and any other appropriate equipment and facilities over, under, through, along and on any part of the Property, including the units and the Common Elements.

There shall be a general easement to the Association, its directors, officers, agents, and

employees (including, but not limited to, any manager employed by the Association) to enter upon the Property or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with the permission of the unit owner directly affected thereby.

5.8. Easements to Run With Land. All easements and rights described in this Article V are appurtenant easements running with the land, and except as otherwise expressly provided in this Article VI shall be perpetually in full force and effect and shall inure to the benefit of and be binding upon the Association, Unit Owners, occupants, security holders and any other person having any interest in the Condominium or any part thereof, their heirs, successors and assigns. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article VI, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE VI

Restrictions Conditions and Covenants

6.1. Compliance with Declaration, Bylaws, and Rules and Regulations. Each unit owner and occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association and the Master Association, and the Rules and Regulations promulgated by the Board of Directors of the Association and the Master Association, as amended. Failure to comply shall be grounds for an action by the Association or the Master Association, an aggrieved unit owner or any person adversely affected, for recovery of damages, injunction or other relief

6.2. Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration, the Bylaws of the Association and the Master Association and the Rules and Regulations of the Condominium.

6.3. Use Restricted.

- (a) All units shall be occupied and used for single family residential purposes only.
- (b) No business of any kind other than a home office which requires no regular visitation by customers, suppliers, salesmen, or freight or parcel shipping or delivery shall be permitted in any building, unit or on any portion of the Property, provided, however, that this restriction shall not prevent the Association from maintaining an office on the Property for management of the Condominium.
- (c) No animals, livestock, or poultry of any kind may be raised, bred or kept on any part of the Property, or Condominium except for household-pets permitted by this Declaration. Such pets may be kept by their respective owners only in their respective units, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of or, or in the sole discretion of the Board of Directors of the Association, unreasonably disturb the owner of any unit or any occupant thereof All pet owners shall be responsible for exercising such care and restraint as is necessary to prevent their pet from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions or other nuisance. No savage or dangerous animal shall be kept or permitted on the Property or in any unit. No pets may be permitted to run loose upon the Common Elements and any unit owner who causes or permits any animal to be brought or kept upon the Property shall indemnify and hold harmless the Association for and from any and all loss, damage or liability which it sustains as a result of the presence of such animal on the Property.
- (d) No boats, boat trailers, mobile homes, motor homes, recreational vehicles, trucks (other than vans or small pick up trucks), trailers, buses, campers, inoperable vehicles or any similar items or vehicles shall be parked on or stored in or on any portion of the Property. In addition, the washing of any vehicles on the Property is strictly prohibited.

(e) Except on specific approval of the Board of Directors of the Association, the Common Elements, including the Limited Common Elements (except for the garages and storage closets associated with any unit) shall not be used for temporary or permanent storage of supplies, personal property, trash or refuse of any kind, except in common trash receptacles placed at the discretion of the Board, nor shall be used in any way for the drying or airing of clothing, rugs or other articles. The outdoor drying of clothes on the patios, decks and balconies of the units or on any portion of the Common Elements is strictly prohibited. Entrances, sidewalks, yards, driveways, parking areas and stairways shall not be obstructed in any way. In general, no activities shall be carried on nor conditionally maintained by any unit owner either in his unit or the Common Elements, if such activities would despoil, or tend to despoil, the appearance of the Property.

(f) The exterior of the buildings and units including trim and hardware, doors, windows, sliding glass doors, garage doors, building signs, unit number signs and related exterior features, shall not be altered or decorated by Unit Owners in any manner without the prior written consent of the Board of Directors of the Association. No radio or television aerials or antenna, satellite dish or other projections may be installed or attached to the exterior or roof of any building or unit without such prior written consent of the Board of Directors of the Association. No interior alterations to load-bearing walls or members or to any part of the structure which carries common utilities services shall be allowed without the submittal to and approval by the Board of Directors of the Association of complete plans of such proposed alterations.

(g) No noxious or offensive activities shall be carried on, in or upon any unit or the Common Elements, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to other Unit Owners, or to endanger their person and property.

(h) It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of any unclean, unsightly or unkempt conditions of the Common Elements.

(i) No refuse, rubbish, trash or waste of any sort shall be thrown onto any portion of the Property.

(j) No temporary structures of any kind shall be permitted on the property at any time.

(k) All draperies or other window dressings in any unit shall be white or off-white in color, or in lieu thereof, shall have white lining.

(l) No unit owner shall rent his unit for transient or hotel purposes, which for purposes of this Declaration shall be defined as either a rental for any period less than one (1) month or any rental if the lessee of the unit is provided customary hotel services. Any unit owner who enters into a lease of his unit shall promptly notify the Association of the name and address of each lessee, the unit rented, and the term of the lease. Each permitted lease shall lease an entire unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. No unit shall be subject to or used for any timesharing, cooperative, licensing, or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple Unit Owners, cooperators, licensees, or timesharing participants. Other than the foregoing restrictions, each unit owner shall have the full right to lease his unit for single family residential purposes.

(m) The garages located on the Property shall not be used for any purposes other than the parking of standard passenger automobiles, vans, small pickup trucks, motorcycles and the storage of personal property. The garages may not be used in any way as a living area. No person shall reside in any garage.

(n) No unlawful use shall be made of the Property nor any part thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof shall be observed.

(o) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office on the Property for management of the Condominium.

6.4. Hazardous Use and Waste. Nothing shall be done to or kept in any unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No unit owner or occupant shall permit anything to be done to or kept in his unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his unit or the Common Elements.

6.5. Alterations of Common Elements and Limited Common Elements. No unit owner or occupant, shall alter, construct anything upon or remove anything from the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board of Directors of the Association.

6.6. Rules and Regulations. in addition to the foregoing restrictions and conditions concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board of Directors of the Association as is more fully provided in the Bylaws. Such rules and regulations shall be consistent with the conditions and restrictions contained in this Article VI and not in derogation or intended as an amendment thereof.

6.7. Restrictions and Conditions to Run With the Land. Each unit owner and occupant shall be subject to all restrictions and conditions of this Declaration, and all such restrictions and conditions shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall insure to the benefit of every unit owner.

6.8. Declaration, Bylaws and Rules and Regulations Binding on Unit Owners and Occupants. All Unit Owners tenants and occupants of units in the Condominium shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws, Rules and Regulations of the Condominium as may be adopted from time to time and the Declaration Covenants of Straus Park. The acceptance of a deed of conveyances or the entering into of a lease, or the entering into occupancy of any unit shall constitute agreement that the provisions of this Declaration, the Bylaws, any Rules and Regulations which may be adopted and the Declaration Covenants of Straus Park are accepted and ratified by such Unit Owner, tenant, or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease.

6.9. Violations, Enforcement. In the event of a violation or of any of the restrictions and conditions of this Declaration, including affirmative obligations therein, by any unit owner, occupant or agent thereof, the owners of other units or any of them, jointly or severally and/or the Association shall have the right to proceed at law or in equity to compel compliance with the term hereof or to prevent the violation or breach in any event. Additional rights and remedies in the event of a violation or breach of any of the restrictions, conditions or provisions of this Declaration, the Bylaws or the Rules and Regulations as set forth in Article XVII of this Declaration.

The failure to enforce any rights or conditions contained in Declaration, however long continued, shall not be deemed a waiver of right to do so hereafter as to the same breach or as to a breach occurring prior to or subsequent thereto, and shall not bar or affect its enforcement. The invalidation by any court of any restrictions or obligations contained in this Declaration shall in no way affect any of the other restrictions or obligations, which shall remain in full force and effect.

ARTICLE VII Administration

7.1 Operation, Management and Administrations by the Association. To efficiently and effectively provide for the operation, management and administration of the Condominium by the Unit Owners, a North Carolina nonprofit corporation known as Straus Ridge Association, Inc. (the "Association") has been formed. The operation, management and administration of the Condominium shall be the right and responsibility of the Association and said management duties shall be carried out in accordance with the terms, conditions and provisions of this Declaration, the corporation's Articles of Incorporation and Bylaws and the Rules and Regulations of the Condominium. A true copy of said Bylaws are attached hereto as Exhibit "B" and made a part hereof by reference. The owner(s) of each unit in the Condominium shall automatically become members of the Association upon acquiring an ownership interest in any unit in the Condominium and such membership shall terminate automatically upon the unit owner being divested of such ownership interest in the unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage, security interest or other encumbrance upon any unit shall be entitled, by virtue of said lien, mortgage, security interest or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership. In the administration, 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, to adopt, promulgate and enforce such rules and regulations governing the use of the units, Common Elements and limited Common Elements as its Board of Directors deem in the best interests of all Unit Owners and to do and perform any other acts and carry out any other responsibilities or duties given to the Association by this Declaration, the Bylaws and the Articles of Incorporation of the Association, or the Act. The Association shall have all of the powers and duties set forth in the Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the Articles of Incorporation and Bylaws of the Association.

The Association shall assume responsibility for the operation, management, and administration of the Condominium upon the first conveyance of a unit to any person.

7.2. Board of Directors to Act on Behalf of Association. The Board of Directors of the Association is hereby designated to act on behalf of the Association. The Board of Directors of the Association is therefore the executive board of the unit owners association as that term is defined and used in the Act.

ARTICLE VIII Assessments, Budget, Liens, Collections

8.1. Budget, Assessments, Liens. As a part of its right and obligation to operate, manage and administer the Condominium, the Association shall have the right, authority and obligation to establish a budget for the Condominium and provide for the payment of the Common Expenses by levying assessments against the units for their proportional share of the Common Expenses which assessments shall be a lien on the units against which they are assessed and if payment thereof becomes delinquent, the lien may be foreclosed and the unit sold, or a money judgment obtained against the persons liable for such assessment, all as provided for herein and in the Bylaws of the Association and in the Act.

8.2. Assessments for Common Expenses. The Association is given the authority to administer the operation and management of the property as being in the best interest of all Unit Owners. To accomplish this and to pay the Common Expenses of the Association, the

Association has been granted the right to make, levy and collect assessments against the various units and unit owners.

8.3. Assessments Based on Percentage of Common Expenses Allocated to Unit. All assessments levied against Unit Owners and their corresponding units shall, except as otherwise provided herein, be made by the Association based upon the percentage of Common Expenses allocated to each unit by the Declaration. As set forth in the Declaration, the percentage of Common Expenses allocated to each unit is the same as that unit's undivided interest in the Common Elements of the Condominium.

8.4. Fiscal Year. The fiscal year for the Condominium and the Association shall be the calendar year.

8.5. Assessment in Monthly Installments. Assessments shall be payable by the Unit Owners in monthly installments on or before the first day of each month, or in such other manner as the Board of Directors shall determine.

8.6. Budget. Each year on or before October 15, the Board of Directors of the Association shall prepare and adopt a budget for the Condominium, for the purpose of (i) providing for the payment of all Common Expenses together with such amounts as considered necessary by the Board for contingencies and reserves; (ii) determining the amount of the Annual Assessment to be collected from the Unit Owners in order to provide for the payment of such Common Expenses and necessary reserves of the Association taking into consideration any expected income and any surplus from the prior year's operation; and (iii) to allocate and assess such Common Expenses among the Unit Owners according to the percentage of Common Expenses allocated to each unit by the Declaration. Such budget shall project all expenses for the forthcoming year and shall contain an estimate of the total amount which it considers necessary to pay the Common Expenses of the Association which shall include, but not be limited to, the amounts necessary to pay for the cost of the administration, operation and management of the Condominium property; the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of this Declaration or the Bylaws; the cost of maintenance, management, operations repair, replacement and restoration of the Common Elements (including Limited Common Elements) or any part thereof and those parts of the units as to which it is the responsibility of the Association to maintain, repair, and replace; the cost of wages, materials, services, supplies and other expenses that may be declared to be Common Expenses by this Declaration, the Act, the Bylaws or a resolution of the Association; such amounts as the Board may deem necessary and proper in providing for the convenience, comfort and well-being of the Unit Owners and for the rendering to the Unit Owners of all related services; the amount necessary to make up any deficit in the budget for any prior year, and any other expenses lawfully agreed upon. The budget shall include a reasonable amount for contingencies and reserves including, without limitation, an amount for a general operating reserve and a reserve for repairs and replacements as is hereinafter provided. Upon adoption of the annual budget by the Board of Directors, the Board shall cause to be sent to each unit owner, on or before December 1 preceding the fiscal year to which the budget applies, a copy of the budget in a reasonably itemized form which sets forth the amount of Common Expenses and provides notice of the amount of the annual assessment against each unit based upon such budget and each unit's allocated percentage of Common Expenses as set forth in this Declaration. The budget shall also state the amount of the twelve (12) monthly installment payments of the annual assessment due from each unit owner. The assessment shall be deemed levied upon the giving of such notice. Any increase in the annual assessment which exceeds the annual assessment for the previous year by more than twenty percent (20%) must be approved by the Unit Owners at a meeting specially called for such purpose after notice being duly given.

8.7. Reserves. The Board shall create, fund and maintain the following reserves:

(a) General Operating Reserve. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, and contingencies, to defray unforeseen expenses, and to provide a measure of financial stability to the Association in times of special financial stress. This fund may also be used to meet deficiencies from time to time as a result of delinquent payments, losses due to insurance deductibles or coinsurance amounts not covered by insurance, or other contingencies. Unanticipated expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against this reserve.

(b) Reserves for Repairs and Replacement. The Board of Directors in establishing the annual budget shall designate a sum to be collected and maintained as a reserve fund for the repair and replacement of the capital improvements which are Common Elements (including Limited Common Elements) which shall be for the purpose of enabling the Association to repair and replace structural elements, mechanical equipment and other parts of the Common Elements of the Property. This fund shall also be used for the replacement of personal property constituting a portion of the Common Elements held for the joint use and benefit of the Unit Owners. The amount to be allocated to this reserve shall be established by the Board to collect and maintain an amount reasonably necessary to anticipate the need for the Common Elements (including the Limited Common Elements). In establishing this reserve for repair and replacement, the Board shall take into account the number and nature of the improvements and assets of the Condominium, the expected life of each improvement and asset, and the expected repair or replacement cost. The Board shall then attempt to set the required contribution to this reserve in an amount sufficient to permit meeting the projected capital needs of the Association with respect to both amount and timing by equal annual installments over the applicable period.

