

WAKE COUNTY, NC 108
LAURA M RIDDICK
REGISTER OF DEEDS
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AMENDED AND RESTATED
DECLARATION OF
CONDOMINIUM FOR THE PARAMOUNT

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THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA. THIS
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Prepared by and return to **WARD AND SMITH, P.A.**, 127 Racine Drive,
Wilmington, NC 28406-7068

Return to: DAVID M. WARREN
VICE-PRESIDENT
618 N. BOYLAN AVENUE
SUITE 510
RACE164 NC 27603

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THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR THE PARAMOUNT (hereinafter referred to as the "Declaration") is made this the ____ day of _____, 20____, by PARAMOUNT CONDOMINIUM HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation (hereinafter referred to as "Association").

W I T N E S S E T H :

WHEREAS, Paramount Partners, LLC, a North Carolina limited liability company ("Declarant"), recorded the Declaration of Condominium for the Paramount in Book 11689, at Page 139 in the office of the Register of Deeds of Wake County (as amended and supplemented, the "Original Declaration"), to submit the Property, as defined herein, together with the improvements thereon constructed and easements appurtenant thereto, to the provisions of the Act, as defined herein, to provide for the condominium form of ownership; and

WHEREAS, pursuant to Article XV of the Declaration the Association may amend the Declaration with the vote of not less than sixty-seven percent (67%) of all Unit Owners at a meeting and fifty-one percent (51%) of the Mortgagees; and

WHEREAS, pursuant to N.C. Gen. Stat. § 47C-2-117, the Association may amend the Declaration with the affirmative vote or written agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated; and

WHEREAS, the Association has obtained the affirmative vote of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and fifty-one percent (51%) of the Mortgagees to amend and restate the Original Declaration.

NOW, THEREFORE, the Association hereby covenants and declares on behalf of itself and its successors and assigns that the Original Declaration is hereby amended and restated in its entirety. The real estate previously made subject to the Original Declaration from the date this Declaration is recorded in the office of the Register of Deeds of Wake County shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the real estate and bind and inure to the benefit of all current owners and perspective purchasers and parties who have or may acquire any right, title, estate or interest in or to any of such real estate or who have or may acquire any right or occupancy of or interest upon any portion thereof, all subject to the right of the Association to amend this Declaration according to its terms. All such rules, regulations, restrictions, covenants, conditions, uses and obligations are declared and agreed to be in furtherance of a plan for the Condominium and the use, enjoyment and rental of Condominium Units and shall be deemed to run with the land and be a burden on and a benefit to any Person acquiring or owning any interest in the real property in the Condominium and any improvements thereto, and such parties' grantees, successors, heirs, assigns, executors, administrators and devisees. Individual Owners, their employees, guests, tenants and all persons using or possessing any property within the Condominium are subject to the provisions of this Declaration.

ARTICLE 1.

ESTABLISHMENT OF CONDOMINIUM

On that property described on Exhibit A, attached hereto and incorporated herein by reference, there exists a building containing eighty-two (82) Units, and other appurtenant improvements. Declarant, by recording the Original Declaration, submitted the real property, and the improvements lying within the land area described on Exhibit A to condominium ownership under the provisions of the Act, and declared the same to be a condominium to be known and identified as "The Paramount Condominium." The Condominium is located in Wake County, North Carolina.

ARTICLE 2.

SURVEY PLATS AND PLANS

A survey of the land and plat and plans of the improvements constituting the Condominium identifying the Units, the Common Elements and the Limited Common Elements, as said terms are herein defined, and containing the information required by N.C. Gen. Stat. § 47C 2 109(b) and (c) is recorded in the office of the Register of Deeds of Wake County in the condominium file identified in Exhibit B, said survey and plat and plans being incorporated herein by reference. Said survey and plat and plans are sometimes collectively referred to herein as Exhibit B or "Plans". Each Unit is identified by a specific number on the Plans, and no Unit bears the same number as any other Unit.

ARTICLE 3.

