

**DECLARATION OF CONDOMINIUM
FOR THE
MEADOWMONT VILLAGE CONDOMINIUMS**

FOR MULTIPLE PIN SHEET
SEE BOOK 2444 PAGE 179

This DECLARATION OF CONDOMINIUM ("Declaration"), provides as follows:

Recitals

A. The Declarant is the owner of real estate in Orange County, North Carolina more particularly described in Article III, together with all easements, rights, appurtenances and improvements.

B. The Declarant intends by this instrument to create a condominium in such real estate pursuant to Chapter 47C of the North Carolina General Statutes. This instrument also sets forth covenants, conditions, easements, charges, assessments, affirmative obligations and liens to be applicable to the Property.

Submission and Dedication

The Property, as described in Section 3.01, together with all easements, rights and appurtenances thereto, is submitted to condominium ownership, upon the terms, limitations, restrictions, covenants and conditions as set forth below.

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions.

a. The following words and terms when used in this Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

- (i) Act: The North Carolina Condominium Act (Chapter 47C of the North Carolina General Statutes).
- (ii) Association: Meadowmont Village Condominium Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.
- (iii) Bylaws: The Bylaws adopted by the Association.
- (iv) Condominium: The regime of property ownership described in this Declaration.
- (v) Common Elements: The meaning set forth in the Act.
- (vi) Common Expenses: The meaning set forth in the Act.

- (vii) Declarant: Meadowmont JV, LLC, a Delaware limited liability company, its heirs, successors and assigns.
- (viii) Declaration: This instrument, as it may be amended from time to time.
- (ix) Eligible Mortgage Holder: A Mortgagee which has notified the Association in writing of its name and address and status as a holder, insurer or guarantor of a Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given notice under Section 11 of this Declaration.
- (x) Floor Plans: The plans recorded in Condominium File 89-60(-15), Orange County Registry.
- (xi) Ground Parcel Owner: The owner(s) of the buildings in which the Condominium is located, as more specifically defined in the Mixed Use Covenants.
- (iii) Limited Common Expense: A Common Expense (or portion) which does not benefit all Units, as described in Section 47C-3-115(c) of the Act.
- (iv) Meadowmont Village: That mixed use development in which the Meadowmont Village Condominiums are located. Meadowmont Village is located on that certain 18.25 acre, more or less, tract of land situated in Chapel Hill, Orange County, North Carolina, as more particularly described in Exhibit 3.
- (v) Member: Each person subject to membership in the Association as set forth in Section 5.01.
- (vi) Mixed Use Covenants: The Declaration of Covenants, Conditions, Restrictions and Easements for Mixed Use Buildings by Meadowmont JV, LLC, recorded in Book 2444, Page 182, Orange County Registry.
- (vii) Mortgage: A first mortgage or deed of trust constituting a lien on a Unit or Units which is not subject to any prior lien or encumbrance (except liens for taxes or other liens which are given priority by statute, this Declaration, and the instruments identified in Section 8.02 of this Declaration), or the insurer or guarantor of such a mortgage or deed of trust.
- (viii) Mortgagee: Any holder of a Mortgage.
- (ix) Owner: The holder of fee simple title to any Unit. Notwithstanding any legal theory of mortgage or otherwise, no holder of a deed of trust or mortgage on any Unit or of any security interest with respect thereto, shall be deemed an "Owner" unless and until the holder has acquired title to the fee of the Unit.

- (x) Property: The real estate described in Recital A and as more fully described in Section 3.01.
- (xi) Unit: The meaning set forth in the Act, being one of 24 separate residential units in the Condominium.
- (xii) Site Plat: The plat recorded in Condominium File ^{PLS Bld} ~~89-60-15~~ Orange County Registry.

b. Each capitalized term used in this Declaration without definition shall have the meanings given or used in the Act, except where the context otherwise requires.

ARTICLE II NAMES; LOCATIONS

Section 2.01. *Names.*

- a. The name of the Condominium subject to this Declaration is "Meadowmont Village Condominium."
- b. The name of the Association is "Meadowmont Village Condominium Owners Association, Inc."

Section 2.02. *Location.* The Condominium subject to this Declaration is located in Orange County, North Carolina.

ARTICLE III PROPERTY

Section 3.01. *Property.* The real property which is and shall be held, transferred, sold, devised, bequested, conveyed, given, donated, leased and occupied subject to this Declaration is set forth in Exhibit 1.

ARTICLE IV UNITS; BOUNDARIES

Section 4.01. *Numbers of Units; Identification.*

- a. The number of Units in the Condominium is 24; no rights are reserved to create additional Units.
- b. The Units are depicted on the Floor Plans, and the identifying number of each Unit is set forth on the Site Plat.

Section 4.02. *Boundaries.* The boundaries of each Unit are its walls, floors and ceiling.