8.8. Additional Reserves. In addition to the two above reserve funds, the Board shall have power and authority to create any additional reserve funds it deems prudent and necessary and shall fund and maintain the same as a part of the Common Expenses.

8.9. Special Assessments. If the reserves hereinabove provided for are inadequate for any reason for the payment of necessary expenditures, the Board of Directors may at any time levy special assessments against the Unit Owners in accordance with the percentage of Common Expenses allocated to each unit by the Declaration, which special assessment may be payable in a lump sum or in installments as the Board may determine, provided that, except for any special assessment made to complete the repair or reconstruction of any portion of the Property made pursuant to Section 10.4 of the Bylaws, any special assessment to be made against all Unit Owners for an expenditure in excess of TEN THOUSAND AND 00/100 (\$10,000.00) DOLLARS shall first be approved by the Unit Owners at a special meeting of the members called for such purpose. The Board of Directors shall serve notice of any such special assessment on all Unit Owners by a statement in writing giving the amount of the assessment and the reasons therefore, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly installment of the annual assessment which is due more than seven (7) days after the delivery or mailing of such notice of special assessment. All Unit Owners shall thereafter be obligated to pay the adjusted monthly amount or, if not payable in installments, the entire amount of the special assessment as provided for in the notice of special assessment.

In addition, the Board may levy special assessments against one or more, but less than all of the units to cover repairs or maintenance for which any unit owner is legally responsible or for repairs or maintenance required of a unit owner, the failure to perform which will impair the value of the Common Elements or any unit, or to pay for expenses which are incurred in the abatement of or as a result of a violation by a unit owner of the provisions of this Declaration, the Bylaws or the Rules and Regulations, or for fines levied for said violations, or where the Board has purchased a unit on behalf of one or more Unit Owners. The period of assessment and manner of payment of such assessment shall be determined by the Board.

8.10. Common Expenses Benefiting Less Than All Units. The Association may assess any item of Common Expenses benefiting less than all of the units against the units benefited in proportion to their Common Expense liability.

8.11. Assessments Against Unit Owners, Year End Accounting, Surplus, Shortage. All Unit Owners shall be obligated to pay (1) annual assessments for Common Expenses assessed by the Board pursuant to Section 8.6 of this Article; (2) special assessments to be established and collected as provided herein and in the Bylaws, and (3) specific assessments against any unit which are established pursuant to the terms of this Declaration or the Bylaws.

The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors of the Association shall be assessed against each unit owner in proportion to the percentage of Common Expenses allocated to his unit in this Declaration. Such assessment shall be stated as an annual assessment and shall be a lien against each unit as provided in the Act, this Declaration and the Bylaws. On or before the first day of each fiscal year, and on the first day of each of the succeeding eleven (11) months in such fiscal year, each unit owner shall be obligated to pay to the Association or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12th) of the annual assessment against his unit for such fiscal year made pursuant to the foregoing provisions. A late payment charge in an amount to be determined by the Board shall be assessed for any assessment or installment of an assessment not paid by the tenth (10th) of the month. Any assessment or installment of an assessment not paid within fifteen (15) days of its due date shall accrue interest as provided in Section 8.14 of this Article.

Within sixty (60) days after the end of each fiscal year, the Board of Directors of the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus payment to reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves may, if the Board deems it advisable, be credited according to each unit's percentage of Common Expenses to the monthly installments due from Unit Owners under the current fiscal year's budget until exhausted, or may in the Board's discretion be placed in the reserve accounts in such proportion as the Board, in its sole discretion, may determine. Any shortage shall be assessed promptly against the Unit Owners in accordance with the percentage of Common Expenses allocated to each unit by this Declaration and such Assessment shall be payable either (1) in full with payment of the next monthly installment of the annual assessment or (2) in not more than six (6) equal monthly installments payable over the six months immediately following the assessment, whichever the Board shall determine.

8.12. Funds of the Association. 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 or operating, managing, maintaining, repairing or replacing the Common Elements or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation of the Association and the Bylaws. Although all funds and common surplus, including other assets of the Association and any increments thereto or profits derived therefrom, 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 unit. When a unit owner shall cease to be a member of the Association, the Association shall not be required to account to such person for any share of the funds or assets of the Association, or for any amount which may have been paid to the Association by such person, as all funds which any unit 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.

8.13. Failure of Board to Prepare Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a unit owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted budget adopted by the Board, each unit owner shall continue to pay the monthly installment based upon the annual assessment established for the previous fiscal year until a new assessment is established as hereinabove provided.

8.14. Payment of Assessments Penalties. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within nine (9) days of its due date. Assessments or installment payments of assessments not paid within nine (9) days of its due date shall be subject to a late payment charge in an amount to be determined by the Board from time to time. In addition, any assessment or installment of an assessment not paid within fifteen (15) days of its due date shall be subject to an interest charge of twelve percent (12%) per annum from its due date. The above described late charge and interest shall be added to and collected in the same manner as the assessment.

8.15. Personal Liability for Assessments. All Unit Owners of each unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against his unit while such person or persons are the owner or owners of such unit. In the event that any unit owner is in default in payment of any assessment or installment of an assessment owed to the Association, all owners of such unit shall be personally liable, jointly and severally, for payment of any late charge and interest on such delinquent assessment or installment of assessment as above provided for, and for all costs of collecting such amounts, including, but not limited to, reasonable attorney's fees whether suit be brought or not.

8.16. Liability for Assessments in Event of a Sale. No unit owner shall be liable for the payment of any part of the Common Expense assessments falling due subsequent to a sale, transfer or other conveyance by him of his unit. As provided in Section 8.24(a) of this Article, a purchaser of a unit shall be jointly and severally liable with the seller for the payment of assessments due prior to any such sale, transfer or other conveyance only if such purchaser expressly assumes such obligation in writing, provided however, that the lien against any such unit for such unpaid assessments shall remain in full force and effect.

8.17. No Exemption from Liability. No unit owner may exempt himself from liability for any assessment levied against him or his unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of his unit or in any other way.

8.18. Collection of Assessments. The Board shall take prompt action to collect any assessments due *from any* unit owner which remains unpaid for more than thirty (30) days after its due date.

8.19. Lien for Assessments and Enforcement of Lien. As provided in Section 47C-3-116 of the Act, all assessments (including any monthly installment of any assessment) provided for in this Article, together with late payment charges, interest and expenses, including reasonable attorney's fees (as permitted by law), relating to such assessment shall be a charge on and a continuing lien upon the unit against *which* the assessment is made when a notice of such lien has been filed of record in the Office of the Clerk of Superior Court for Transylvania County, North Carolina, in the manner provided therefore by Article 8 of Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of thirty (30) days after the same shall become due. Said notice of lien

shall also secure all assessments against the unit becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner of a deed of trust on real property under a power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. The lien granted the Association for unpaid assessments by this Article shall further secure 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 rate of twelve percent (12%) per annum on any such advances.

Following the institution of any action by the Board to foreclose on a unit because of unpaid assessments, the unit owner shall pay a reasonable rental for the use of his unit, and the plaintiff or petitioner in such foreclosure action shall be entitled to the appointment of a receiver to collect the rental. The Board, acting on behalf of the Association, or on behalf of any one or more individual Unit Owners, if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, subject however, to applicable restrictions of record.

8.20. Personal Liability for Assessments and Suit for Such Assessments. In addition to the remedies provided in Section 8.19 of this Article regarding liens for assessments and foreclosure of such liens, each unit owner shall at all times be personally liable, jointly and severally, for payment of any and all assessments made against his unit becoming due and payable while he is the owner of such unit. Nothing in this Article shall prevent an action by the Association against any unit owner to recover a money judgment for unpaid assessments. Any such action may be brought without foreclosing the lien hereinabove provided and any such action against the unit owner for such a money judgment shall not be a waiver of the lien hereinabove provided or of the Association's right to foreclose such lien, nor shall proceeding by foreclosing the lien against any unit in default be deemed to be an election or waiver of the right of the Association to bring an action at law against the unit owner on his personal liability for such unpaid assessments.

8.21. Priority of Assessment Lien. The lien for assessments provided for in this Article shall be prior and superior to all other liens except (a) liens for ad valorem taxes, and (b) liens for all sums unpaid on deeds of trust, mortgages or other encumbrances against the unit recorded prior to the docketing of the assessment lien in the Office of the Clerk of Superior Court for Transylvania County, North Carolina. The sale or transfer of any unit shall not affect the assessment lien against such unit or the ability to record, perfect, and enforce such lien pursuant to the provisions of this Article and the Act. Provided, however, the sale of a unit pursuant to a foreclosure sale or execution sale instituted by a superior lien holder or the conveyance to a First Mortgagee of a deed in lieu of foreclosure shall extinguish the inferior assessment lien against the subject unit but no such sale or transfer shall relieve any unit owner from liability for any assessment thereafter becoming due or for any future lien in connection therewith. Such extinguishment of the lien shall not in any way do away with the personal liability for such assessment of the owner(s) of the unit when such assessment was made. The Association shall share in the excess, if any, realized by the sale of any unit pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien

8.22. Assessment Roll. Statement of Assessments. All assessments shall be set forth upon a roll of the units, which shall be available in the Office of the Association for inspection at all reasonable times by members and shall include, for each unit, the name and address of the member or members, all assessments levied, and the amount of all assessments unpaid. The Association shall promptly provide any unit owner or mortgagee of any unit so requesting the same in writing with a written statement of all unpaid charges due from the owner of any unit, for which the Association may institute a reasonable charge at its discretion.

8.23. Common Surplus. Any surplus funds of the Association remaining after payment of

or provisions for the Common Expenses and any payment or prepayment to reserves may be paid to the Unit Owners in proportion to their common expense liabilities or may be credited to them in proportion to their common expense liabilities to reduce their future common expense assessments.

8.24. Personal Liability of Transferees. Statement. Liability of Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a unit shall not pass to the transferee of such unit unless said delinquent assessments are expressly assumed by said transferee. However, there shall be a lien upon such unit for the amount of any such delinquent assessments which lien shall continue and remain in place notwithstanding the conveyance of such unit.

(b) Any transferee referred to in (a) above shall be entitled to request and obtain from the Association a statement setting out the total of all unpaid assessments levied against a unit. Such statement shall be executed by an officer of the Association or any other duly authorized person, and the Association shall be bound by such statement. Such transferees' unit shall not be subject to a lien for any unpaid assessments in excess of the amount set forth on such statement.

(c) Where a mortgagee or other person claiming through such mortgagee, pursuant to the remedies provided in a deed of trust, or by foreclosure, or by deed in lieu of foreclosure, obtains title to a unit, the liability of such mortgagee or such other person for assessments shall be only for the assessments or installments thereof, that will become delinquent, if not paid, after acquisition of title.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien because of the operation of (b) above or resulting, as provided in (c) above, from the exercise of remedies in a deed of trust, or by foreclosure thereof, or by deed in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the mortgagee or such other person who acquires ownership as described in (c) above.

ARTICLE IX

Insurance

9.1. Casualty Insurance. The Association shall obtain and maintain, to the extent available, casualty insurance insuring against all risks of direct physical loss commonly insured against including fire and extended coverage insurance on all units and Common Elements (including Limited Common Elements) of the Condominium in the name of, and the proceeds thereof shall be payable to, the Association, as Insurance Trustee for all Unit Owners and Security Holders as their interests may appear, which proceeds shall be disbursed pursuant to the provisions of the Act, this Declaration, and the Bylaws. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis, exclusive of land, excavations, foundations and other items normally excluded from property policies and shall insure against such risks and contain such provisions including deductibles, as the Board of Directors of the Association shall from time to time determine, but at a minimum shall conform in all to the requirements of the Act and the Bylaws of the Association and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore or repair damage in lieu of making a cash settlement, such option shall not be exercised if such repair or restoration would be prohibited by the provisions of Section 47C-3-113(h) of the Act.

9.2. Public Liability Insurance. The Association shall, to the extent available, maintain public liability insurance for the benefit of the Unit Owners, occupants, the Association, the Board of Directors of the Association, the members of the Association, the manager, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as

shall be determined by the Board, provided that the public liability insurance shall be for at least ONE MILLION AND 00/100 (\$1,000,000.00) DOLLARS per occurrence for death, bodily injury and property damage. Such insurance shall comply with all requirements of the act and shall (i) contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; (ii) insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks, and public spaces adjoining the Condominium; and (iii) insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the units. Such insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action or claim against another named insured.

9.3. Fidelity Coverage. If available at reasonable cost, fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, and any employee or agent of the Association or any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (I) one and one-half (1-1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three (3) months aggregate assessments on all units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds, as with all other insurance premiums, shall be a part of the Common Expenses.

9.4. Other Insurance. The Association may procure and maintain such other insurance, including but not limited to, workers' compensation insurance, flood insurance, and Directors and Officers Liability Insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners.

9.5. Premiums. The premiums for all insurance policies obtained and maintained by the Association and all other expenses in connection with such insurance shall be paid by the Association as a part of the Common Expenses assessed against all Unit Owners.

9.6. Improvements. Each unit owner shall be required to notify the Board of Directors of the Association of all improvements made to his unit, the value of which is in excess of \$1,000.00.