DEFINITIONS

As used in this Declaration and the exhibits attached hereto, the Bylaws, the Articles of Incorporation, and all amendments thereof, unless the context requires otherwise, the following definitions shall prevail:

Section 3.1. Act. "Act" means Chapter 47C of the General Statutes of North Carolina designated as the North Carolina Condominium Act.

Section 3.2. Articles of Incorporation. "Articles of Incorporation" means the Articles of Incorporation for Paramount Condominium Homeowners Association, Inc. filed in the office of the Secretary of State of North Carolina, as amended from time to time.

Section 3.3. Association. "Association" means the Owners association organized pursuant to the Act and incorporated under Chapter 55A of the General Statutes of North Carolina, and known as Paramount Condominium Homeowners Association, Inc.

Section 3.4. Association Documents. "Association Documents" means collectively the Articles of Incorporation, the Bylaws, this Declaration, the rules and regulations adopted by the Association, and resolutions of the Board of Directors, all as may be amended, restated and revised from time to time. Any exhibit, schedule, or amendment to an Association Document shall be considered a part of that document.

Section 3.5. Board of Directors or Board. "Board of Directors" or "Board" means the body responsible for administration of the Association selected as provided in the Bylaws.

Section 3.6. Business or Trade. "Business" or "Trade" means their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

Section 3.7. Bylaws. "Bylaws" means the Bylaws of the Association attached hereto as Exhibit E, as they may be amended from time to time.

Section 3.8. Common Elements. "Common Elements" means and comprise (i) all of the real property, improvements and facilities of the Condominium, excluding however the Units as herein defined, including without limitation, the fitness center, pool, roof terrace, community room, and the exterior surface of the Retail Unit (ii) all personal property and equipment held and maintained for the joint use and enjoyment of all the Owners of Units, and (iii) all permits for construction, maintenance and operation of the Condominium held by the Association.

Notwithstanding this definition, to the extent that the provisions of the Act apply to "Common Elements," including, without limitation, the provisions of Section 47C-3-112, those provisions shall apply only to the "Common Elements" as defined in the Act.

Section 3.9. Common Expenses. "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

Section 3.10. Condominium. "Condominium" means the Property described on Exhibit A, easements appurtenant to the Property, all buildings and improvements existing thereon or hereinafter constructed thereon, known as The Paramount Condominium.

Section 3.11. Condominium Units. "Condominium Units" or "Units," as such terms are used herein, means a physical portion of the Condominium designated for separate ownership, the boundaries of which are hereinafter defined and shown on Exhibit B. The interior surfaces of the walls, floors, and ceilings of the Units are designated as the boundaries of each respective Unit.

Except as otherwise modified herein, the provisions of N.C. Gen. Stat. § 47C-2-102(1), (2), (3), and (4) are incorporated herein by reference.

Section 3.12. Declaration. "Declaration" means this instrument and any amendments thereto.

Section 3.13. Director. "Director" means a member of the Board of the Association.

Section 3.14. Limited Common Elements. "Limited Common Elements" means those portions of the Common Elements allocated by operation of N.C. Gen. Stat. § 47C-2-102 for the exclusive use of one or more but fewer than all of the Units, those portions of the Common Elements designated as Limited Common Elements on the Plans, and those portions of the Common Elements designated as Limited Common Elements, identified as "Parking Spaces" and "Storage Units", and allocated to Units as set forth on Exhibit C.

Supplementing the provisions of N.C. Gen. Stat. § 47C-2-102(4), all exterior doors and door frames, except screen doors or storm doors as may have been permitted by the Association, exterior windows and window frames, and all related components of the exterior doors and exterior windows including glass, panes and screens, shall be Limited Common Elements, and are specifically allocated to the Units in which they are installed.

Section 3.15. Member. "Member" means a Person having membership in the Association consistent with Article 9 of this Declaration.

Section 3.16. Mortgage. "Mortgage" means a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 3.17. Mortgagee. "Mortgagee" means a beneficiary or holder of a Mortgage.

Section 3.18. Person. "Person" means a natural person, limited liability company, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity or any combination thereof.