Section 4.03. *Limited Common Elements.*

a. The Limited Common Elements specified in Section 47C-2-102(2) and (4) of the Act are allocated to the Units those Limited Common Elements serve. As to the Limited Common Elements of the type referred to in:

- (i) Section 2-102(2) of the Act (being any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit, or any portion thereof serving only that Unit), the Owner(s) of the Unit(s) to which the Limited Common Element is appurtenant shall be responsible for the ordinary maintenance thereof and the Association shall be responsible for repair and replacement; and
- (ii) Section 47C-2-102(4) of the Act (being any shutter, awning, window box, doorstep, stoop, deck, porch, balcony, patio, and all exterior doors, windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries), the Owner(s) of the Unit(s) to which the Limited Common Element is appurtenant shall be responsible for the cost of maintenance, replacement and repair.

b. Each Unit is allocated as a Limited Common Element appurtenant to the Unit the exclusive use of one (1) vehicular parking space located in the exclusive parking easement area as designated on the Site Plat. The Association shall have the right to designate which space is allocated to each Unit. If there are any excess parking spaces in the exclusive parking easement area (i.e. more than one space per Unit), then the Association shall have the right to designate the use of those excess spaces in its sole discretion, including without limitation, reserving the excess spaces for Association use, reserving the excess spaces for special use, or leasing the excess spaces to persons and upon terms and conditions as the Association deems appropriate.

Section 4.04 *Easements.*

a. Each Owner shall have an easement in common with all other Owners over all other Units to use all pipes, wires, ducts, cables, conduits, chases, flues, public utilities and other Common Elements located in any of the Units and serving other Units.

b. Each Unit shall be subject to an easement in favor of the other Owners of all other Units to use the pipes, ducts, chases, flues, cables, wires, conduits, public utility lines and other Common Elements serving other Units located in such Unit.

c. The Board of Directors shall have the right of access to each Unit to inspect the same, to remove violations therefrom and maintain, repair, or replace Common Elements contained therein or which serve other Units in the building.

d. Each Owner grants the Association an easement over, under and along any portion of the individual Units for utility purposes, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, conduits, chases, flues, and telecommunications and electrical wires or cables which in the sole discretion of the Board of Directors is beneficial to the Condominium.

Section 4.05. *Use of Units.*

a. Each Unit shall be used solely for residential purposes and no trade or business of any kind may be carried on therein (the lease or the rental of any Unit for an initial period of not less than 6 months shall not be considered to be carrying on of a trade or business).

b. The Declarant reserves the right to rent or lease unsold Units or unsold interests in Units or portions thereof without limitation as to the term of the rental period or lease prior to sale.

c. No Owner shall use any portion of the Property, including a Unit, in a manner which shall interfere with the comfort or convenience of occupants of other Units or in violation of the provisions of this Declaration or any rules or regulations promulgated pursuant hereto.

ARTICLE V
ALLOCATED INTERESTS, GOVERNANCE, ASSESSMENTS

Section 5.01. *Membership.* Every Owner is a Member of the Association. If a Unit is owned by more than one person, all of the co-owners shall have the benefits of membership in the Association, subject to such reasonable rules and restrictions as the Board of Directors shall determine from time to time. The Membership rights of an Owner which is not a natural person may be exercised by any authorized officer, director, partner, trustee or manager.

Section 5.02. *Votes in the Association.* Votes in the Association shall be calculated as follows: Each Unit shall have one vote.

Section 5.03. *Allocation of Common Elements and Common Expense Liability.*

a. The Common Elements and the liability for Common Expense allocated by the Association to each Unit shall be a fraction, the numerator of which shall be ONE (1) and the denominator of which shall be TWENTY-FOUR (24). A schedule of the Allocation of Common Elements and Common Expenses for each unit is attached as Exhibit 2.

b. Notwithstanding subsection a., any Limited Common Expense shall be assessed only against the Unit or Units benefited.

Section 5.04. *Governance.*

a. Except as otherwise provided in the Act, the affairs and management of the Association shall be managed by its Board of Directors. There shall be at least three but no more than five members of the Board of Directors.

b. In addition to the powers given to associations in Section 47C-3-102 of the Act, the Association may assign its future income, including the right to receive periodic and special assessments for common expenses, only by affirmative vote at a meeting called for that purpose (or by written consent) of Owners of Units to which at least 51 percent of the votes in the Association are allocated.