9.7. Insurance Trustee. All policies of casualty insurance purchased by the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as Insurance Trustee. All proceeds of such insurance shall be used and applied as provided for in the Act, this Declaration and the Bylaws. Insurance proceeds for any physical loss covered by the casualty insurance maintained by the Association shall be payable to the Association as Insurance Trustee and not to any unit owner or mortgagee. The Association as Insurance Trustee shall hold any such insurance proceeds in trust for the Unit Owners and lien holders as their interests may appear. Unless the damage is not going to be replaced or repaired pursuant to the provisions of the Act, this Declaration and the Bylaws, all such insurance proceeds shall be disbursed first by the Insurance Trustee for the repair or restoration of the damaged property as is provided for in the Act, this Declaration and the Bylaws, and the Unit Owners or lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

9.8. Association as Agent. The Association is hereby irrevocably appointed Agent for each unit owner and for each owner or holder of a security interest, deed of trust or other lien upon any unit or any part of the Condominium, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

9.9. Notice of Action in Excess of Coverage. In any legal action in which the Association or the Unit Owners may be exposed to liability in excess of insurance coverage, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to liability and such unit owner shall have the right to intervene and defend.

9.10. Insurance Unavailable. If the insurance described in Section 9.1, 9.2, or 9.3 is not available, the Association shall promptly cause notice of such fact to be hand delivered or sent first class mail, postage prepaid by United States mail to all Unit Owners.

9.11. Inspection of Insurance Policy A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners or their mortgages of record at reasonable times.

9.12. Individual Policy of Unit Owners. Each unit owner may obtain insurance, at his own expenses, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such unit owner deems necessary to protect his own interests; provided that any such insurance shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a unit owner under this Section, such unit owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assign the proceeds of his insurance, to the extent of such reduction, to the Association.

Each unit owner, at their own expense, shall obtain and keep in force comprehensive personal liability insurance for injury en damage to the person or property of others occurring within such unit owner's unit, another unit or upon the Common Elements, in an amount of at least ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$100,000.00) for each occurrence.

ARTICLE X Casualty Damage

As provided by Section 47C-3-113 of the Act, if all or any part of the Property for which insurance is maintained shall be damaged or destroyed by casualty, the same shall be promptly repaired or replaced by the Association unless (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners decide not to repair or replace by an eighty percent (80%) vote, including one hundred percent (100%) approval of owners of units not to be rebuilt and one hundred percent (100%) approval of owners of units to which Limited Common Elements not to be repaired or replaced are assigned. Any reconstruction or repair must be substantially in accordance with the Plans for the Condominium filed in conjunction with this Declaration. The proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-1 13 of the Act and the Bylaws. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense to be assessed against all Unit Owners in proportion to each unit's Common Expense liability.

ARTICLE XI
Modification of Units and Common Elements

11.1. **Limitation on Unit Owners to Alter or Modify Units.** No unit owner or occupant shall make any addition, alteration or improvement in or to his unit which impairs the structural integrity or mechanical systems or lessens the support of any part of the Property, No unit owner or occupant shall permit any structural modification or alteration to be made to his unit without first obtaining the written consent of the Board of Directors of the Association, which consent may be withheld in the event that a majority of the Board, in its sole discretion, shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Property in part or in its entirety.

11.2 **Changes to Building Exteriors.** No unit owner or occupant, shall cause any improvements or changes to be made to the Common Elements or the exterior of any unit or building in the Condominium (including painting, decorating or otherwise changing in any way such exterior, including any doors or windows and also including the installation of electrical wiring, television or radio antennae, satellite dish, or any other objects or machines which may protrude through or attach to the walls or roof of any building on the Property) or in any manner alter the appearance of the exterior portion of any unit or building without first obtaining the written consent of the Board of Directors of the Association. No unit owner or occupant shall paint, decorate or otherwise alter or change the appearance of any exterior door (including garage doors or sliding glass doors) or window without the prior written consent of the Board of Directors of the Association. All window screens shall be kept and maintained as they exist when the unit is first conveyed. All windows, window screens and exterior doors (including sliding glass doors and garage doors) shall be repaired or replaced at all times so as to be identical or as similar as possible to the windows, window screens and exterior doors in the unit when first conveyed. All glass shall be replaced with substantially similar glass as existed in the windows and doors when the unit was first conveyed.

11.3. **Changes to Common Elements.** No unit owner or occupant shall cause any thing or object to be affixed to the Common Elements or the Limited Common Elements (including, but not limited to, the location or construction of fences or the planting or growing of flowers, trees, vegetables, shrubs or any other vegetation) or in any manner change the appearance of the Common Elements or Limited Common Elements of the Condominium without obtaining the prior written consent of the Board of Directors of the Association.

11.4. **Subdivision of Units: Prohibition against Separate Conveyance of Undivided Interest in Common Elements.** No unit may be divided or subdivided into a smaller unit or units than as shown on the Plans. The undivided interest in the Common Elements allocated to each unit is an appurtenance to such unit and shall not be conveyed, devised, encumbered or otherwise dealt with separately from said unit. The undivided interest in Common Elements appurtenant to each unit shall be deemed conveyed, devised, encumbered or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a unit shall be null and void insofar as it purports to affect any interest in a unit and its appurtenant interest in the Common Elements, unless it purports to convey, devise or encumber the entire unit. Any instrument conveying, devising or encumbering any unit, which described the unit by the unit designation assigned thereto in the Unit Ownership File shall be construed to affect the entire unit and its appurtenant interest in the Common Elements. No limitation is placed on the ownership of

any unit by any persons as tenants in common, joint tenants or as tenants by the entirety.

11.5. Restraint upon Separation and Partition of Common Elements. Recognizing that the proper use of a unit by a unit owner is dependant upon the use and enjoyment of the Common Elements in conjunction with all other Unit Owners, and that it is in the interest of all Unit Owners that the ownership of the Common Elements be retained in common by all Unit Owners, it is hereby declared that the percentage of undivided interest in the Common Elements appurtenant to each unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition or division of such Common Elements.

11.6. Right of Association to Alter or Improve Common Elements. The Association shall have the right to make such alterations or improvements to the Common Elements of the Condominium which do not prejudice the rights of any unit owner in the use and enjoyment of his unit or the Limited Common Elements appurtenant to his unit.

Whenever in the judgment of the Board of Directors of the Association the Common Elements shall require additions, alterations or improvements costing in excess of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) during any period of twelve (12) months consecutive, the making of such additions, alterations or improvements shall be first approved by the Unit Owners at a special meeting called for such purpose. In the event of such approval the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a part of the Common Expenses. However, whenever, in the opinion of a majority of the Board of Directors of the Association, 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 benefitted, the assessment to be in such proportion as such Unit Owners approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors of the Association.

ARTICLE XI

Maintenance Repair and Replacement

12.1. Maintenance. Repair and Replacement of the Common Elements.

(a) By The Association The management, maintenance, repair, replacement, alteration and improvement of the Common Elements (including the Limited Common Elements) wherever located shall be the responsibility of the Association, and subject to the provisions of Section 12.2 hereof, the cost and expense thereof shall be a part of the Common Expenses to the extent not paid by Unit Owners pursuant to Section 12. 1 (b) hereof All damage caused to a unit by any work or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

Without in any way limiting the foregoing, the Association shall be responsible for the maintenance, repair and replacement of the Following, the cost and expense of which shall, subject to the provision of Section 12.2 and 12.1 (b) of this Article, be charged to all Unit Owners as a part of the Common Expenses.

(1) All of the Common Elements and the Limited Common Elements. This shall include those portions thereof which contribute to the support of the buildings and all conduits, ducts, flues, pipes, electric wires, and cables, water lines, gas lines, sewer lines, telephone lines,

television cable and wires, plumbing, roadways and any other such facilities located in the Common Elements or any unit for the furnishing of such utility services and public conveniences to two or more units or to any portion of the Common Elements.

(2) The roof, all support walls, all exterior walls and doors (including all garage doors but excluding all sliding glass doors) and all exterior surfaces of all buildings on the Property. This shall include all party walls and all other portions of the buildings or units which contribute to the support of any building and all fixtures on the exterior ceilings (that is all ceilings on any portion of a building not located within a unit), corridors and unit party walls, but excluding, however, any interior walls, interior ceilings and interior floors of all units.

(3) Any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including, but not limited to, all water pipes, electric wires and cables, telephone lines and cables, television wires or cables, conduits, flues, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serves only one unit but is located outside the boundaries of that unit.

(4) All portions of any carport including, but not limited to, all exterior and interior walls, the interior ceiling, the roof, the storage closet, and the concrete slab.

(5) All incidental damage caused to any unit by such work as may be done or caused to be done by the Association.

(b) By Unit Owners Each unit owner shall promptly repair or replace, at his own expense, all damage to the Common Elements, limited Common Elements or any unit intentionally or negligently caused by such unit owner or any occupant of his unit, his guests, agents, tenants, servants, lessees, employees or contractors. If such unit owner responsible for such repair or replacement fails to make the necessary repairs within ten (10) days after written demand upon him to do so, the same may be repaired by the Board and the cost thereof shall be assessed against the unit owned by such unit owner. If such damage is covered by insurance maintained by the Association the insurance proceeds shall be used first for such repair or replacement and the unit owner shall be responsible for payment of all costs and expenses of such repair or replacement in excess of the insurance proceeds. Any payment due under this section by such unit owner shall be paid upon demand by the Association and if not then paid such amount due from the unit owner shall be levied as a Special Assessment against such unit owner's unit which assessment shall be collected like any other assessment. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

12.2. Common Expenses Benefiting Less Than All Units The Association may assess any portion of the Common Expenses benefiting less than all of the units against the unit or units benefited in proportion to their Common Expense liability. If there is only one unit benefited, the Association may assess any portion of the Common Expenses benefiting only that unit against such unit.

12.3. Maintenance and Repair of Units by Unit Owners. Each unit owner shall maintain his unit at all times in a good and clean condition. Each unit owner shall perform promptly, at his own expense, all maintenance, repair and replacement necessary to his unit which, if omitted, would affect the Property, either in its entirety or in a part belonging to other Unit Owners, every unit owner being expressly responsible for the damages and liability which his failure to so maintain, repair or replace may cause. To the extent that such expense is not covered by the proceeds of insurance carried by the Association, every unit owner shall pay all costs to repair and replace any portion of another unit or the Common Elements (including the Limited Common Elements) that has become damaged or destroyed by reason of his own intentional or negligent acts or omissions, or the intentional or negligent acts or omissions of any occupant of his unit. Such payment shall be made upon demand by the Unit Owners of such other unit, or by the Association if it is a Common Element that is damaged or destroyed and if not properly

paid such amount may be assessed as a special assessment against such defaulting unit owner's unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

Each unit owner shall maintain, repair and replace, at his own expense, all portions of his unit including, but not limited to, all heating and air conditioning equipment serving his unit regardless of where located, all interior walls, stoves, refrigerators, hot water heaters, garbage disposals, microwave ovens, fans, all kitchen and bathroom fixtures and all other appliances or equipment located within the boundaries of his unit, including all fixtures and their connections required to provide water, light, power, telephone, gas, sewage and sanitary service to his unit, all water lines, gas lines, telephone lines and cables, electric lines, wires and cables, sewer lines, ducts, conduits, flues and other similar utility apparatus from the point where such pipes, lines, wires, cables, ducts, flues and conduits enter the boundaries of the unit to their end use in the unit, all drywall, wallboard, sheet rock, molding, paneling, interior doors, tile, garage door openers, light fixtures, wall and ceiling covering materials, paint, wallpaper, carpeting, matting, padding, drapes, furnishings and all other accessories such unit owner may desire to place or maintain in his unit. Each unit owner shall at all times maintain wall-to-wall carpet of a comparable grade as installed in his unit at the time of purchase. However, notwithstanding any provision in this Article or any other provision of this Declaration or the Bylaws, no unit owner shall paint, otherwise decorate or change the outside appearance of his unit or the building in which his unit is located, including, but not limited to, the doors and windows of his unit or any appurtenance thereto or any Limited Common Element serving his unit without the prior written consent of the Board of Directors of the Association.

Each unit owner shall keep the interior of his unit and its fixtures, equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the unit. Each unit owner shall be responsible for keeping the Limited Common Elements appurtenant to his unit in a neat, clean, sightly, sanitary and proper manner free and clean of snow and ice or any accumulation of water. Each unit owner shall also replace all light bulbs in fixtures (if any) located in the Limited Common Elements appurtenant to his unit. In addition, each unit owner shall be responsible for all damages to any and all other units or the Common Elements resulting from his failure to make any of the repairs, or perform any of the maintenance required to be made by him under this Declaration or the Bylaws. Each unit owner shall perform his responsibilities in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each unit owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Association is responsible.

12.4. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality.

12.5. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any unit or any of the Limited Common Elements in the case of an emergency or dangerous condition or situation originating in or threatening that unit, any other unit or any of the Common Elements or Limited Common Elements. In the event of such an emergency or dangerous condition or situation the right of entry shall be immediate.

The Association, and any person authorized by the Association, after reasonable notice to a unit owner or occupant, may enter any unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other unit, any Limited Common Elements or the Common Elements. The Association shall be

responsible for the repair of any damage caused by the Association or its authorized person(s) to the entered unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the unit owner or occupant of the entered unit, except that in the case of an emergency or dangerous condition or situation the right of entry shall at all times be immediate. In furtherance of this provision, the Association or its representative shall retain a key to all units so as to permit access to all units in case of an emergency or the prolonged absence of the unit owner or occupant.

(b) By Unit Owners. Each unit owner and occupant shall allow other Unit Owners and occupants, and their representatives, to enter his unit, or Limited Common Elements allocated to his unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the unit or performing the duties and obligations under the Act, this Declaration or the Bylaws of the unit owner or occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the unit owner or occupant whose unit or Limited Common Element is being entered. In the case of an emergency or dangerous situation or condition, such right of entry by other Unit Owners or occupants shall be immediate. The person making such entry shall be responsible for repair of any damage caused by such person to the entered unit or limited Common Element.

ARTICLE XIII Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XIV Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act provided, however, that in addition to compliance with said Section 47C-2-118 of the Act, the prior written consent of the owners or holders of first mortgages representing at least sixty-seven percent (67%) of the votes allocated to units subject to a first mortgage shall be necessary before the Condominium may be terminated.

ARTICLE XV Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation Section 47C-2-110 and Section C47-2-117 of the Act.