Section 3.19. Property. "Property" means the real estate described on Exhibit A, together with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

Section 3.20. Register of Deeds. "Register of Deeds" means the office of the Register of Deeds of Wake County, North Carolina.

Section 3.21. Residential Unit. "Residential Unit" means all Units other than Retail Units.

Section 3.22. Retail Unit. "Retail Unit" means any Unit designated on the Plans for use as a retail space.

Section 3.23. Special Assessment. "Special Assessment" means an assessment levied pursuant to Section 21.5.

Section 3.24. Stormwater Control Measures. "Stormwater Control Measures" means the stormwater management facilities described in and operated and regulated per the terms of the Operations and Maintenance Manual for Stormwater Control Measures attached hereto as Exhibit F.

Section 3.25. Unit Owner. "Unit Owner" or "Owner" means any Person owning one or more Units, but shall not include a Mortgagee unless such Mortgagee has acquired title pursuant to foreclosure or some other process in lieu of foreclosure.

Section 3.26. Upkeep. "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

Section 3.27. Use Restrictions. "Use Restrictions" means the rules and use restrictions more fully defined as set forth in Section 6.4.

Section 3.28. Utility Company. "Utility Company" means a public or private company or entity duly licensed and authorized by the North Carolina Utilities Commission to provide utility services within a specified franchise area and any entity providing utility services on behalf of a body politic, municipality or other governmental body or entity.

Any word not defined herein, unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, as used herein, have the meaning set out in N.C. Gen. Stat. § 47C-1-103.

ARTICLE 4.

ALLOCATION OF COMMON ELEMENT INTERESTS, COMMON EXPENSE LIABILITIES AND VOTES

Section 4.1. Common Elements Allocation. Each Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit also shall own, as an appurtenance to the ownership of said Unit, an undivided interest in the Common Elements. The proportional interest in the Common Elements allocated to each of the Units which presently exists shall be determined by the quotient of the total heated square footage of each Unit presently existing in the Condominium divided by the total heated square footage of all of the Units within the entire Condominium, expressed as a percentage. The allocation for each Unit, together with the total heated square footage of each Unit, is set forth in Exhibit C attached hereto and made a part hereof.

Section 4.2. Common Expense Allocation. The portion of the Common Expenses of the Association allocated to each Unit shall be equal, provided that the assessments levied pursuant to Section 21.1 against one (1) bedroom Units, Unit No. 100, Unit No. 924, and Unit No. 1024 shall be adjusted as follows:

(a) The amount of assessments levied against one (1) bedroom Units shall be ninety percent (90%) of the amount of assessments levied against two (2) and three (3) bedroom Units. The one (1) bedroom Units are as follows: Unit Nos. 300, 308, 408, 508, 520, 526, 530, 608, 626, 630, 708, and 808.

(b) The amount of assessments levied against Unit No. 924 and Unit No. 1024 shall be one hundred fifty percent (150%) of the amount of assessments levied against two (2) and three (3) bedroom Units.

(c) The amount of assessments levied against Unit No. 100 shall be fifty percent (50%) of the amount of assessments levied against two (2) and three (3) bedroom Units

Notwithstanding the above, Special Assessments shall, pursuant to Section 21.5, be levied against all Units based on the same formula used to determine the proportional interest in the Common Elements allocated to each Unit and is as set out in Section 4.1 above and in Exhibit C.

Section 4.3. Voting Allocation. The vote in the Association allocated to each Unit shall be equal and shall be one (1) vote per Unit.

ARTICLE 5.

LIMITED COMMON ELEMENTS

Limited Common Element "Parking Spaces" and "Storage Units" are allocated to Units as set forth on Exhibit C. At least one (1) Parking Space shall be allocated to each one (1) bedroom Residential Unit. At least two (2) Parking Spaces shall be allocated to each two (2) and three (3) bedroom Residential Unit. Two (2) Parking Spaces shall be allocated to the Retail Unit. Parking Spaces and Storage Units may be reallocated among Units with the prior written consent of the Unit Owners to which the Parking Spaces or Storage Units are allocated, which consent shall not be unreasonably withheld, delayed, or conditioned. The Association, with the written consent of the Unit Owners to which the Parking Spaces or Storage Units are allocated, may amend this Declaration to reallocate said Parking Spaces or Storage Units.