Section 5.05. *Assessments; Procedures; Lien.*

a. Prior to each fiscal year and within sufficient time to satisfy the requirements of the Act, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units and other properties as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, this Declaration or a resolution of the Association and which will be required to be paid during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the owners of all related services. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. Such budget shall constitute the basis for determining each Owner's assessment for the Common Expenses of the Association.

b. 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 an Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, the Owners shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the new annual or adjusted budget shall have been delivered.

c. Following adoption of the budget, the Board of Directors shall comply with the provisions of the Act regarding preparation and delivery of a summary of the budget, and shall set a date for a meeting of the members of the Association as required by the Act.

d. The Board of Directors may also levy and collect special assessments and individual assessments as provided in the Bylaws.

e. Surplus funds of the Association not being held as working capital or reserves for future needs shall be applied to defray Common Expense liability.

f. The Declarant, for each Unit, hereby covenants, and each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the annual assessments and any special assessments or individual

assessments established by the Association pursuant to the Articles of Incorporation and Bylaws of the Association. Each such assessment, together with interest and costs and reasonable attorney's fees incurred in the collection thereof, shall be the personal obligation of the Owner of the Unit at the time when the assessment falls due. No Owner may be exempted from liability for the assessment by reason of waiver of the use or enjoyment of any of the Common Elements or by abandonment of a Unit.

g. No Owner shall be liable for the payment of any part of the charges or assessments against the Unit subsequent to date of recordation of conveyance of such Unit to another person, in fee, by the Owner. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Owner for all unpaid charges and assessments against the selling Owner up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Member amounts paid by the purchaser; provided, however, that any such purchaser shall be entitled to a written statement setting forth the amount of the unpaid assessments against the selling Owner within ten (10) days following a written request to the Board of Directors or a managing agent designated by the Board of Directors, and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid charges or assessments in excess of the amount set forth in the written statement.

h. The annual assessments and any special assessments or individual assessments established by the Association, together with the interest, and costs and reasonable attorney's fees incurred in the collection thereof, shall be a charge on the real estate and shall be a continuing lien upon the Unit against which each such assessment is made. The lien shall be perfected upon filing in the Office of the Clerk of Superior Court of Orange County, North Carolina.

ARTICLE VI COMMON ELEMENTS

Section 6.01. *Designation of Common Elements.* The real estate which comprises the Common Elements as of the recording of this Declaration is all of the Property except the Units.

Section 6.02. *Rights of Enjoyment in Common Elements.*

a. Subject to the provisions of this Declaration, the rules and regulations of the Association, and any fees or charge established by the Association, every Owner and every guest and tenant of such person shall have a right of enjoyment in and to the Common Elements and such right shall be appurtenant to and shall pass with the title to every Unit.

b. The Association has the right to use the Common Elements for utility purposes, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, conduits, chases, flues, and telecommunications and electrical wires or cables over, under or

along any of the Common Elements which in the sole discretion of the Board of Directors is beneficial to the Condominium.

c. An easement is hereby established over all common areas for the benefit of applicable governmental agencies for the setting, removing, and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

Section 6.03. *Use.* Each owner may use the Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of other Owners. Use of the Common Elements shall be subject to the rules and regulations as shall be established from time to time by the Board of Directors.

ARTICLE VII DECLARANT RIGHTS; SPECIAL DECLARANT RIGHTS

Section 7.01. *Development Rights.* No right is reserved in this Declaration to add real estate to the Condominium; to create Common Elements or Units; subdivide Units; convert Units into Common Elements; or withdraw real estate from the Condominium.

Section 7.02 *Special Declarant Rights.* The following Special Declarant Rights are reserved until June 1, 2010 in this Declaration:

- a. to complete improvements shown on the Plat and Plans or described in any Public Offering Statement required to be delivered pursuant to the Act;
- b. to maintain, anywhere within the Property, sales offices, management offices and models in any Unit or on the Common Elements and to remove any of the foregoing located on the Common Elements;
- c. to maintain advertising signs on the Common Elements as permitted by the Act;
- d. to use easements through the Common Elements for the purposes of making improvements within the Property (such reservation to be construed as an addition to and not a limitation on the rights granted to the Declarant in Section 47C-2-116(c) of the Act);
- e. to use, grant and reserve easements and rights of way through, under, over and across the Property for the installation, maintenance, inspection, repair and replacement of lines and appurtenances for public or private sewer, water, drainage, gas, electricity, telephone and other utilities such as, but not limited to, a master television antenna system, cable television system, or security system. If damage is inflicted by the Declarant in the exercise of the easement and rights granted by this Section, it shall promptly repair such damage to the condition existing prior thereto; and

f. to appoint or remove any officer of the Association or any member of the Board of Directors during the period of Declarant control referred to in Section 7.03, subject to any limitations in Section 47C-3-103(e) of the Act.

If these Special Declarant Rights are not exercised by June 1, 2010, then they shall terminate.

Section 7.03. *Declarant Control.* There shall be a period of Declarant control of the Association during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and members of the Board of Directors. The period of Declarant control shall terminate on the earliest of the dates and events specified in Section 47C-3-103(d) of the Act.