An amendment to this Declaration may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Board of Directors or may be proposed by the members of the Association entitled to a majority of the votes in the Association, 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 of the Association or the members of the Association, such proposed amendments 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 as provided for in the bylaws for the purpose of voting on the proposed amendment.

Amendments to this Declaration by the Association shall be prepared by the Secretary or Assistant Secretary and shall be certified and executed by the President or Vice-President of the Association and attested by the Secretary or Assistant Secretary of the Association with all the formalities of a deed

Every amendment of this Declaration shall be effective only upon the recording thereof in the Office of the Register of Deeds for Transylvania County, North Carolina.

ARTICLE XVI

Rights of First Mortgagees

As long as any lender shall hold a first mortgage upon any unit or units, or shall be the owner of any unit or units, such lender 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 a copy of the annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

(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 of payment of assessments by any unit owner owning a condominium unit encumbered by a mortgage or deed of trust held by the lender, which default remains uncured for sixty (60) days, such notice to be sent to the place lender designates in writing,

(d) To be given written notice of any loss to or damage of the Common Elements of the condominium if such loss or damage exceeds \$15,000.00 or of any damage to a unit 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 desires the provisions of this Article to be applicable to it, it shall serve written notice of such fact upon the Association by registered or certified mail addressed to the Association and sent to its registered office identifying the unit or units upon which any such lender holds any mortgage, deed of trust or other lien or identifying any units owned by it, together with sufficient facts to identify such mortgage, which notice shall designate the place to which notices are to be given by the Association to such lender.

ARTICLE XVII

Compliance, Default and Remedies

17.1. Compliance. Each unit owner and any occupant of any unit shall be governed by and shall comply with the terms, conditions, restrictions, obligations and provisions of this Declaration, the Articles of incorporation and the Bylaws of the Association and the Rules and Regulations of the Condominium, as the same may be amended from time to time.

17.2. Default and Remedies A default or failure by a unit owner or occupant of any unit to comply with the terms, conditions, provisions, restrictions and obligations of the Act, this Declaration, the Articles of Incorporation or the Bylaws of the Association or the Rules and Regulations of the Condominium shall entitle the Association or other Unit Owners to the following relief

(a) Failure to comply with any of the terms, conditions, obligations, restrictions and provisions of the Act, this Declaration, the Articles of Incorporation or the Bylaws of the Association, or the Rules and Regulations of the Condominium established by the Board of Directors of the Association shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any other relief provided for in the Act, this Declaration or the Bylaws, all of which relief may be sought by the Association, the Board of Directors of the Association,

the Managing Agent or if appropriate, any aggrieved unit owner.

(b) Each unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his intentional act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, tenants, agents 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 insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances by any unit owner or occupant. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

(c) The violation of any of the Rules and Regulations of the Condominium, or the violation or failure to abide by any terms, obligations, conditions, restrictions or provisions of the Bylaws, this Declaration or the Act, shall give the Board of Directors the right in addition to any other rights set forth in the Act, this Declaration or the Bylaws, to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Act, this Declaration or the Bylaws, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass, to use self-help to remove or cure any violation of said Declaration or Bylaws or the Rules and Regulations in the Common Elements or in any unit; or to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(d) If any unit owner fails to perform any obligation under this Act, this Declaration, the Bylaws, the Articles of Incorporation or the Rules and Regulations of the Condominium, then the Association may, but is not obligated to, perform the same for such Unit Owners account, and for such purpose may enter such unit owner's unit, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs incurred in so doing, may levy a special assessment against the unit owned by such defaulting unit owner.

(e) Pursuant to the provisions of Section 47C-3-102(1 D) and Section 47C-3-107A of the Act, the Board of Directors of the Association may issue a fine not to exceed ONE HUNDRED FIFTY AND 00/100 DOLLARS (\$150.00) against any unit owner for a violation of this Declaration, the Bylaws or the Rules and Regulations of the Condominium. In levying such fine the Board shall accord the party charged with the violation notice of the charge, an opportunity to be heard and to present evidence to the Board and notice of the Board's decision. Each day a violation continues, after notice is given the unit owner, is a separate violation. Any such fine shall be a special assessment against such unit owner's unit and shall be collectible as such.

17.3. No Waiver of Rights or Election of Remedies. The failure of the Association, any unit owner, or any mortgagee, to enforce any right, provision, obligation, covenant, restriction or condition which may be granted by the Act, this Declaration, the Bylaws or the Rules and Regulations of the Condominium shall not constitute a waiver of the right of the Association, the unit owner, or mortgagee, to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association or the Unit Owners pursuant to any terms, provisions, covenants or conditions of the Act, this Declaration or the Bylaws shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it 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.

17.4. Cost and Fees. Any cost, including without limitation reasonable legal fees, incurred as a result of a failure by any unit owner of such unit owner's family, guests, tenants, agents or employees to comply with the Act, this Declaration, the Bylaws or the Rules and Regulations of the Condominium may be assessed against such unit owner's unit. In any action or proceeding arising because of an alleged default by a unit owner, the Association or other person bringing such action or proceeding shall be entitled to recover the costs of such action or proceeding, including, but not limited to, reasonable attorneys' fees.

ARTICLE XVIII
General Provisions

18.1. Conflict with the Act, Severability. Should any of the terms, conditions, provisions, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision or clause to any other person or circumstances.

18.2. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

18.3. Restrictions Run with the Land. 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 unit and its appurtenant and undivided interest in the Common Elements. This Declaration shall be binding upon all persons who may become Unit Owners or occupants of the units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

18.4. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provisions.

18.5. failure to Enforce Not a 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.

18.6. Exhibits. Exhibits "A" and "B" attached hereto are hereby incorporated herein by reference.

EXHIBIT A

**ALLOCATION OF UNDIVIDED INTEREST
IN
COMMON ELEMENTS AND VOTES**

Unit No.	Percentage of Undivided Interest In Common Elements	Percentage of Common Expenses	Votes in Association
<u>PHASE ONE (1)</u>			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One
<u>PHASE TWO (2)</u>			
101	4.42%	4.42%	One
102	5.94%	5.94%	One
103	4.42%	4.42%	One
201	5.26%	5.26%	One
202	6.16%	6.16%	One
203	5.26%	5.26%	One
301	6.09%	6.09%	One
302	6.38%	6.38%	One
303	6.09%	6.09%	One
<u>PHASE THREE (3)</u>			
101	4.64%	4.64%	One
102	3.55%	3.55%	One
201	4.57%	4.57%	One
202	5.06%	5.06%	One
203	4.08%	4.08%	One

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

IN WITNESS THEREOF, the Straus Ridge Condominium unit and property owners
have caused this amendment to be executed on the 13th day of June, 2006.

Bldg Unit

99 101 Sarah Carpenter
102 Joseph/Kathryn Pedersen
103 Don Dowden
201 Donald/Geri Crane
202 Jane Barker
203 William/Anne Bond
301 Stokes/Jane Smith
302 William Gozansky
303 Mark/Laura Kessler

Sarah Carpenter

Donald/Geri Crane

William Gozansky

Bldg Unit

73 101 Sally Loflin
102 Jill Schwarzkopf
103 Temple/Johnnie Snyder
201 Richard/Priscilla Peterson
202 Edward/Shirley Glover
203 Janet Welsh
301 Stanley Jacobsen/Vickie Johnson
302 Janet Heinlein
303 William/Charlotte Stumpfig

Sally Loflin

Johnnie Snyder

Richard H. Peterson
EDWARD GLOVER

Janet Welsh

Stanley Jacobsen/Vickie Johnson
Janet Heinlein
Charlotte Stumpfig

Bldg Unit

47 101 Shirley Eldridge
102 Robert/Betty Grohman
201 Richard/Lois Schultz
202 Gail McCarty
203 Carlene Jerome
Lot 4 John Fredley

Shirley Eldridge

Lois H. Schultz

Gail McCarty
Carlene Jerome

John Fredley

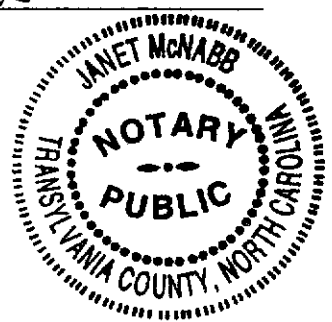
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that Janet Welsh, Secretary, Straus Ridge Condominium Association, personally came before me this day and acknowledged that the unit and property owners of Straus Ridge Condominium have caused this Fourth Amendment to the Declaration of Condominium of Straus Ridge to be executed on the day and year above written. By authority duly given to the Secretary of the Association, the foregoing instrument was signed in its name by unit and property owners.

WITNESS my hand and official stamp or seal, this the 13th day of June, 2006.

Janet McNabb
NOTARY PUBLIC

My Commission Expires: 10-10-07



(I) We own Straus Ridge Condominium # 302.

I/We have reviewed the revised Declaration,
By-laws, and Rules and Regulations and accept the new
Documents.

William Gozansky
Name

William Gozansky
Name

6/6/06
Date

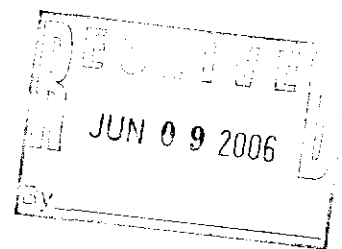


EXHIBIT B
BYLAWS
OF STRAUS RIDGE ASSOCIATION, INC.

ARTICLE I
PLAN OF CONDOMINIUM, NAME, APPLICABILITY

1.1. Unit Ownership. The property located in Transylvania County, North Carolina, which is more particularly described in the Declaration of Straus Ridge Condominium (hereinafter called the "Declaration"), has been submitted to the provisions of Chapter 47C of the North Carolina General Statutes entitled "North Carolina Condominium Act" (the "Act") by Declaration of Condominium recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, simultaneously herewith, and shall be known as Straus Ridge Condominium (hereinafter referred to as the "Condominium").

1.2. Formation of Association: Name Straus Ridge Association, Inc. (hereinafter the "Association") is a North Carolina nonprofit corporation which has been formed for the purpose of administering the operation and management of the Condominium (a copy of the Articles of Incorporation of the Association has been or will be recorded in the Office of the Register of Deeds for Transylvania County, North Carolina), including all additional phases which may be added thereto. The Association shall be governed by a Board of Directors as is hereinafter provided.

1.3. Applicability of Bylaws. The provisions of these Bylaws are applicable to all affairs of the Association and to the Property of the Condominium, including all additional phases which may be added thereto, and to the use and occupancy thereof All present and future Unit Owners, mortgagees, lessees and occupants of all units in the Condominium and their agents and employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, the Articles of Incorporation of the Association, these Bylaws and any Rules and Regulations made pursuant hereto and any amendment to any of said documents. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration and said Articles of Incorporation, as they may be amended from time to time, are accepted, ratified, and will be complied with. The provisions of the Declaration regarding the governing and administration of the Condominium by the Association are incorporated herein by reference.

ARTICLE II
Definitions

The definitions of words contained in Article I of the Declaration shall apply to the words and terms used in these Bylaws. The definitions set forth in said Article I of the Declaration of Straus Ridge Condominium are hereby incorporated herein by reference.

ARTICLE III Membership, Meetings and Voting

3.1. Membership. Membership in the Association shall be confined to and consist exclusively of all the Unit Owners of the various units in the Condominium. Each unit owner shall be a member of the Association and shall remain a member until he ceases to be a unit owner. Membership in the Association shall be appurtenant to and inseparable from Unit Ownership. No unit owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to Unit Owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more units and shall end automatically upon the conveyance of such unit. The date of registration of the conveyance in the Register of Deeds Office for Transylvania County, North Carolina, shall govern the dates of ownership of each particular unit.

3.2. Annual Meetings. The annual meeting of the Association shall take place at 3:00 P.M. on the second Tuesday in June of each and every year for the purpose of transacting business as may be properly brought before the meeting. If the day for the annual meeting is a legal holiday, the meeting will be held at the same time on the next business day, which is not a holiday. The Board of Directors reserves the right to make last minute changes to satisfy home owners' schedules.

3.3. Place of Meeting. All meetings of the membership shall be held in the County of Transylvania, State of North Carolina, at the registered office of the Association or at such other place within Transylvania County, North Carolina, as is convenient to the members as may be designated by the Board in the notice of any meeting.

3.4. Substitute Annual Meetings. If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 3.5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting

3.5. Special Meetings. After the first Annual Meeting of the members, special meetings of the members may be called at any time by the President, a majority of the Board of Directors, or pursuant to a written request to the Secretary of the Association made by Unit Owners having not less than twenty percent (20%) of the votes in the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Business to be acted upon at all special meetings shall be confined to the objects stated in the notice of such special meeting.

3.6. Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary of the Association shall cause notice of such meeting to be hand-delivered or mailed first class mail postage prepaid to the members of the Association at the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice shall state the time and place of the meeting and shall state the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a director or officer. If such notice is mailed, notice shall be deemed given upon the deposit of such notice in an official depository of the United States Postal Service in an envelope properly addressed to the unit owner(s) at the address of his unit or at such other address supplied to the Association by the unit owner, with sufficient postage affixed thereto. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting, other than by announcement at the meeting at which the adjournment is effective.

3.7 Quorum. The presence in person or by proxy at any meeting of members having a majority of the total votes in the Association shall constitute a quorum. If there is no quorum at the opening of the meetings, such meeting may be adjourned from time to time by the vote of a majority of the members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting. The members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum.

3.8. Voting. As provided in the Declaration, voting is based upon equality, with each unit in the Condominium being entitled to one vote in the Association. The unit owner of each unit shall be entitled to one vote. Where the ownership of a unit is in more than one person, the person who shall be entitled to cast the vote for such unit shall be the person named in a certificate executed by all of the owners of such unit and filed with the Secretary of the Association (if such a certificate is on file). If there is no such certificate on file or in the absence of such person named on the certificate from the meeting, the person who shall be entitled to cast the vote of such unit shall be the unit owner of such unit who is present. If more than one person owning such unit is present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the vote allocated to that unit without protest being made promptly to the person presiding over the meeting by any other owners of the unit. If a unit owner is not a natural person, the vote for such unit may be cast by any natural person having authority to vote on behalf of such unit owner, which authority shall be evidenced by a certificate properly executed by such unit owner who is not a natural person, which certificate shall be filed with the Secretary of the Association prior to any meeting at which the appointed person is to vote. Subject to the requirements of the Act, whenever the approval or disapproval of a unit owner is required by the Act, the Declaration, the Articles of Incorporation or these Bylaws of the Association, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such unit at any meeting of the members of the Association. There shall be no cumulative voting.