ARTICLE 6.

PLAN OF DEVELOPMENT, USE RESTRICTIONS AND ENCUMBRANCES

Section 6.1. Plan of Development: Applicability: Effect. A general plan of development and occupancy for the Property has been established under this Declaration in order to protect all Owners' quality of life and collective interests, the aesthetic and environmental quality within the Property, and the vitality of and sense of community within the Property, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the community.

This Declaration, including the Use Restrictions, attached as Exhibit D, and the rules and resolutions adopted by the Board establish affirmative and negative covenants, easements, and restrictions on the Property.

All provisions of the Association Documents shall apply to all Owners, their family members, occupants, tenants, guests and invitees.

Section 6.2. Authority to Promulgate Rules

(a) Subject to the terms of this Article and in accordance with its duty of care and undivided loyalty to the Association and its Members, the Board may adopt additional rules not inconsistent with the Use Restrictions set forth in Exhibit D hereof, and other such rules and regulations permitted by, and not inconsistent with, the Act.

(b) At least fifteen (15) days prior to the effective date of any action under subsections (a) of this Section, the Board shall send a copy of the rule to each Owner specifying the effective date of such rule. The Association shall provide, without cost, a copy of the rules then in effect to any requesting Member or Mortgagee.

(c) Nothing in this Article shall authorize the Board or the Owners to modify, repeal or expand the Association Documents except as such documents may be amended as provided therein.

Section 6.3. Owners' Acknowledgment. All Owners are subject to the Use Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board may adopt, delete, modify, create exceptions to, or amend the rules.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and rules may change from time to time.

Section 6.4. Use Restrictions. The Units and Common Elements are declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the

land and improvements of the Condominium and those set forth in the Use Restrictions attached hereto at Exhibit D.

ARTICLE 7.

EASEMENTS

Section 7.1. Easements-Common Elements. Subject to the provisions of N.C. Gen. Stat. § 47C-3-112, all of the Common Elements, except the Limited Common Elements, shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of Units in the Condominium for their use and the use of their tenants, guests, invitees and customers, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended for the use and enjoyment of the Units; subject to the General Warranty Deed Easement for Public Sidewalk Purposes to the City of Raleigh recorded in Book 10843, at Page 633 in the office of the Register of Deeds of Wake County, the Easement to Progress Energy Carolinas, Inc. recorded in Book 10883, at Page 1813 in the office of the Register of Deeds of Wake County, and the Encroachment Agreement with the City of Raleigh recorded in Book 10843, at Page 640 in the office of the Register of Deeds of Wake County.

Section 7.2. Easements-Units. Each Owner hereby is granted a perpetual easement to locate heating and air conditioning systems and related equipment and other utilities upon the Common Elements. When so located, such heating and air conditioning systems, utilities, related pipes, ducts, conduits, wires and related facilities and equipment shall become and be deemed to be a part of the respective Unit to which they are affixed or serve. Prior to installing any heating and air conditioning systems, utilities or any facilities and equipment in the Common Elements, the Owner shall obtain the consent of the Association as provided in Article 14 herein. This provision shall not apply to the heating and air conditioning systems and facilities and underground propane tanks which are presently located in the Common Elements and any replacements thereto or any heating and air conditioning systems and facilities and underground propane tanks.

ARTICLE 8.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

Section 8.1. Existing Encroachments. In the event that any Unit shall encroach upon any Common Elements for any reason not caused by the purposeful or negligent act of the Owner, or agents of such Owner, then an easement appurtenant to such Unit shall exist for the continuance of such encroachment upon the Common Elements for so long as such encroachment naturally shall exist. In the event that any portion of the Common Elements shall encroach upon any Unit, then an easement shall exist for the continuance of such encroachment of the Common Elements upon any Unit for so long as such encroachment naturally shall exist.