ARTICLE VIII RESTRICTIONS ON ALIENATION; RESALE; OTHER CONDITIONS, COVENANTS AND RESTRICTIONS AND EASEMENTS

Section 8.01. *Restrictions on Alienation of Units; Resale.* No restrictions are made in this Declaration on alienation of Units, nor are any restrictions made on the amount for which a Unit may be sold or the amount that may be received on sale of the Unit, condemnation of the Unit, casualty loss to the Unit or the Condominium, or termination of the Condominium, except that:

a. An Owner may not sell, convey, hypothecate or encumber his membership in the Association separate from the Unit to which it is appurtenant or in the Common Element or Limited Common Element interests appurtenant to the Unit; and

b. No unit may be used for transient or short term housing, and any renting of a unit must be by written lease for a term of at least six (6) months.

Section 8.02. *Other Conditions, Covenants, Restrictions and Easements.* The Condominium is subject to the following Declarations of covenants, conditions, restrictions and easements:

a. Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to all Property in Meadowmont, recorded in Book 1919, Page 87, Orange County Registry.

b. Declaration of Covenants and Restrictions of the Meadowmont Community Association, Inc. and Meadowmont Development Company, a North Carolina Joint Venture, recorded in Book 1919, Page 121, Orange County Registry.

c. Declaration of Master Protective Covenants for Meadowmont Village, recorded in Book 2444, Page 133, Orange County Registry.

d. Declaration of Covenants, Conditions, Restrictions and Easements for Mixed Use Buildings by Meadowmont JV, LLC, recorded in Book 2444, Page 182, Orange County Registry (previously defined as the "Mixed Use Covenants").

Section 8.03. *Alienation of Common Elements.* Portions of the Common Elements may be conveyed by the Association or subjected to a security interest upon the vote or written consent of at least (i) eighty percent (80%) of the Owners, and (ii) fifty-one percent (51%) of Eligible Mortgage Holders.

ARTICLE IX INSURANCE

Section 9.01. *Fire and Casualty Insurance by Ground Parcel Owner.* As provided in the Mixed Use Covenants, the Ground Parcel Owner shall keep each Building, (excluding the Condominium, and the property of the Owners) insured against damage and destruction by fire, vandalism, and other perils in the amount of the full replacement value (i.e. 100% of full "replacement cost") of each Building, as the value may exist from time to time. The insurance shall include all structural elements of the balconies, elevator shaft, elevator lobby, elevator equipment room, corridors and stairwells. The insurance shall not include the exterior doors and windows which serve only the Condominium. The insurance shall include an extended coverage endorsement of the kind required by an institutional lender to repair and restore the Buildings. Premiums for such insurance shall be apportioned between the Ground Parcel Owner and the Association as set forth in the Mixed Use Covenants.

Section 9.02. *Association's Insurance.*

a. The Association shall insure itself, the members of the Board of Directors, and the Owners, against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Condominium or any portion thereof, including, without limitation, water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage, such insurance to afford protection in such amount and with such coverage as shall be deemed necessary by the Association. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Owners as a group to a Owner. In the event the insurance effected by the Association on behalf of the Owners against liability for personal injury or property damage arising from or relating to the Condominium shall, for any reason, not fully cover any such liability, the amount of any deficit shall be a Common Expense to the Owners, and any Owners who shall have paid all or any portion of such deficiency in an amount exceeding his proportionate share thereof based on his percentage of interest in the Common Elements shall have a right of contribution from the other Owners according to their respective percentage of interest in the Common Elements.

b. As provided in the Mixed Use Covenants, the Association shall procure fire and casualty insurance coverage in an amount equal to the full replacement value (i.e., 100% of full "replacement cost") of the Condominium, including the Units, Common Elements, and Limited

Common Elements of the Condominium as defined in the Declaration of Condominium (except to the extent any such items are covered by the insurance obtained by the Ground Parcel Owner). The insurance shall include all exterior doors and windows which serve only the Condominium. The insurance shall not include any personal property of the Owners or any Residential Unit Upgrades (as defined below).

c. In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by the Owners or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements hereof shall exclude such policies from consideration.

Section 9.03. *Owner's Insurance.* As provided in the Mixed Use Covenants, each Owner, at his own expense, shall be responsible for obtaining any additional insurance for his own personal property and Residential Unit Upgrades (including a "Condominium Unit Owner's Endorsement" for any such Residential Unit Upgrades). Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to the provisions hereof or shall provide that it shall be without contribution as against the same. Neither the Association nor an Owner shall have, or make, any claim against the Ground Parcel Owner for any loss or damage to any Owner's personal property or Residential Unit Upgrades, regardless of the cause of the loss or damage.

Section 9.04 *Residential Unit Upgrade.* The term "Residential Unit Upgrade" means any upgrade, improvement or betterment in the standard Residential Unit fixtures, equipment, or finishes. The Association shall maintain a list of standard Residential Unit fixtures, equipment and finishes provided included in the insurance provided by the Association, and this list shall be made available for review to any Owner upon request.