3.9. Majority Vote. Except where a greater number or percentage is required by the Act, the Declaration, the Articles of Incorporation of the Association or these Bylaws, a simple majority vote of all members entitled to cast votes present at any meeting at which a quorum shall be present shall be sufficient to adopt decisions at any meeting of the Association which decisions shall be binding on all Unit Owners for all purposes

3.10. Proxies. Members may vote either in person or by agents duly authorized by written proxy executed by the subject member or by his duly authorized attorney-in-fact. A proxy shall be valid only for the particular meeting designated therein, unless the person executing it specifies therein the length of time for which it is to continue in force, which time shall not extend beyond eleven (11) months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary of the Association or duly acting Secretary prior to the meeting in question. All of the above provisions concerning the voting by co-owners shall apply to votes cast for one unit by two or more proxy holders.

3.11. Order of Business. The order of business at all annual meetings of the Association shall be as follows:

- A. Roll Call.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- D. Reports of Officers.
- E. Report of Board of Directors,
- F. Reports of Committees.
- G. Election of Inspectors of Election (when so required).
- H. Election of members of the Board of Directors (when so required).
- I. Unfinished business.
- J. New business.

3.12. Waiver of Notice. Any unit owner may at any time waive notice of any meeting of this Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a unit owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof, except where a unit owner attends a meeting and indicates immediately upon the meeting's being called to order that his sole purpose in attending is to object to the transaction of business because the meeting has not been lawfully called.

3.13. Minutes of Meetings. The Secretary of the Association shall prepare or cause to be prepared, and keep accurate minutes of every meeting of the Unit Owners. Such minutes shall be made available for examination and copying by any unit owner at any reasonable time.

3.14. Actions Without Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the Action so taken or to be taken shall be signed by one hundred percent (100%) of the persons who would be entitled to vote at a meeting and such consent is filed with the Secretary of the Association and inserted in the Minute Book of the Association.

ARTICLE IV Board of Directors

4.1. General Powers. The business and property of the Condominium and the Association shall be managed, governed and directed by the Board of Directors of the Association (the "Board") or by such Executive Committees as the Board may establish pursuant to these Bylaws. The Board of Directors of the Association is the body designated in the Declaration and herein to act on behalf of the Association. As such the Board of Directors of the Association constitutes the Executive Board as that term is defined and used in the Act.

4.2. Number. The number of Directors on the Board shall be five (5) persons. All five (5) positions on the Board shall be filled at the first meeting of the members. The Directors shall be divided into two (2) classes, the first class to consist of three (3) Directors, the second class to consist of two (2) Directors. The Directors of the first class shall initially hold office for a term of three (3) years; the Directors of the second class shall initially hold office for a term of two (2) years. The three (3) persons who receive the most votes shall fill the positions of the Directors of the first class elected for an initial term of three (3) years and the two (2) persons who receive the next highest number of votes shall fill the positions of the Directors in the second class elected for an initial term of two (2) years.

4.3. Qualification and Term. All members of the Board shall be unit owners, or a spouse of a unit owner, provided, however, that in the event a unit owner is a corporation, partnership, trust or other legal entity other than a natural person, then an officer or director of such

corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a director. Each Director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

4.4. Election.

(a) Election. The members of the Board of Directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected.

(b) At all annual meetings, a number of Directors shall be elected by the members of the Association to succeed those Directors whose terms expire. Each Director shall serve for a two (2) year term. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself

4.5. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium, and may do all such acts and things as are not by the Act, the Declaration, or these Bylaws directed to be exercised and done only by the Unit Owners. In addition to the powers, duties and responsibilities granted to or imposed on the Board of Directors by the Act, the Declaration, these Bylaws or by any resolution of the members of the Association that may hereafter be adopted, the powers and duties of the Board of Directors shall include but not be limited to the following:

(a) Determining the Common Expenses required for the affairs of the Condominium including, without limitation the operation, maintenance and repair of the Common Elements and the obtaining of insurance on all Common Elements and units.

(b) Preparing and adopting an annual budget in which there shall be established the annual assessment against each unit owner for the Common Expenses. The Board shall also have the power and authority to create such additional reserve funds as it shall deem prudent and necessary and fund the same as a part of the Common Expenses.

(c) Making assessments against the Unit Owners to pay the Common Expenses of the Association, including allocations to reserves; establishing the means and methods of collecting such assessments from the Unit Owners; establishing the period and amount of the monthly installment payment of the annual assessment for the Common Expenses and to collect the Common Expenses from the Unit Owners. Unless otherwise determined by the Board of Directors, the annual assessment against each unit owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month in the calendar year.

(d) Providing for and supervising the operation, care, upkeep, maintenance, repair and replacement, as necessary, of the Common Elements including the Limited Common Elements.

(e) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and providing services for the property, and where appropriate, providing for the compensation of such personnel. Further, to purchase the equipment, supplies and material to be used by such personnel in the performance of their duties which supplies and equipment shall be deemed the common property of all Unit Owners to be used by the Association in the performance of its duties and obligations.

(f) Collecting the assessments against the Unit Owners, depositing the proceeds thereof in a bank depository which it shall approve and using such funds to carry out the administration, operation, maintenance and repair of the Common Elements of the Condominium,

(g) Adopting and amending, from time to time, any rules and regulations it may deem advisable for the maintenance, conservation, enjoyment, and beautification of the Property and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such Rules and Regulations shall be provided to all Unit Owners

and occupants. The entire Property and Condominium shall at all times be maintained subject to such rules and regulations. Such rules and regulations must be in accordance with the provisions and restrictions contained in the Declaration and not in modification thereof.

(h) Acting as Insurance Trustee in the manner provided for by the Act, the Declaration and these Bylaws.

(i) Opening of bank accounts on behalf of the Association and designating the signatories required therefore, and depositing and withdrawing Association funds from such accounts. This includes the authority to open and maintain one or more checking accounts in the name of the Condominium or the Association and designate the persons authorized to write checks on such checking account(s). The Board has the duty and authority to pay from the funds of the Association the Common Expenses of the Condominium and all other duly authorized expenditures.

(j) Purchasing or leasing or otherwise acquiring in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners, units offered for sale or lease.

(k) Selling, leasing, mortgaging or otherwise dealing with units acquired by and subleasing units leased by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners.

(l) Purchasing of units at foreclosure or other judicial sales in the name of the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(m) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing units on behalf of all Unit Owners

(n) Making or contracting for the making of repairs, additions, and improvements to or alterations or restorations of the Property in accordance with the other provisions of these Bylaws, the Act or the Declaration, after destruction by fire or other casualty or as a result of condemnation or eminent domain proceeding

(o) Enforcing by legal means the provisions of the Act, the Declaration, these Bylaws and the Rules and Regulations of the Condominium for the use of the Property, and bringing any proceedings which may be instituted on behalf of the Unit Owners.

(p) Obtaining and carrying insurance against casualties, loss and liabilities as provided in Article VIII of these Bylaws and paying the cost and expense thereof as a part of the Common Expenses.

(q) Paying the cost and expense of all authorized services, materials and work rendered to the Property or the Association and not billed to Unit Owners

(r) In accordance with Section 47C-3-11 of the Act, keeping books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for the examination by the Unit Owners, their duly authorized agents or attorneys during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside accountant employed by the Board of Directors who shall not be a resident of the Condominium or an owner of a unit therein. The cost of such audit shall be a Common Expense.

(s) Whenever requested in writing by a first mortgage the Board shall notify any first mortgage of any unit more than sixty (60) days in default for failure to make payment of monthly assessments

(t) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board of Directors or by operation of applicable provisions of the Declaration or these Bylaws to protect the Common Elements or any other portion of the Property when the unit owner of such unit has failed or refused to perform such maintenance or

repair within a reasonable time after written notice of the necessity of such maintenance or repair is delivered or mailed by the Board to said unit owner, provided that the Board shall levy a special assessment against such unit owner for the costs of such maintenance or repair.

(u) Entering any unit when necessary in connection with any maintenance, repair or construction for which the Association is responsible, provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the unit owner or occupant as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as Common Expenses.

(v) To enter into and execute on behalf of the Association any and all agreements, contracts, notes, deeds, deeds of trust and vouchers for payment of expenditures and any other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary of this Association.

(w) Contracting for all goods, services and insurance necessary for the maintenance, operation, replacement and repair of the Property the payment of which is to be made by the Association as part of the Common Expenses.

(x) Instituting, defending or intervening in litigation or administrative proceedings in the name of or on behalf of the Association or two or more Unit Owners on matters affecting the Condominium,

(y) Borrowing money on behalf of the Condominium or the Association when required in connection with the operation, care, upkeep, maintenance, repair, replacement or improvement of the Common Elements or the acquisition of property, and granting mortgages, deeds of trust or security interests in Association owned property in accordance with the Declaration and these Bylaws regarding the creation of any lien on the Common Elements, or to pledge and pay assessments and any and all other revenue and income for such purposes; provided, however, that the consent of the Unit Owners shall be required for the borrowing of any sum in excess of \$5,000.00.

(z) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levying reasonable fines for violations of the Declaration, the Bylaws, or Rules and Regulations established by the Association, all in accordance with Sections 47C-3-107 and 47C-3-107A of the Act.

(aa) Hearing and deciding upon requests by the Unit Owners to alter, change or modify units, Common Elements or Limited Common Elements. Any decision by the Board shall be final.

(bb) Granting leases, licenses, concessions and easements over, upon, under and through the Common Elements.

(cc) Making or constructing any alterations or improvements to the Common Elements.

(dd) To impose and collect reasonable charges, including reasonable costs and attorney fees for the evaluation, preparation and recordation of any amendments to the Declaration or these Bylaws, resale certificates required by Section 47C-4-109 of the Act, or certificates of assessments.

(ee) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use.

(ff) Exercising (i) all powers and performing all the duties and obligations granted to the Board in the Declaration, the Articles of Incorporation, these Bylaws and in the Act, as amended from time to time; (ii) all powers incidental thereto; and (iii) all other powers of a North Carolina nonprofit corporation.

(gg) Suspending the right of any unit owner to vote or use the recreational facilities of the Condominium as long as such unit owner is delinquent in the payment of Common Expenses or is otherwise in violation of the Declaration, these Bylaws or the Rules and Regulations of the Condominium.

(hh) To do such other things and acts not inconsistent with the Act and with the Declaration as the Board may deem necessary and prudent and to do such things as it may be authorized to do by a resolution of the Association.

4.6. Managing Agent. The Board of Directors may, on behalf of the Association, contract with or employ any person, firm or corporation, to act as managing agent for the Association at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in paragraphs (d) (e) (f) (n) (p) (q) (r) (s) (t) (u) and (w) of Section 4.5, of this Article IV. The Board of Directors may delegate to the managing agent all of the powers granted to the Board other than the powers set forth in paragraphs (a) (b) (c) (g) (h) (i) (j) (k) (l) (m) (o) (v) (x) (y) (z) (aa) (bb) (cc) (dd) (ee) (ff) (gg) (hh) of Section 4.5 of this Article IV.

4.7. Removal of Members of the Board. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by Unit Owners owning a majority of the votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and he shall be given the opportunity to be heard at the meeting.

A Director who was a unit owner when elected shall be deemed to have resigned upon conveyance of such Directors' unit or if such Director is not in attendance at three (3) consecutive regular meetings of the Board unless the minutes reflect the Board's consent to such absence.

4.8. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next annual meeting of the Association of Unit Owners.

4.9. Organizational Meeting of the Board, Regular Meetings. An organizational meeting of the Board shall be held immediately after, and at the same place as the Annual Meeting or substitute Annual Meeting of the Association. This meeting shall be the organizational meeting of the new Board each year. No notice of this organizational meeting of the Board held following the annual meeting of the membership shall be necessary in order to legally constitute such meeting, providing a quorum is present. In addition, regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four meetings (including the organizational meeting) shall be held each year, one in each quarter of the fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director by mail or telephone at least five (5) business days prior to the day named for such meeting and need not specify the purpose of or agenda for the meeting. Meetings of the Board shall be open to all Unit Owners and notices of such meetings shall be posted conspicuously for the attention of Unit Owners in advance of the meeting.

4.10. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association or by any two (2) Directors on three (3) business days' notice of

each Director, given by mail or telephone which notice shall state the time, place and purpose of the special meeting.

4.11. Notice of Meetings. Notice of all meetings of the Board shall be given as required herein by the Secretary of the Board or in his absence or unavailability by the President of the Board. Notice may be either mail or telephone. Notices of regular meetings of the Board need not specify the purpose of or agenda for the meeting.

4.12. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at a meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting if all of the Directors are present at any meeting of the Board no notice shall be required and any business may be transacted at such meeting.

4.13. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the vote of a majority of the Directors present at any meeting at which a quorum is present shall constitute the act and decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.14. Fidelity Bonds. The Board of Directors may obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a part of the Common Expenses. This provision shall not require that the Treasurer be bonded if, under the terms of any management agreement in effect from time to time, the person, firm or corporation serving as management agent is responsible for collecting and disbursing assessment funds and required to account to the Association for said funds at least annually-.

4.15. Compensation. No Director shall receive any compensation for acting as such unless expressly allowed by the Board at the direction of the Unit Owners other than Declarant having sixty-seven percent (67%) of the total votes in the Association, except that a Director may be reimbursed for any actual expenses he incurs in performing any of his duties as a Director.

4.16. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book recording therein the minutes of all meetings of the Board. Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Act. All minutes of Board meetings shall be available for inspection by the Unit Owners during reasonable business hours.