Section 8.2. Reconstruction. If any Unit or Common Elements shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such Unit and/or Common Elements in accordance with Article 19 hereof, there exist encroachments of portions of the Common Elements upon any Unit, or of any Unit upon any portion of the Common Elements, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments naturally shall remain.

ARTICLE 9.

ADMINISTRATION OF THE CONDOMINIUM

Section 9.1. Creation/Organization. To efficiently and effectively provide for the administration of the Condominium by the Owners of the Units, an association of all Owners has been incorporated pursuant to Chapter 55A of the General Statutes of North Carolina known and designated as Paramount Condominium Homeowners Association, Inc.

Section 9.2. Members. The Owner or Owners of each Unit automatically shall become members of said Association upon his, their or its acquisition of an ownership interest in title to any Unit and its appurtenant undivided interest in Common Elements, and the membership of such Owners or Owner shall terminate automatically upon such Owner or Owners being divested of such ownership interest in the title to such Unit, regardless of the means by which such ownership may be divested. No Person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said Association or to any of the rights or privileges of such membership.

Section 9.3. Administration by Association. The Association shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of the Association Documents and the Act. Subject to the provisions of the Act, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, to adopt, promulgate and enforce such rules and regulations governing the use of the Common Elements as the Board of Directors of said Association may deem to be in the best interests of the Association and to exercise such other powers as set forth in N.C. Gen. Stat. § 47C-3-102, including the right to assign future assessments, assessment rights and income of the Association.

ARTICLE 10.

ASSOCIATION RIGHTS, OBLIGATIONS AND SERVICES

Section 10.1. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Association Documents and the Act or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically provided in the Association Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

Section 10.2. Dedication of Common Elements. The Association may dedicate or grant easements or relocate easements over portions of the Property, including the Common Elements, including the grant of easements to any local, state, or federal governmental entity or any Utility Company.

Section 10.3. Disclaimer of Liability. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to promote the health, safety and welfare of Owners and occupants of any Unit.

(a) Notwithstanding anything contained herein or in the Association Documents or the Act, neither the Association, the Board, committees of the Association, nor the management company of the Association (collectively, the "Released Parties") shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of any Unit or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Unit and each tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Property, including all Common Elements.

(b) No provision of the Association Documents shall be interpreted as creating a duty of the Released Parties to protect or further the health, safety or welfare of any Person(s), even if the funds of the Association are used for any such purpose.

Each Owner (by virtue of his or her acceptance of title to his or her Unit) and each other Person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Released Parties, their directors, officers, committee and Board members, employees, agents, contractors, subcontractors, successors and assigns arising from or connected with any matter for which the liability has been disclaimed.

Section 10.4. Safety. The Association may maintain or support certain activities within the Property designed to provide a greater level of safety than exists within the Property.

(a) None of the Released Parties shall in any way be considered insurers or guarantors of safety within the Property. None of the Released Parties shall be held liable for any loss or damage for failure to provide adequate safety or ineffectiveness of safety measures undertaken.

(b) All Owners and occupants of any Unit, and all family members, tenants, guests, and invitees of any Owner, acknowledge that the Released Parties do not represent or warrant that any entry gate, patrolling of the Property, neighborhood watch group or volunteer safety patrol, may not be compromised or circumvented; nor that any entry gate, patrolling of the Property, neighborhood watch group or volunteer safety patrol, or any security systems will prevent loss by burglary, theft, hold-up, or otherwise; nor that any entry gate, patrolling of the Property, neighborhood watch group or volunteer safety patrol, or any security systems will in all cases provide the detection or protection for which the system is designed or intended.

(c) All Owners and occupants of any Unit, and all family members, tenants, guests, and invitees of any Owner, acknowledge and understand that the Released Parties are not insurers of safety within the Property. Each Owner acknowledges, understands and shall be responsible for informing its tenants and all occupants of its Unit that the Released Parties are not guarantors of security or safety and that each person using Property within the Project assumes all risks of personal injury and loss or damage to property including Units and the contents thereof, resulting from acts of third parties.