Section 9.05 *Releases and Waivers of Subrogation Rights.* The Ground Parcel Owner, the Association, and each Owner are hereby deemed to release and waive unto each other all rights to claim damages for any injury, loss, cost or damage to persons or to property or any other casualty, as long as the amount of such injury, loss, cost or damage has been paid under the terms of any casualty, property, general liability, or other policy of insurance (or provided that such amount would have been paid under the terms of an insurance policy such party is required to maintain under the terms of this Declaration if such party fails to obtain such insurance), to the full extent such releases or waivers are permitted under applicable law. As respects all policies of insurance carried or maintained pursuant to this Declaration, and to the extent permitted under such policies, the Ground Parcel Owner, Association and the Owners each waive their insurance carriers' rights of subrogation against the other parties.

ARTICLE X
AMENDMENTS; TERMINATION OF CONDOMINIUM

Section 10.01. *Amendments.*

a. This Declaration may be amended only by vote or agreement of the Owners to which at least 67% of the votes in the Association are allocated and by written consent of at least 51% of Eligible Mortgage Holders. Votes may be cast in person or by proxy at a meeting held in accordance with the provisions of the Association's Bylaws. The failure of any Eligible Mortgage Holder to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of an addition or amendment to this Declaration shall constitute an approval by that Eligible Mortgage Holder of the proposed addition or amendment.

b. Every amendment shall be prepared, executed, recorded and certified by the Association and shall be effective only when recorded in the Orange County Registry.

c. No amendment which changes the boundaries on any Unit or which alters the Allocation of Common Elements and Common Expenses for a Unit shall be valid unless the same has been signed or consented to by the Owner so affected.

d. Notwithstanding the foregoing, this Declaration may be amended by the Declarant or Association without the consent of any Owner or Mortgagee in order to comply with any provisions of law or to correct manifest errors herein; and any such amendment, upon execution and certification by the Declarant or Association and recording by the Orange County Registry, shall be effective upon recording.

Section 10.02. *Termination.* The Condominium may be terminated only by vote or agreement of the Owners to which at least 80% of the votes in the Association are allocated and by written consent of at least 51% of the Eligible Mortgage Holders. Votes may be cast in person or by proxy at a meeting held in accordance with the provisions of the Association's Bylaws. The failure of any Eligible Mortgage Holder to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of such termination shall constitute an approval by that Eligible Mortgage Holder of the proposed termination. The termination shall be implemented in accordance with the provisions of Section 47C-2-118 of the Act.

Section 10.03. *Statutory Compliance.* No amendment or termination that is contrary to or inconsistent with any requirements or provisions of the Act shall be valid.

ARTICLE XI
RIGHTS OF MORTGAGEES

Section 11.01. *Inspection and Audit Rights.* Any Mortgagee (and any insurer or guarantor of a loan secured by a Mortgage) shall have the right to examine, during normal business hours

and upon reasonable notice, the books and records of the Association and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the most recent annual financial statement and report of the Association. If any Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant.

Section 11.02. *Notices.* Any Mortgagee (and any guarantor or insurer of a loan secured by a Mortgage), upon written request to the Association sent by certified mail, return receipt requested, which notice identifies the Mortgage and designates the place to which notices are to be sent by the Association, shall have the right to receive from the Association prompt written notice of the following:

- a. Default under any of the terms and provisions of this Declaration or any other document affecting the Unit encumbered by the Mortgage;
- b. Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of the Unit encumbered by the Mortgage;
- c. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- d. Any proposed action by the Association, the Board of Directors, or the Owners, which under the terms of any document governing the Unit requires the consent of all or any portion of the Mortgagees.

ARTICLE XII MISCELLANEOUS PROVISIONS

Section 12.01. *Invalidity.* If any provisions of this Declaration is held invalid, the invalidity thereof shall not affect other provisions of this Declaration which can be given effect without the invalid provisions, and to this end the provisions of this Declaration are severable.

Section 12.02. *Headings.* The headings in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 12.03. *Incorporation by Reference.* Any Exhibits hereto are a part of this Declaration and the contents thereof are incorporated by reference.

Section 12.04. *Notice.* Any notice required to be sent under the provisions of this Declaration shall be deemed to be proper when sent by certified mail, return receipt requested, with the proper postage affixed, if to an Owner, to the address of the Owner as provided to the Association and, if the Association, at the Association's principal office. Such notice shall be effective as to an Owner three days after deposit; notice given in any other manner, and any notice given to Declarant or the Association, shall be effective only upon receipt by the intended addressee.

Section 12.05. *Governing Law.* This Declaration, and the Bylaws of the Association, shall be construed under and controlled by the laws of North Carolina.

Section 12.06. *Successors.* The provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof and shall be for the benefit of each Owner and his heirs, successors and assigns.

Section 12.07. *Occupants Bound.* All provisions of the Declaration and of any use restrictions and rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Unit.

[SIGNATURE AND NOTARY ACKNOWLEDGEMENT FOLLOW]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the 29th day of November, 2001.