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

4.18. Executive Committees. The Board may by resolution designate two (2) or more Directors to constitute an Executive Committee, which Committee, to the extent provided in

such resolution, shall have and may exercise all of the authority of the Board in the management of the Condominium.

419. Liability of the Board. The members of the Board shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium or the Association unless any such contract shall have been made in bad faith or knowingly contrary to the provisions of the Declaration or these Bylaws. Said indemnity obligation and all costs reasonably incurred in enforcing it, including reasonable attorneys fees, shall be secured by a lien in favor of the Board and each of its members individually identical to that provided in connection with Common Expenses. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium or the Association, except to the extent they are Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board or by the managing agent on behalf of the Association shall provide that the members of the Board, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE V Committees

5.1. Creation. The Board, by resolutions adopted by a majority of the number of Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium property. Each committee so created shall have such authority as contained in the resolution creating such committee. The Board shall elect the members of such committees. Each committee shall have in its membership at least one (1) member of the Board.

5.2. Vacancy. Any vacancy occurring on a committee shall be filled by a majority vote of the number of Directors then holding office at a regular or special meeting of the Board.

5.3. Removal Any member of a committee may be removed at any time with or without cause by a majority of the Directors then holding office.

5.4. Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

5.5. Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility or liability imposed upon it or him by law. If action taken by a committee is not considered formally thereafter by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

5.6. Nomination Committee. The Board may appoint a nominating committee.

ARTICLE VI

Officers

6.1. Designation. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other officer may be, but shall not be required to be members of the Board of Directors. The office of the Secretary and Treasurer may be combined and held by one person.

6.2. Election of Officers and Term. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors which follows the annual meeting of the members of the Association and shall hold office at the pleasure of the Board of Directors.

Each Officer shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

6.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

6.4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all the general powers and duties which are incident to the office of the President of a stock corporation organized under the Business Corporation Act of the State of North Carolina, including but not limited to the power to appoint such committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

6.5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

6.6. Secretary. The Secretary shall keep the minutes of all meeting of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct, and he shall, in general, perform all the duties incident to the Office of Secretary.

6.7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association, and shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors; provided, however, that the Treasurer shall not be responsible for such of the foregoing matters as have been delegated to a Managing Agent. The Treasurer shall, in general, perform all the duties incident to the Office of the Treasurer of a stock corporation organized under the Business

Corporation Act of the State of North Carolina.

68. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall in the absence or disability of the Secretary or Treasurer, respectively, have all the powers and perform all of the duties of those officers and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President.

ARTICLE VII Amendment to Bylaws

7.1. Amendments. These Bylaws may be amended in the following manner:

(a) Amendments to these Bylaws may be proposed by the Board of Directors acting upon a vote of a majority of the Directors or amendments may be proposed by members of the Association holding a majority of the votes in the Association, whether meeting as members or by instrument in writing signed by them_

(b) Upon any amendment to these Bylaws being proposed in the manner hereinabove set out, such proposed amendment shall be transmitted to the President or other officer of the Association in the absence of the President. A Special Meeting of the members shall then be called for the purpose of voting on such proposed amendment. Notice of the subject matter of a proposed amendment shall be included in the written notice of any meeting in which a proposed amendment is to be considered.

(c) These Bylaws may be amended by an affirmative vote of the members holding at least sixty-seven percent (67%) of the votes in the Association; provided, however if a larger vote is required to take or refrain from taking a specific action as set forth in these Bylaws, the Declaration or the Act, no amendment of such provision shall be made unless and until members who hold such larger percentage of the votes shall affirmatively vote for such amendment.

(d) A copy of each amendment duly passed shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to these Bylaws, which certificate shall be prepared and executed by the President or Vice President of the Association with all the formalities of a deed. The amendment shall be effective only when the certificate and a copy of the amendment is recorded in the Office of the Register of Deeds for Transylvania County, North Carolina.

(e) No amendment may be adopted which would eliminate, alter, modify, amend, prejudice, abridge, change or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved in these Bylaws or the Declaration. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or the Declaration without satisfaction of the requirements therein contained. No amendment to this Section shall be valid.

(f) All Unit Owners shall be bound to abide by any amendment upon its proper recordation in the Register of Deeds Office for Transylvania County, North Carolina, as hereinabove provided.

ARTICLE VIII
Miscellaneous

8.1. **Powers of the Association.** The Association shall have all the powers granted to a nonprofit corporation under Chapter 55A of the North Carolina General Statutes and all powers granted to the Association by Chapter 47C of the North Carolina General Statutes. Without limiting the foregoing, the Association shall have all those powers set forth in North Carolina General Statutes Section 55A-15 and North Carolina General Statutes Section 47C-3-102 which powers are hereby incorporated herein by reference as they exist on the date of this instrument to the same extent as if set forth herein in their entirety. In addition, the Association shall have all of those powers granted to the Board of Directors in Section 4.b of these Bylaws which powers are incorporated herein by reference. The Association shall also have all those powers granted or reserved to it in the Articles of Incorporation of the Association and the Declaration.

8.2. **Execution of Amendments to the Declaration.** Any and all amendments to the Declaration on behalf of the Association shall be prepared by the Secretary or Assistant Secretary. Such Amendments shall be certified and executed by the President or Vice President of the Association and attested by the Secretary or Assistant Secretary of the Association with all the formalities of a deed. Any such amendment shall be recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, by the President, Vice President, Secretary or any Assistant Secretary of the Association.

8.3. **Notices.** All notices, demands, bills, statements or other instruments called for in the Declaration or these Bylaws shall be deemed to have been duly given, if made in writing, upon deposit in a receptacle of the United States Postal Service with the mailing address of the unit or such other address as provided to the Association by the unit owner or mortgagee thereon in a postage pre-paid, first class mail envelope, or if delivered personally or if posted upon the front door of the unit or in the mail receptacle for such unit.

8.4. **Parliamentary Rules.** Robert's Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Declaration or these Bylaws.

8.5. **Fidelity Bona.** The Board of Directors may require that all employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association as a Common Expense.

8.6. **Conflicts.** Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of the Act, the provisions of the Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of the Declaration, the provisions of the Declaration shall control unless the Declaration permits these Bylaws to override the Act, in which event these Bylaws shall control.

8.7. **Waiver.** No provision of these Bylaws or of the Rules and Regulations promulgated pursuant thereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

enforceability or effect of the remainder hereof.

8.9. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

8.10 Gender, Singular. Plural. Wherever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being the initial Board of Directors of the Straus Ridge Association, Inc., have hereunto set our hands and seals this the 13th day of June, 2006.

Ned Glover
Ned Glover, President

Vice-President
Dick Schultz
Dick Schultz, Treasurer

Jan Welsh
Jan Welsh, Secretary

Carlene Jerome
Carlene Jerome, Member-at-Large

I, the undersigned, do hereby certify that I am the duly elected Secretary of Straus Ridge Association, Inc., a North Carolina nonprofit corporation; and the foregoing Bylaws constitute the Bylaws of said association as duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of June, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the 13th day of June, 2006.

Janet S. Welsh
Janet S. Welsh, Secretary

STRAUS RIDGE CONDOMINIUM RULES & REGULATIONS

In order to afford all residents of Straus Ridge Condominium a congenial community, permanent in nature, the Board of Directors of Straus Ridge Association, Inc. (the "Association") pursuant to authority contained in the Bylaws of the Association have adopted the following rules and regulations. These rules and regulations are designed to help make life more pleasant for everyone in Straus Ridge Community. All Unit Owners, their families, tenants and guests shall abide by the following rules and regulations:

APPEARANCE

1. No entrance, stairway, building exterior (including doors and windows) or any other portion of the Common Elements shall be decorated, painted, altered or changed in any way by any unit owner or occupant without the prior written consent of the Board of Directors of the Association. Privacy shades of any type shall not be installed on any porch, patio or deck without the prior written consent of the Board of Directors of the Association.

2. No article shall be placed in the entrances or stairways nor shall anything be hung or shaken from the balconies or patios. No clothing or other articles shall be hung in the Common Elements or on any portion of any balcony, deck or patio. No clothes lines shall be permitted outside the unit.

3. Each unit owner shall keep his unit in a good state of preservation and cleanliness and shall not throw or permit to be thrown therefrom, or from the doors, windows, balconies or patios thereof, any dirt or other substance. Unit Owners shall maintain in good condition and repair all interior surfaces and fixtures in their units.

4. Any blinds or window treatments visible from the outside that are other than white must have prior written approval of the Board of Directors.

5. Except as provided below, no radio or television antennas, satellite dish or other reception device shall be attached to or hung from the exterior of any building including the roof without the prior written approval of the Board of Directors. Any such device erected on the roof or exterior of any building by any unit owner is subject to removal without notice. Satellite dishes no larger than 18 inches in diameter may be allowed to be attached to any unit, provided the number of such dishes and the color and exact location of any such dish must be approved, in writing, by the directors of the Association and the location of any such dish may not be changed. Any such dish that is not actively being used for television reception must be removed. Upon removal, the owner of the dish will repair any damage.

6. No owner shall do any painting or decorating of the exterior of his unit or any building or make any alterations or construct any improvements to the exterior of the buildings or any of the Common Elements without prior written approval of the Board of Directors.

7. Sidewalks, entrances, passages, roads and parking areas shall not be used as play areas and shall be kept clear and passable at all times.

8. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any unit owner or occupant of any unit on any part of the outside or inside (if visible from the outside) of his unit without the prior written consent of the Board of Directors of the Association. Any sign, advertisement, notice or lettering so displayed in violation of this regulation

shall be subject to removal without notice.

9. No awnings or other projections shall be attached to the outside walls of the building and no other modifications shall be permitted to the exterior of any building without the prior written consent of the Board of Directors of the Association

10. All garbage and refuse must be taken to the common dumpster. No trash cans shall be placed, kept or maintained outside any unit.

11. No new planting or changes in the existing planting or landscaping may be made without prior written consent of the Board of Directors of the Association.

12. No garbage cans, supplies of any type, milk bottles or other articles shall be placed or kept in or upon the Common Elements.

PARKING AND STORAGE

1. No bicycles or similar vehicles or other personal articles shall be stored in the entrances, stairways or Common Elements of the buildings except as approved in writing by the Board of Directors of the Association.

2. No vehicle belonging to any unit owner, a member of his family, guest, or tenant of an owner shall be parked in such manner to impede or prevent ready access to the remaining parking areas. The Unit Owners, visitors, licensees and the Unit Owners' families will obey the posted parking regulations and any other traffic regulations published in the future for the safety, comfort and convenience of the Unit Owners.

3. The Board of Directors may, in its discretion, elect to assign specific parking spaces to specific units, and if parking places are so assigned, each unit owner will be bound by such decision and will abide by such rules and regulations as may be established in such regard.

4. No boats, trailers, campers, recreational vehicles, buses, travel trailers, tents, boat trailers, mini bikes or other such items shall be perked or stored in parking areas or any other part of the property. No trucks larger than a van or pickup truck will be parked on any parking areas of the property and if such van or pickup truck is used for any commercial purpose, it shall have no outside equipment or unsightly material.

GARAGES

1. Garages shall be used only for the parking of standard passenger automobiles, vans, pickup trucks and motorcycles and for the storage of other personal property. All garages shall be kept in a neat and orderly appearance. Garages may not be used in any manner as a living area. No person shall be allowed to reside in any garage. Garage doors shall at all times be kept closed

DISTURBANCES

1. No owner shall make or permit any noises that will disturb or annoy the occupants of the buildings or do or pen-nit anything to be done therein which will interfere with the rights, comfort or convenience of other owners. PLEASE BE CONSIDERATE OF YOUR NEIGHBORS. EXCESSIVE NOISE FROM PARTIES, STEREOS, TV, ETC., CAN RUIN OUR FINE COMMUNITY. No owner shall play upon, or suffer to be played upon, any musical instrument or

operate or suffer to be operated a phonograph, television set, radio or musical instrument, or other electrical devise designed for the transmission and reproduction of sound, in any unit between the hours of 10:30 p.m. and the following 8:00 am., if the same shall disturb occupants of other units. No unit, owner or occupant of any unit shall give nor permit to be given vocal or instrumental instruction at any time in his unit if complaint shall be made by an adjoining unit owner because of sound emissions.

2. No discharge of firearms or fireworks shall be permitted on any part of the Condominium.

UTILITIES

1 Water closets (commodes) and other water apparatus in the buildings shall not be used for any purposes other than those for which they were constructed nor shall any sweeping, rubbish, rags, paper, ashes, or any other article be thrown into same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the owner in whose unit it shall have been caused.

2. No owner shall interfere in any manner with any portion of the common lighting apparatus in or about the buildings.

3. All Unit Owners must insure that a temperature of at least 55 degrees is maintained in their unit throughout the cold season in order to prevent freezing of pipes.

4. Unit Owners shall promptly pay all bills for utilities metered separately to their units.

5. All plumbing and electrical repairs within a unit shall be the responsibility of the owner of that unit and shall be paid for by such owner.

PETS

No animals, livestock, or poultry of any kind may be raised, bred or kept on any part of the Property, or Condominium except for small household pets, **one dog and/or cat not to exceed 30 pounds**. Exceptions must have prior written approval of the Board of Directors. Such may be kept by their respective owners only, in their respective units, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of or, in the sole discretion of the Board of Directors of the Association, unreasonably disturb the owner of any unit or any resident thereof. All pet owners shall be responsible for exercising such care and restraint as is necessary to prevent their pet from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions or other nuisance. **Dogs outside units must be kept on a leash, and owners are responsible for picking up excrement.** No savage or dangerous animal shall be kept or permitted on the property or in any unit, No pets may be permitted to run loose upon the Common Elements and any unit owner who causes or permits any animal to be brought or kept upon the Condominium Property shall indemnify and hold harmless the Association for and from any loss, damage or liability which it sustains as a result of the presence of such animal upon the Condominium Property.

GENERAL

1 No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; further, no use shall be made which would be in violation of any federal, state, county or municipal law, statute, ordinance, or administrative rule or regulation, or

which would be injurious to the reputation of the condominium.