(d) All Owners and occupants of any Unit and all family members, tenants, guests, and invitees of any Owner assume all risks for loss or damage to Persons, to Units, and to the contents of Units and further acknowledge that the Released Parties have made no representations or warranties, nor has any Owner, occupant, or any tenant, guest, or invitee of any Owner relied upon any representations or warranties, expressed or implied, relative to any entry gate, patrolling of the Property, neighborhood watch group or volunteer safety patrol, or any security systems recommended or installed or any safety measures undertaken within the Property.

Section 10.5. Provision of Services; Fees for Use of Common Elements. The Association may provide services and facilities for the members of the Association and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities and fees for use of the Common Elements, including without limitation fees for keeping pets within the Condominium and moving in or out of a Unit. The Board, without the consent of the Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to what services and facilities, if any, will be provided by the Association. This

paragraph shall be specifically construed to allow the Association to enter into a contract for the overall management of the Association with any individual or corporation.

Section 10.6. Change of Use of Common Elements. Upon adoption of a resolution by the Board stating that, in the Board's opinion, a service provided by the Association pursuant to Section 10.5 or the then present use of a designated part of the Common Elements is no longer in the best interest of the Owners or is no longer necessary or appropriate for the purposes intended, the Board shall have the power and right to terminate such service or change the use of any Common Elements (and, in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided that any such new use (i) shall be for the benefit of the Owners, and (ii) shall be consistent with any deed restrictions and zoning regulations restricting or limiting the use of the Common Elements.

Section 10.7. View Impairment. The Association does not guarantee or represent that any view over and across any property, including any Unit, from adjacent Units will be preserved without impairment. The Association shall not have any obligation to prune or trim landscaping. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

Section 10.8. Relationship with Tax-Exempt Organizations. The Association may create, enter into agreements or contracts with, grant exclusive and/or non-exclusive easements over the Common Elements to, or transfer portions of the Common Elements to non-profit, tax-exempt organizations, including but not limited to organizations that provide facilities or services designed to meet the physical or social needs of a particular group or class of persons, for the benefit of the Property, the Association, its members and residents. The Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense of the Association and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as but not limited to entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

ARTICLE 11.

STORMWATER CONTROL MEASURES

The Association shall operate and maintain the Stormwater Control Measures pursuant to the terms of the Operations and Maintenance Manual for Stormwater Control Measures attached hereto as Exhibit F. All costs associated with the maintenance and operation of the Stormwater Control Measures and compliance with the terms of the Operations and Maintenance Manual for Stormwater Control Measures attached hereto as Exhibit F shall be a Common Expense of the Association. Failure of the Association to maintain, repair, replace or reconstruct the Stormwater Control Measures as herein required is a violation of the City code and may subject the Owners to daily civil penalties and other enforcement actions, and each

Owner shall be jointly and severally responsible for such tasks as required by the City if the Association fails to perform its obligations.

ARTICLE 12.

RIGHT OF ENTRY IN EMERGENCIES

In case of any emergency originating in or threatening any Unit or the Common Elements, regardless of whether the Owner or other Person in occupancy is present at the time of such emergency, the Board of Directors, or any other Person authorized by it, or the managing agent, shall have the right to enter such Unit, and such Common Elements for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. Each Unit Owner must provide the Board with one copy of the key to his or her Unit to allow the Board access to the Unit pursuant to the provisions of this Article 12, Article 13, and Article 15.

ARTICLE 13.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON ELEMENTS OR OTHER UNITS

Whenever it may be necessary to enter any Unit for the purpose of performing any maintenance, alteration or repair to any portion of the Common Elements or adjacent Units, or to remedy conditions existing in the Unit that could result in damage to the Condominium, the Owner of each Unit shall permit other Owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such Unit for such purpose, provided that the entry shall be made only at reasonable times and with reasonable advance notice. The Association, its agents, or contractors, may enter a Unit pursuant to this Section for the purpose of inspecting the Unit for vermin, insects, or other pests and for taking reasonable measures to control or exterminate such pests.

ARTICLE 14.

LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY UNITS; NO RIGHT TO ALTER COMMON ELEMENTS

Section 14.1. Alteration of Units. Subject to the provisions of N.C. Gen. Stat. § 47C-2-111, and to the limitations contained in Article 14 of this Declaration, Units may be altered and Common Elements may be allocated as Limited Common Elements. Units may not be subdivided or combined, but boundaries between adjoining Units may be relocated subject to the provisions of N.C. Gen. Stat. §47C-2-112.

Section 14.2. Common Elements Appurtenant to Units.

(a) The undivided interest in the Common Elements declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and 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 instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the number designation assigned thereto by the map recorded as aforesaid without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common Elements by more than one Person as tenants in common, joint tenants or as tenants by the entirety.

(b) Recognizing that the proper use of a Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Elements in common with the Owners of all other Units, and that it is in the interest of all Owners that the ownership of the Common Elements be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Elements appurtenant to each Unit shall remain undivided and no Owner shall bring or have any right to bring any action for partition or division of the Common Elements.

Section 14.3. Consent to Modification of Units. Except as provided herein, no Owner of a Unit shall permit any modification or alteration to be made to a Unit, or any alteration, betterment or improvement to the Limited Common Elements appurtenant to a Unit, without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in its sole discretion, that such modifications, alterations, betterments or improvements would adversely affect or in any manner endanger the Condominium, in part or in its entirety, or any other Unit. Unit Owners may: (i) install decorations, fixtures, and coverings (including without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving, and lighting fixtures) on the interior surfaces of the walls, ceilings, and floors, (ii) install nails, screws, and bolts up to one inch into the wall, and (iii) alter or remove interior walls provided that the alteration or removal does not impair the structural integrity of the Unit or any other portion of the Condominium.

Notwithstanding the above, no Owner shall cause any improvements or changes to be made to any Unit or building including drilling into the floor or ceiling and the installation of electrical wiring, television or radio antennae or any other objects, machines or equipment which may protrude through the walls or roof of any Unit or building, or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first had and obtained. Such consent shall not be unreasonably withheld. No Owner shall

cause any object to be affixed to the Common Elements or in any manner change the appearance of the Common Elements without the written consent of the Association being first obtained.

In the event the Association shall grant its consent for such improvements or changes to be made, such improvements, including but not limited to all antennae and other objects, machines or equipment which may protrude through the walls or roof shall become and be deemed to be a part of the Unit to which they are affixed. As a condition to the granting of written consent of the Association to an Owner for the installation of any improvements within the Limited Common Elements assigned to such Owner's Unit, the obligation of Upkeep of such Limited Common Elements, and any improvements and betterments installed therein, shall be deemed to be the obligation of such Owner at the cost and expense of such Owner, and the Association shall have no further obligation to provide such Upkeep or bear the cost thereof as otherwise set forth in this Declaration.

Section 14.4. Indemnification-Unit Modification. The Board, in its sole discretion, may require an Owner desiring to add betterments or improvements to his Unit or the Limited Common Elements appurtenant to his Unit to indemnify the other Owners and the Association against any and all loss, cost and expense that may be occasioned by the addition of such betterments or improvements and further may require such Owner to obtain liability insurance naming the other Owners and the Association as additional insureds in such amounts and upon such terms as the Board of Directors shall determine.

ARTICLE 15.

MAINTENANCE AND REPAIR BY OWNERS OF UNITS

Section 15.1. Owner Upkeep of Units. Every Owner shall perform promptly all Upkeep within his Unit which, if omitted, would affect the Condominium, either in its entirety or in a part belonging to other Owners, or adversely impair the ability to rent such Owner's Unit or any other Unit, and every Owner shall be expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Unit shall be liable and responsible for the Upkeep of all air conditioning and heating equipment, fans or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service solely to his Unit. The Owner of each Unit shall be liable and responsible for the Upkeep of the front entrance door and any other entrance doors to the Unit, subject to any standards established by the Board. Such Owner further shall be responsible and liable for the Upkeep of the surfaces of any and all walls, ceilings and floors in the interior of his Unit including painting, decorating and furnishings, and all other accessories in his Unit. The Association shall maintain all windows (including without limitation, their panes, casements, and frames) located within or opening from a Unit.