Meadowmont JV, LLC, a Delaware limited liability company

By: Meadowmont Village Associates, LLC,
its managing member

BDM
By: Craig M. Davis
Craig M. Davis, Manager

STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, Jonene B. Ursprung, Notary Public of the state and county aforesaid certify that Craig M. Davis personally came before me this day and acknowledged that he is the Manager of Meadowmont Village Associates, LLC, managing member of Meadowmont JV, LLC, a Delaware limited liability company, and that he as Manager being so authorized to do so, executed the foregoing on behalf of the limited liability company as managing member of Meadowmont JV, LLC. *BDM*

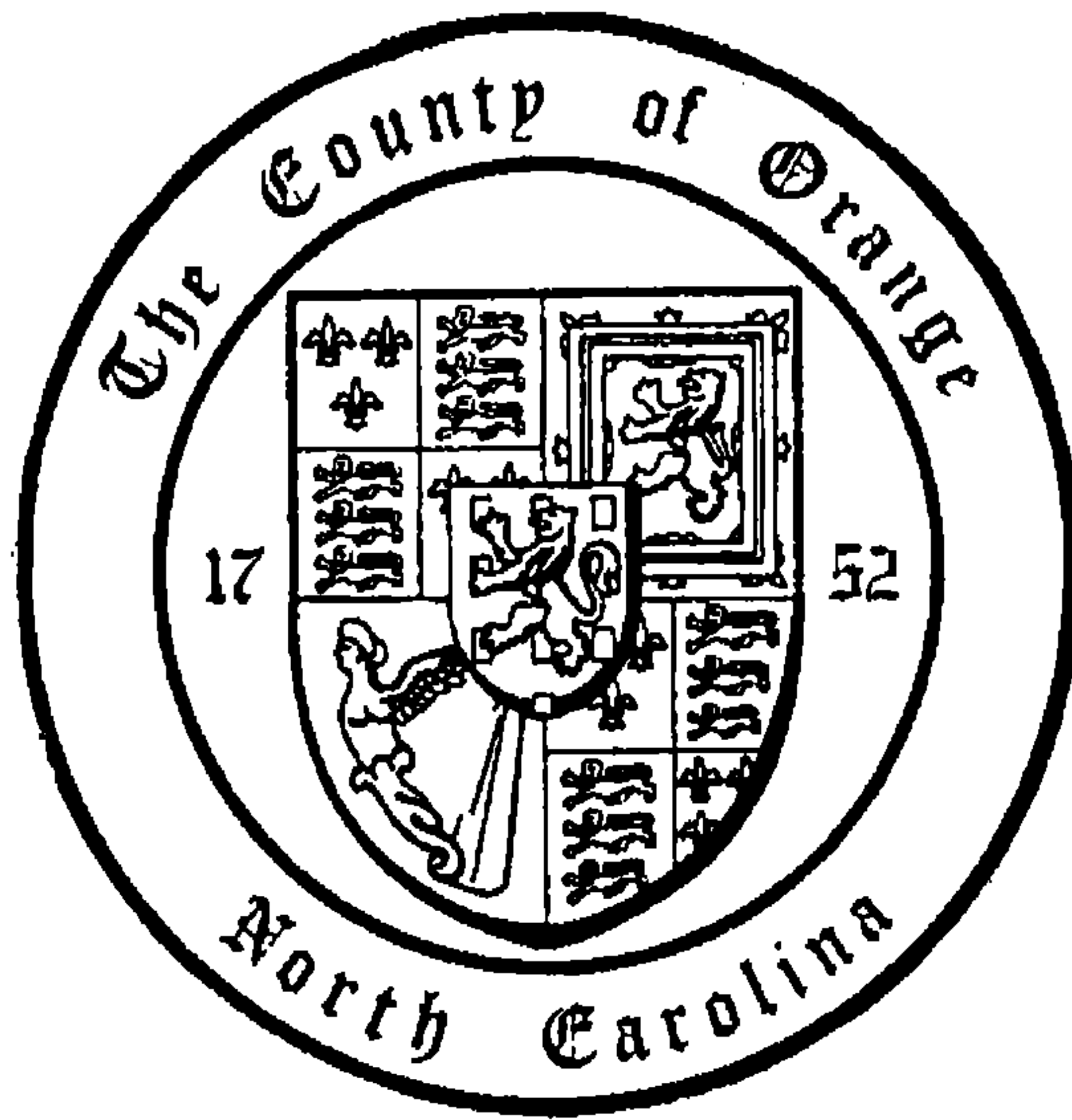
Witness my hand and official seal, this the 29th day of November, 2001.

[NOTARY SEAL]

Jonene B. Ursprung
My Commission Expires 5/24/05



Jonene B. Ursprung
Notary Public - North Carolina
County of Wake
My Commission Expires May 24, 2005



BOOK 2444 PAGE 172

Joyce H. Pearson
Register of Deeds
Orange County
North Carolina

FILED
07 DEC 2001, at 02:24:35pm
Book 2444, Page 157 - 178
Joyce H. Pearson
Register of Deeds,
Orange County, N. C.