2. Unit Owners shall be held responsible for the actions of their children, guests, invitees and their pets.

3. The Association assumes no liability for nor shall it be liable for any loss or damage to articles left or stored in the Common Elements.

4. Sidewalks and entrances must not be obstructed and shall not be used for any purpose other than ingress, egress and regress to and from the premises

5. The washing of cars or any other type vehicle on any part of the Condominium property is absolutely prohibited.

6. Major vehicle maintenance or repair is not permitted on any part of the Condominium Property.

7. No unit owners or residents shall direct, supervise or in any manner attempt to assert any control over any employees of the Association or the Managing Agent.

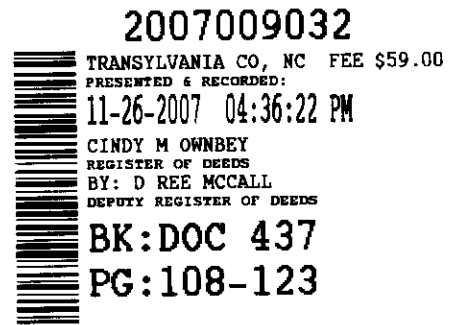
8. In the event of a Management Agreement between the Association and a Managing Agent, routine enforcement of these rules and regulations shall be the responsibility of the Board of Directors and the Managing Agent and they shall have full responsibility to implement and apply the rules and regulations in accordance with established procedure.

9. Any consent or approval given under these community rules by the Board of Directors of the Association shall be revocable at any time.

10. Complaints regarding the service of the buildings and grounds or regarding actions of other owners shall be made in writing to the Management Company and sent to:

Investment Properties Management (IPM)
P.O.Box 580
Arden, NC 28704-0580
1-800-789-1135

11. No charcoal grills will be permitted under covered porches.



Prepared by: Neumann and Hall Attorneys at Law, PLLC

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF
STRAUS RIDGE CONDOMINIUM

This Fifth Amendment to the Declaration of Condominium of Straus Ridge Condominium (sometimes hereinafter referred to as "Fifth Amendment to Declaration") is made this 26th day of November, 2007 by J. P. FREDLEY, INC., a Florida Corporation ("Declarant"), successor Developer to JTD DEVELOPMENT COMPANY OF BREVARD, LLC, pursuant to the provisions of Chapter 47C of the North Carolina General Statutes (the North Carolina Condominium Act, sometimes hereinafter referred to as the "Act" and to the provisions of the Declaration of Condominium of Straus Ridge Condominium.

WITNESSETH:

THAT WHEREAS, on the 17th day of June, 1999, the JTD DEVELOPMENT COMPANY OF BREVARD, LLC executed a Declaration of Condominium of Straus Ridge Condominium which Declaration of Condominium was duly recorded in the

Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1 (the "Declaration"); and

WHEREAS, in the Declaration the JTD DEVELOPMENT COMPANY OF BREVARD, LLC reserved certain development rights which provide that Declarant may amend the Declaration for the purpose of adding additional real property and additional condominium units to the Condominium and expanding the Condominium; and

WHEREAS, the Declarant desires to exercise its right to amend the Declaration and expand the Condominium by adding to the Condominium the real property as shown on a plat and is referred to in Exhibit "A" attached hereto, which real property, includes five (5) additional condominium units constructed thereon, together with supporting facilities, Common Elements and Limited Common Elements; and

WHEREAS, the Declarant hereby exercises its right to amend the Declaration as provided for in the Declaration and in Chapter 47C of the North Carolina General Statutes to accomplish such expansion of the Condominium and to subject the real property described on Exhibit "A" attached hereto and the condominium units which are located thereon, to the Act and to the terms, conditions, restrictions and provisions of the Declaration; and

WHEREAS, the definition of words contained in Article I of Declaration shall apply to the words and terms used in this Fifth Amendment to Declaration. The definitions set forth in said Article I of the Declaration are hereby incorporated herein by reference to the same extent as if set forth herein in their entirety.

NOW, THEREFORE, in consideration of the foregoing and pursuant to the provisions of Section 47C-2-105 (a) (8) and Section 47C-2-110 of the North Carolina General Statutes and pursuant to the provisions of the Declaration wherein Declarant reserved certain development rights, the Declaration of Condominium of Straus Ridge

Condominium as recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Condo Book 7 at Page 1, Declarant hereby declares as follows:

1. Declarant hereby certifies that it, is the owner of the real property described on Exhibit "A" attached hereto which real property is also shown on plat entitled Straus Ridge Condominium recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 12 at Slide 463 which is hereby made for purposes of further description. Said real property described on Exhibit "A" attached hereto, together with all buildings and improvements now or hereafter located thereon and all easements, rights, licenses and appurtenances thereunto appertaining, are hereby submitted to and made subject to the provisions of the Act and to the terms, provisions, restrictions and conditions of the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. The Declaration recorded in said Register's Office in said Condo Book 7 at Page 1, is hereby amended to add the real property described on Exhibit "A" attached hereto and the buildings and units located thereon to Straus Ridge Condominium created by said Declaration. Said real property described on Exhibit "A" attached hereto shall become a part of Straus Ridge Condominium established by said Declaration recorded in said Register's Office Condo Book 7 at Page 1.

2. There has been constructed on the real property described on Exhibit "A" attached hereto one (1) three-story, five-plex building which contains five (5) units, two (2) one-story units on the lower floor, three (3) two-story units on the main floor.

3. The three-story, five-plex building containing five (5) units constructed on the real property described on Exhibit "A" attached hereto is a wood framed structure with an occupied full basement. The roof is a three-tab, twenty five (25) year shingle.

Declarant hereby certifies that the materials used in the construction of the building located on the real property described on Exhibit "A" attached hereto and the units located therein are substantially the same and are of comparable quality as those used in the buildings and units located in Phases One through Three of Straus Ridge

Condominium. Declarant further certifies that the architectural style of the building located on the real property describe on Exhibit "A" attached hereto and the units located therein are substantially the same as all previously dedicated buildings and units.

4. The location of Phase Four (4) of the Condominium is as shown on said plat prepared by Hafler Land Surveying recorded in the Office of the Register of Deeds for Transylvania County, North Carolina in Plat File 12, Slides ~~465~~ thru ~~467~~, which plat is referred to in Exhibit "A" attached hereto and made a part of this description by reference. Phase Four (4) of the Condominium is described graphically in the Plans for the building located in Phase Four (4) of the Condominium filed contemporaneously herewith and referred to in Exhibit "A" attached hereto and made a part of this description by reference. The Plat prepared by Hafler Land Surveying referred to in Exhibit "A" attached hereto and the Plans referred to in Exhibit "B" attached hereto show the particulars of the building and each unit in Phase Four (4) of the Condominium including the location, layout, number of rooms, dimensions, elevations, area, building designations, unit numbers and the location of Common Elements affording access to each unit, reference to said Plat referred to in Exhibit "A" attached hereto and said Plans referred to in Exhibit "B" attached hereto being hereby made for purposes of additional description. Said Plat and Plans recorded simultaneously herewith and referred to in Exhibits "A" and "B" respectively are hereby incorporated as part of the Plats and Plans of the Condominium.

5. Sam Brewton, an architect registered under the provisions of Chapter 89C of the North Carolina General Statutes, by certificate attached hereto as Exhibit "C", certifies that the plans and drawings filed simultaneously herewith and referred to in Exhibit "B" attached hereto fully and accurately depict the layout, locations, ceiling and floor elevations, building and unit designations and dimensions of the buildings and units located in Phase Four (4) of the Condominium, as built; and that the Plats and Plans referred to in Exhibits "A" and "B" respectively contain all of the information required by North Carolina General Statutes Section 47C-2-109.

6. By the addition of the real property described on Exhibit "A" attached hereto to the Condominium additional Common Elements and have been created and added to the Condominium. The Common Elements created and added to the Condominium by this Fifth Amendment consist of all of the real property described on Exhibit "A" attached hereto and all improvements located thereon, other than the units, and shall include but not be limited to:

(a) the real property on which the buildings are located and all the real property surrounding the buildings which lies within the boundaries of the Property subject to the Declaration;

(b) all foundations, columns, girders, beams, supports and other structural members of all buildings;

(c) the exterior walls and roofs of all buildings;

(d) guttering, halls, corridors, attics, stairs, (except for those stairs and stairways which are Limited Common Elements as hereinafter set out) lobbies and fire escapes;

(e) all central and appurtenant installations wherever located, for services such as, but not limited to, power, lights, electricity, gas, water, cable television, plumbing, sewer, incinerating, and solid waste collection, (including all pumps, pipes, ducts, shafts, conduits, vents, wire, tubes, cables, motors, fans and compressors) designed and intended for common use;

(f) any portion of the plumbing, electrical, gas, telephone, cable television, sewerage or other similar utility service or systems including, but not limited to, all water lines, electric wires and cables, telephone lines, television cables, gas lines, conduits, sewer pipes or lines and other units or any portion of the Common Elements;

(g) the yards, landscaping, trees, shrubs, vegetation, fences, non-public roads, driveways, parking areas, walks, retaining walls and all other maintenance and recreational areas;

(h) all other parts of the Property and all improvements located thereon not located within or being a part of a unit, and all apparatus and installations in the buildings or on the Property for the common use of the unit owners or necessary or convenient to the existence, maintenance and safety of the Condominium.

7. Certain portions of the Common Elements created by the addition of the real property described on Exhibit "A' " attached hereto to the Condominium by virtue of this Fifth Amendment are reserved for the use of a particular unit or units to the exclusion of all other units and as such are designated Limited Common Elements. The Limited Common Elements serving or designed to serve a particular unit or units are hereby reserved and allocated solely and exclusively to such unit or units. The Limited Common Elements appurtenant to each unit may not be reallocated. The location and dimensions of all Limited Common Elements created by this Fifth Amendment are as shown on the Plat and Plans attached hereto as Exhibits "A' " and "B" respectively. The Limited Common Elements and the units to which they are reserved and allocated are depicted on said Plat and Plans referred to in Exhibits "A' " and "B" attached hereto and shall include:

(a) as shown on said Plans referred to in Exhibit "C" attached hereto each unit added to the Condominium by virtue of this Fifth Amendment has one or more entry ways, driveways, patios, porches, decks or balconies adjacent to such unit and interior access to which can be had only through such unit. Such patios, porches, decks or balconies are Limited Common Elements which are hereby allocated to the unit which affords interior access to such patios, porches, decks and balconies. The use of such patios, porches, decks and balconies shall be limited to the unit owner or occupant whose unit affords interior access to such patio, porch, deck or balcony;

(b) the steps, stoops and stairways which lead exclusively to one unit are Limited Common Elements allocated to such unit and as such are reserved for the exclusive use of the unit owner or occupant to whose unit such steps, stoops and stairways lead;

(c) as may be shown on said Plans referred to in Exhibit "C" attached hereto, there may be storage closets (mechanical rooms) located on or adjacent to some of the patios, porches, decks or balconies associated with the units as hereinabove described. These storage closets are Limited Common Elements and as such are allocated to and reserved for the exclusive use of the unit to which each such storage closet is associated and through which interior access to such storage closet may be had;

(d) any portion of the plumbing, electrical, telephone, cable television, gas, sewerage or other similar utility service or system, including but not limited to, all water pipes, electric wires and cables, telephone lines and cables, television cables, conduits, gas lines, sewer pipes or lines and other similar apparatus, wherever located, which serve only one unit but is located outside the boundaries of that unit is a Limited Common Element allocated exclusively to the unit it serves. All exterior doors (but specifically not including any sliding glass doors) designed to serve a single unit but located outside that unit's boundaries are Limited Common Elements allocated exclusively to the unit such door is designed to serve;

(e) all areas designated on the Plat and Plans referred to in Exhibits "A" and "B" attached hereto as Limited Common Elements which Limited Common Elements are allocated as shown on said Plat and Plans.

8. No portion of the Common Elements may be conveyed or encumbered except with the unanimous consent in writing of all Unit Owners except such liens as may arise or be created against the several units and their respective interests in the Common Elements. Every agreement for the performance of labor, or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that it is subject to the

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

9. The allocations to each unit of a percentage of undivided interest in the Common Elements of the Condominium, votes in the Association and of a percentage of the Common Expenses of the Association are hereby reallocated as stated on Exhibit "E" attached hereto and incorporated herein by reference. Exhibit "D" attached to the Declaration recorded in the Office of the Register of Deeds Office for Transylvania County, North Carolina in Condo Book 7 at Page 1 is hereby declared to be null and void and Exhibit "D" attached to the Third Amendment to the Declaration of Condominium is hereby deleted in its entirety and is replaced by Exhibit "D" attached hereto which is hereby substituted for said Exhibit "D" attached to the Declaration recorded in said Register's Office in Condo Book 7 at Page 1. Declarant hereby certifies that this reallocation of the allocated interests has been done pursuant to the formula set out for such reallocation in the Declaration.

10. Declarant certifies that this amendment does not divest any unit owner of any portion of his dwelling unit and does not materially alter the plan of development set forth in the Declaration.

11. Each of the units created by this Fifth Amendment to Declaration of Condominium of Straus Ridge Condominium are hereby assigned the unit number shown on the Plats and Plans referred to in Exhibits "A" and "B" respectively, attached hereto, which Plats and Plans show the location of each newly created unit and its unit number.

12. Exhibits "A", "A' ", "B", "C", "D", and "E" attached hereto and hereby incorporated herein by reference.

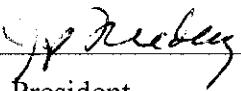
13. Pursuant to the rights and powers reserved by Declarant in the Declaration and the provisions of Chapter 47C of the North Carolina General Statutes (the Act) Declarant has executed this Fifth Amendment to Declaration for and on behalf of Itself as

Declarant; and Declarant, for and on behalf of itself and each and every unit owner, does hereby consent to the execution and recording of this Fourth Amendment to Declaration and does hereby consent to any and all other acts necessary to give effect to this Fourth Amendment.

This Fifth Amendment is intended to dedicate and add additional real property to the Condominium pursuant to the provisions of the Declaration and the Act except as modified by this Amendment. All of the terms, conditions, restrictions and provisions of the Declaration, as heretofore amended, are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Fifth Amendment to Declaration of Condominium of Straus Ridge Condominium to be executed by its duly authorized members on the day and year first above written.

J. P. FREDLEY, Inc.

By: 
President

STATE OF
COUNTY OF

I, the undersigned Notary Public of the County and State aforesaid, certify that J. P. Fredley personally came before me this day and acknowledged that he/she is the President of J. P. Fredley, Inc, a Florida Corporation, and that by authority duly given and as the act of such entity, he/she signed the foregoing instrument in its name on its behalf and its act and deed. Witness my hand and Notarial stamp or seal, this 26th day of November, 2007



Sarah M. Tolzman

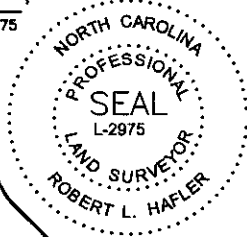
NOTARY PUBLIC

My Commission Expires: 02-27-2012.

BOUNDARY CALL TABLE

Course	Bearing	Distance
B1	N87°07'16"E	45.65'
B2	Rad: 67.50' Tan: 57.79' Chd: N36°58'23" E	Arc: 95.58" CA: 81°07'58" 87.79'
B3	N77°32'22" E	16.08'
B4	Rad: 45.00' Tan: 19.77' Chd: S48°43'57" E	Arc: 37.25" CA: 47°28'01" 36.20'
B5	Rad: 25.00' Tan: 14.94' Chd: S41°34'51" E	Arc: 26.94" CA: 61°44'14" 25.65'
B6	Rad: 208.60' Tan: 13.87' Chd: S06°54'32" E	Arc: 27.69" CA: 7°38'23" 27.67'
B7	Rad: 173.87' Tan: 54.19' Chd: S14°12'23" W	Arc: 105.07" CA: 34°37'26" 103.48'
B8	S31°31'06" W	31.90'
B9	Rad: 475.00' Tan: 57.32' Chd: N49°52'54" W	Arc: 114.10" CA: 13°45'46" 113.82'
B10	Rad: 52.50' Tan: 32.25' Chd: N70°30'16" E	Arc: 57.85" CA: 63°07'48" 54.98'
B11	Rad: 52.50' Tan: 20.43' Chd: N17°40'23" E	Arc: 38.97" CA: 42°31'59" 38.08'
B12	Rad: 61.82' Tan: 36.39' Chd: S54°16'53" E	Arc: 65.79" CA: 60°58'01" 62.73'

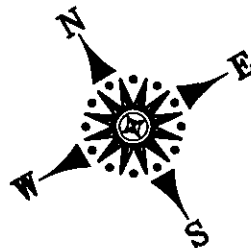
Robert L. Hafler 11/08/07
ROBERT L. HAFLER, PLS LICENSE NO. L-2975



NOTES:

- 1) SEE RECORDED PLAT FOR UTILITIES AND IMPROVEMENT LOCATIONS AND NOTES.
2) BUILDING TIES ARE TO THE STRUCTURAL WALL.

EXHIBIT "A"



NCGS NORTH
(NAD 83)

NCGS MONUMENT
"HARRY"

(NAD 83)
N=567953.42'
E=889578.96'
CONTROL CORNER

STRAUS RIDGE LLC
(DEED BOOK 439, PAGE 164)
PIN: 8586-98-0454

Remainder of
LOT 4A
SOUTHERN KNOLL
AREA = 0.532 ACRE
(PLAT FILE 11, SLIDE 594)
(RESERVED FOR FUTURE
DEVELOPMENT OF PHASE 5)

STRAUS RIDGE
CONDOMINIUM
PHASE 4
AREA = 1.017 ACRES
(PLAT FILE 11, SLIDE 594)

LEGEND:

- HANDI-CAP PARKING
- HDPPE
- NTS
- NCGS
- NAD
- ESMT
- O/H
- FCM
- CONCRETE SIDEWALK
- RETAINING WALL
- RIGHT-OF-WAY
- RADIUS
- REINFORCED CONCRETE PIPE
- TAX PARCEL IDENTIFICATION NUMBER
- LIMITED COMMON AREAS

STRAUS PARKWAY (ASPHALT ROAD)

EDGE OF PAVEMENT

75' R/W (PF 7, SL 797)

TO
U.S. HWY. 64 & 276

PREPARED BY
HAFLER LAND
SURVEYING

STRAUS RIDGE CONDOMINIUM,
Phase 4
CITY OF BREVARD, BREVARD TOWNSHIP
TRANSYLVANIA COUNTY
NORTH CAROLINA

OCTOBER 3, 2007

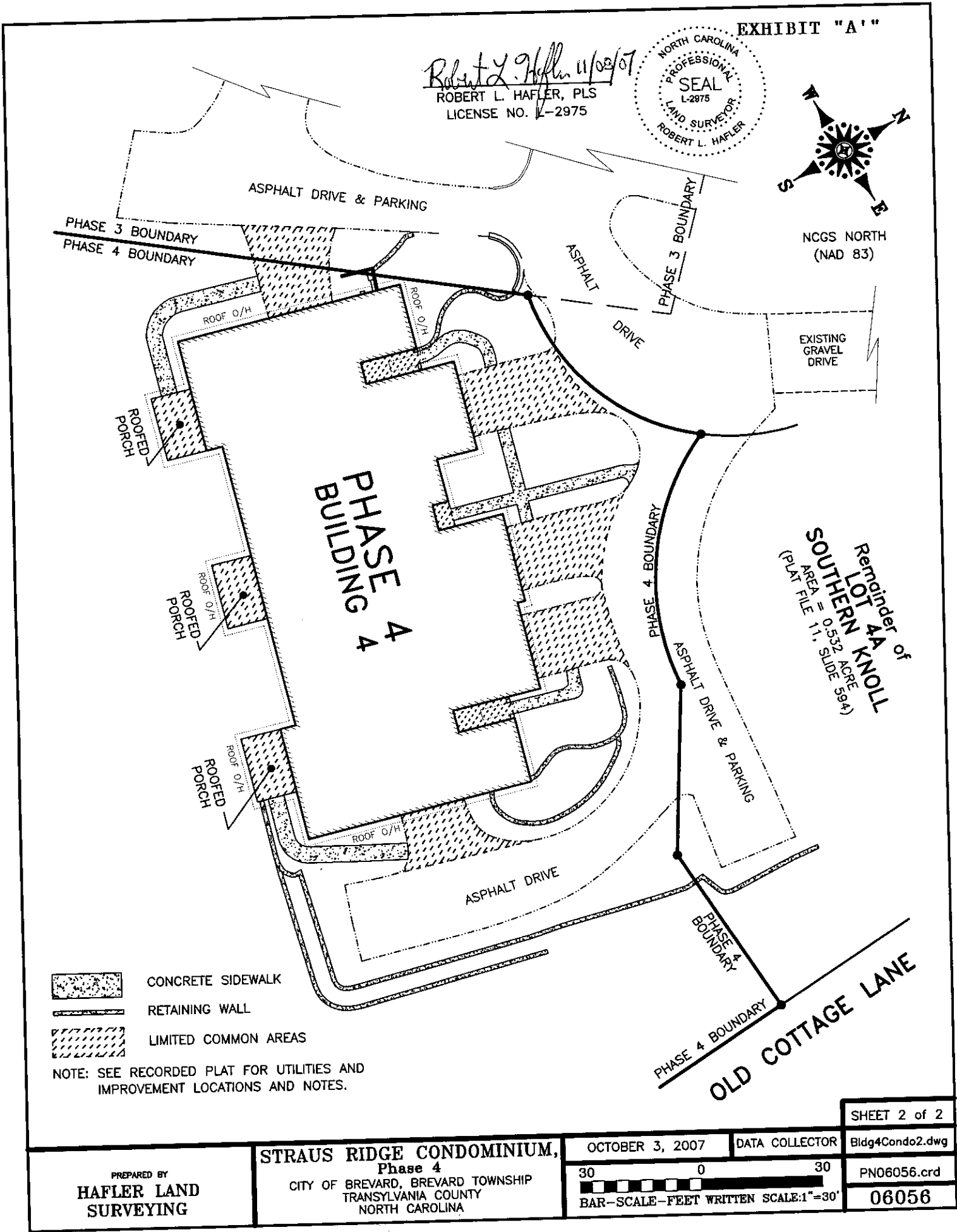
DATA COLLECTOR

Bldg4Condo1.dwg

65 0 65
BAR-SCALE-FOOT WRITTEN SCALE:1"=65'

PN06056.crd
06056

THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY
A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY
APPLICABLE LAND DEVELOPMENT REGULATIONS.



THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.

EXHIBIT "B"

BEING five (5) pages of plans prepared by Sam Brewton Architect, PLLC, which plans are duly recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Plat File 12 at Slides 463 thru 467 consisting of lower level floor plans, main level floor plans, upper level floor plans, rear elevation and right side elevation for Building 4, all five (5) pages of which plans are marked Exhibit "B" and are duly recorded with the Fifth Amendment to Declaration of Condominium of Straus Ridge Condominium in the Office of the Register of Deeds for Transylvania County, North Carolina.

EXHIBIT "C"

CONDOMINIUM CERTIFICATION

STATE OF NORTH CAROLINA

COUNTY OF TRANSYLVANIA

ARCHITECT

SAM BREWTON ARCHITECT, PLLC, being duly sworn, deposes and says:

The plans for Building No. 4 of the condominium project known as Straus Ridge Condominium Village—Phase 4, which are attached hereto and made a part hereof by reference and are filed with the Declaration Creating Unit Ownership for Units M1, M2, M3, L1 and L2 in the office of the Register of Deeds for Transylvania County, North Carolina, by the Declarant, J.P. Fredley, Inc., in Plat File 12, Slides 463-467 are a full and exact copy of the plans of the building which show graphically all particulars of the building, including, but not limited to, the layout, location, ceiling and floor elevations, unit number and dimensions of the unit. I certify that the plans are an accurate copy of the portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. The plans fully and accurately depict the layout, location, ceiling and floor elevations, unit number and dimensions of the unit as built. This certificate is given under and in accordance with Chapter 47C-2-109 of the General Statutes of North Carolina and the plats and plans contains all the information required thereby. The undersigned is a Professional Architect duly licensed by the State of North Carolina.

This 6 day of NOVEMBER 2007Sam Brewton

Sam Brewton Architect, PLLC

STATE OF NORTH CAROLINA

COUNTY OF TRANSYLVANIA

Personally appeared before me this day Sam Brewton.

*Architect, and acknowledged the due execution by him of the foregoing instrument.

*Duly licensed under North Carolina General Statute 83-A.

WITNESS my hand and seal this 6th day of November, 2007Sarah M. Tolzman

NOTARY PUBLIC

My Commission Expires: 02-27-2012.

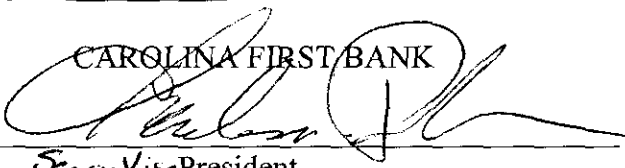
EXHIBIT D
 ALLOCATION OF UNDIVIDED INTEREST
 IN
 COMMON ELEMENTS, COMMON EXPENSES AND VOTES

Unit Number	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Votes in Association
PHASE ONE			
101	2.43%	2.43%	One
102	3.27%	3.27%	One
103	2.43%	2.43%	One
201	2.91%	2.91%	One
202	3.39%	3.39%	One
203	2.91%	2.91%	One
301	3.35%	3.35%	One
302	3.51%	3.51%	One
303	3.35%	3.35%	One
PHASE TWO			
101	2.43%	2.43%	One
102	3.27%	3.27%	One
103	2.43%	2.43%	One
201	2.91%	2.91%	One
202	3.39%	3.39%	One
203	2.91%	2.91%	One
301	3.35%	3.35%	One
302	3.51%	3.51%	One
303	3.35%	3.35%	One
PHASE THREE			
101	4.46%	4.46%	One
102	3.63%	3.63%	One
201	4.34%	4.34%	One
202	4.74%	4.74%	One
203	4.04%	4.04%	One
M1	5.63%	5.63%	One
M2	5.57%	5.57%	One
M3	5.63%	5.63%	One
L1	3.43%	3.43%	One
L2	3.43%	3.43%	One

EXHIBIT "E"

CAROLINA FIRST BANK, a corporation organized and existing under the laws of the State of South Carolina, is the owner, and holder of the promissory note executed by JP Fredley, Inc, dated December 14, 2006, in the original amount of \$1,560,000.00 which note is secured by that deed of trust in favor of Carolina First Bank dated December 14, 2006 recorded in the Office of the Register of Deeds for Transylvania County, North Carolina, in Deed of Trust Book 383 at Pages 741-749 and rerecorded in Deed of Trust Book 392 at Pages 212-220. As the holder of said promissory note and as the beneficiary in said deed of trust, Carolina First Bank hereby consents to the terms and conditions of the foregoing Declaration of Condominium of Straus Ridge Condominium.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed in its corporate name by its duly authorized officers with its corporate seal hereunto affixed this the 7 day of November, 2007.

By: 
 CAROLINA FIRST BANK
 Senior Vice President

ATTEST:

 Secretary

STATE OF NORTH CAROLINA
 COUNTY OF TRANSYLVANIA

I, Gail R. Dorrity A Notary Public of said County and State aforesaid, certify that Charles Roberts personally appeared before me this day and acknowledged that she/he is Senior Vice President of CAROLINA FIRST BANK, a corporation, and that by authority duly given and a the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by _____ as its _____ Secretary.

WITNESS my hand and official stamp or seal this the 7th day of November, 2007.

Gail R. Dorrity
 NOTARY PUBLIC

My Commission Expires: 9/07/2011