State of North Carolina, County of Orange

The foregoing certificate/s of Jonene B. Ursprung, Notary/Notaries Public for the Designated Governmental units is/are certified to be correct. See filing certificate herein.

This day December 7, 2001

JOYCE H. PEARSON, REGISTER OF DEEDS By:

Riscilla O. Mays
Deputy/~~Assistant~~ Register of Deeds

**Exhibit 1 to Declaration of Condominium
for the
Meadowmont Village Condominiums**

The real property which comprises the condominium is as follows:

BEING all of units 121, 122, 123, 124, 131, 132, 133, 134, 521, 522, 523, 524, 531, 532, 533, 534, 621, 622, 623, 624, 631, 632, 633, and 634, together with all of the Common Elements and Limited Common Elements as shown on the Plats for Building D, Building E, and Building G for the Meadowmont Village Condominiums prepared by Balentine Associates, P.A. dated 30 August 2001 (Revised 09-27-01) ("Plats") and as shown on the Plans for Meadowmont Village Condominiums for Building D, Building E, and Building G prepared by J. Davis Architects dated 5 October 2001 ("Plans"), said Plats and Plans being recorded in Condominium File Plat Book 2444-95, Orange County, North Carolina Registry. Building D, Building E and Building G as shown in the Plats and Plans are collectively referred to as the "Buildings."

The Property hereby conveyed to the Condominium includes the following:

- (a) An exclusive easement to use the balconies, patios, exterior doors, exterior windows and awnings designed to serve the Units and Common Elements of the Condominium, subject to the maintenance, repair and replacement provisions in the Mixed Use Covenants; provided, however, that the structural elements of the balconies and patios are not included in the property transferred to the Condominium.
- (b) The elevator shaft, the stair wells, elevator mechanical room, and first-floor elevator and stairwell lobbies in each Building as shown on the Plats and Plans,
- (c) All elevator equipment in the Buildings together with a non-exclusive easement for (i) access to the location of any elevator equipment in each Building which is outside of the Condominium, and (ii) the right to keep, maintain and replace such equipment;
- (d) An irrevocable license to use the trash receptacles and equipment designated for use by the Owners and the Association together with a non-exclusive easement for access to the location of all such equipment for each Building, as shown on the Site Plat or as the same may be relocated from time to time.
- (e) All equipment and installations for operations and for services such as power, lights, telephone, security system, cable TV, including all associated wiring and cabling from the associated distribution box or "punchdown" location within the main electrical equipment rooms in each Building and serving only the Units or Common Elements of the Condominium, together with a non-exclusive easement for (i) access to the location of all such equipment in each Building and (ii) the right to keep, maintain and replace such equipment. The distribution box, electrical box, circuit breakers, and punchdown equipment serving each Building, and the main equipment rooms in which such equipment is stored, are not part of the Condominium.

(f) A non-exclusive easement for access to and use of the roof of each Building for installation of no more than one standard residential satellite dish antenna ("dish") per Unit in each Building, with associated wiring to the applicable Unit, subject to the following: (i) each dish shall be no more than twenty inches in diameter; (ii) the location and manner of installation of each dish shall be determined by the Ground Parcel Owner, in its discretion; (iii) each dish shall be installed by or at the direction of the Ground Parcel Owner at the request of the Association, and (iv) the Association shall reimburse the Ground Parcel Owner (or, at the election of the Ground Parcel Owner, pay directly) for all costs for the installation, maintenance, repair and replacement of the dish and associated wiring and equipment. The dish and its associated wiring and equipment shall be limited common elements so that the Owners of the Unit or Units using such dish and associated wiring and equipment shall reimburse the Association (or, at the election of the Association, pay directly) for all costs for the installation, maintenance, repair and replacement of the dish and associated wiring and equipment.

(g) All mechanical equipment for heat and air conditioning (wherever located) which serves only the Units and Common Elements, including pipes, ducts, wiring, cables and conduits, and all other central mechanical equipment spaces serving only the Units or the Common Elements, together with a non-exclusive easement for (i) access to the location of all such equipment in each Building and (ii) the right to keep, maintain and replace such equipment. Mechanical equipment for heat and air conditioning located outside of the Units and all distribution ductwork to the point it enters the interior drywall, floor or ceiling space are not part of the Condominium, and the Condominium is subject to a non-exclusive easement hereby reserved in favor of the Declarant or its assigns for (i) access to the location of all such equipment in each Building, and (ii) the right to keep, maintain and replace such equipment.

(h) All waterlines, sewer pipes and sewer systems serving only the Units from the transition or tie in for such services to the primary service at the main runs to the point that such service enters the Units at the interior drywall, floor or ceiling space together with a non-exclusive easement for (i) access to the location of all such equipment in each Building and (ii) the right to keep, maintain and replace such equipment. The fire sprinkler waterlines, equipment and sprinkler heads are not a part of the Condominium, and the Condominium is subject to a non-exclusive easement hereby reserved in favor of the Declarant or its assigns for (i) access to the location of all such fire sprinkler equipment in each Building, including the sprinkler heads located within the Units, and (ii) the right to keep, maintain and replace such equipment.

(i) A non-exclusive easement for ingress and egress to the Buildings over the roads and driveways in Meadowmont Village, as the same may be modified from time to time.

(j) An exclusive easement for vehicular parking in the area shown on the Site Plat as "Exclusive Condominium Parking."

(k) A non-exclusive easement for unreserved vehicular parking in no more than twenty-four (24) parking spaces in the general public parking areas of Meadowmont Village ("General Parking"), provided however, the Declarant or its assign reserves the right (i) to limit access to the General Parking areas from time to time (ii) to designate which areas may be

utilized by the Owners in the General Parking area, and (iii) to modify such designated areas for Owners to park in the General Parking area from time to time.

(l) All rights and easements granted to the Association under the Declaration of Covenants, Conditions, Restrictions and Easements for Mixed-Use Buildings recorded in Book 2444, Page 182, Orange County Registry.

THE REAL PROPERTY CONVEYED TO THE CONDOMINIUM EXPRESSLY DOES NOT INCLUDE THE FOLLOWING:

(a) THE LAND ON WHICH THE BUILDINGS ARE SITUATED;

(b) THE GROUND FLOORS OF THE BUILDINGS OTHER THAN THE STAIRWELLS, ELEVATOR SHAFTS AND ELEVATOR AND STAIRWELL LOBBIES, AND EQUIPMENT AND EASEMENT RIGHTS SPECIFICALLY LISTED ABOVE,

(c) THE ROOF, FOUNDATION, CONCRETE SLAB FLOORS AND CONCRETE CEILINGS, SUPPORT COLUMNS, OR EXTERIOR WALLS OF THE BUILDINGS.

(d) THE CEILING SPACE ABOVE THE METAL SUPPORT GRIDS FOR THE THIRD FLOOR CEILING,

(f) THE EXTERNAL WALLS OF THE BUILDINGS AND ALL STRUCTURES SUPPORTING SUCH WALLS, OR

(g) ANY COLUMNS, PIERS, FOOTINGS, CAISSONS, GIRDERS, BEAMS, FOUNDATIONS, SLABS AND OTHER SUPPORTS, SUPPORTING STRUCTURES AND APPURTENANCES THERETO, LOCATED IN THE BUILDINGS OR ON THE LAND ON WHICH THE BUILDINGS ARE LOCATED.

The real property conveyed to the Condominium is expressly subject to:

(a) All of the rights, reservations and easements set forth in the Declaration of Condominium for the Meadowmont Village Condominiums.

(b) The Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to all Property in Meadowmont, recorded in Book 1919, Page 87, Orange County Registry.

(c) The Declaration of Covenants and Restrictions of the Meadowmont Community Association, Inc. and Meadowmont Development Company, a North Carolina Joint Venture, recorded in Book 1919, Page 121, Orange County Registry.

(d) The Declaration of Master Protective Covenants for Meadowmont Village, recorded in Book 2444, Page 133, Orange County Registry.

(e) The Declaration of Covenants, Conditions, Restrictions and Easements for Mixed Use Buildings by Meadowmont JV, LLC, recorded in Book 2444, Page 182, Orange County Registry.

(f) All other easements, rights of way, restrictions and covenants of record.

**Exhibit 2 to the Declaration of Condominium
for the
Meadowmont Village Condominiums**

Allocation of Common Elements and Common Expenses

Unit Number	Allocated Interest in Common Elements and Common Expenses
121	1/24 th
122	1/24 th
123	1/24 th
124	1/24 th
131	1/24 th
132	1/24 th
133	1/24 th
134	1/24 th
521	1/24 th
522	1/24 th
523	1/24 th
524	1/24 th
531	1/24 th
532	1/24 th
533	1/24 th
534	1/24 th
621	1/24 th
622	1/24 th
623	1/24 th
624	1/24 th
631	1/24 th
632	1/24 th
633	1/24 th
634	1/24 th
Total	24/24^{ths}

**Exhibit 3 to the Declaration of Condominium
for the
Meadowmont Village Condominiums**

Legal Description of Meadowmont Village

BEING ALL of Village Center Parcel 1, containing 13.53 acres, more or less, and Village Center Parcel 1A, containing 4.63 acres, more or less, as shown on that plat entitled "Final Plat – Village Center," dated October 11, 1999 and last revised March 6, 2000, prepared by The John R. McAdams Company, Inc. and recorded in Plat Book 85, Pages 78-80, inclusive, Orange County Registry.