The Association may enter a Unit after providing reasonable notice to the Owner to inspect the Unit for compliance with this Article. In addition to any other enforcement rights, if an Owner fails properly to perform his or her Upkeep responsibility, the Association may enter the Owner's Unit and perform such work for Upkeep and assess all costs incurred by the

Association against the Unit and the Owner. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

Unit Owners must install and maintain an Underwriters Laboratory approved fire extinguisher and carbon monoxide and smoke alarm in their Unit.

Section 15.2. Maintenance-Insurance Proceeds. Whenever the Upkeep of any item for which the Owner of a Unit is obligated to perform at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of performing such Upkeep, except that the Owner of such Unit shall be, in said instance, required to pay such portion of the costs of such Upkeep as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

Section 15.3. Limited Common Elements. Except as otherwise stated herein, the Limited Common Elements and all betterments and improvements added to the Limited Common Elements by the Owners are a part of the respective Units and shall be maintained by the respective Owners. The cost of any Upkeep of the Limited Common Elements performed by the Association shall be paid by the Owners to whom the exclusive right to use the Limited Common Elements are allocated. Notwithstanding this Section, the Board may, in its reasonable discretion, designate the cost of Upkeep of Limited Common Elements as a Common Expense when said Upkeep is required pursuant to a common plan for the overall Upkeep of the Common Elements.

ARTICLE 16.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS BY THE ASSOCIATION

Section 16.1. Association Upkeep of Common Elements. Other than the Upkeep of Limited Common Elements required by the Owner, the Association shall be responsible for the Upkeep of the Common Elements, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Elements or in a Unit for the furnishing of utility and/or other services to the Common Elements or other Units; provided that Owners shall be responsible for the Upkeep of conduits, ducts, plumbing, wiring and other facilities that provide service solely to their Unit as set forth in Section 15.1. If any incidental damage is caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the Upkeep of any Common Elements, the Association shall, at its expense, repair such incidental damage. The Association shall comply with the terms of and perform the maintenance obligations set forth in the Encroachment Agreement with the City of Raleigh recorded in Book 10843, at Page 640 in the office of the Register of Deeds of Wake County.

Section 16.2. Damage Caused by Owner.

(a) Whenever the Upkeep of any item for which the Association is obligated to perform at its expense is occasioned by any act of an Owner, his tenants, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of such Upkeep, except that the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay such portion of the cost of such Upkeep as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

(b) Whenever the Upkeep of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by an act of an Owner, his tenants, guests or invitees, and such loss or damage is not covered by any insurance maintained in force by the Association, the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay the cost of such Upkeep.

Section 16.3. Liability for Damage. Establishment of liability for damage caused by the Owner of a Unit or the Association is subject to the provisions of N.C. Gen. Stat. § 47C-3-107(d).

ARTICLE 17:

AUTHORITY TO PURCHASE INSURANCE

All required or permitted insurance policies (other than title insurance and insurance on betterments and improvements to the Units and Limited Common Elements, if any) upon the Property (other than the personal property of the Owners) shall be purchased by the Association in the name of the Association, as Trustees for the Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or memoranda of insurance to the Association and to any Owner, mortgagee, or beneficiary of a deed of trust. Each Owner may obtain insurance, at his own expense, affording coverage upon his Unit, his personal property and betterments and for his personal liability as may be permitted or required by law, and such insurance shall, if available, contain a waiver of subrogation as to any claims against Owners, the Association and their respective servants, agents and guests.

ARTICLE 18.

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

Section 18.1. Insurance Coverages. The following insurance coverage shall be maintained in full force and effect by the Association:

(a) Casualty insurance covering the Common Elements, and to the extent reasonably available, the Units, including all buildings and all improvements upon the land and all personal property included within the Condominium, except such personal property as may be owned by the Owners, shall be procured in an amount equal to at least eighty percent (80%) of the maximum insurable replacement value thereof (exclusive of land, excavation and foundations) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (b) loss or damage by flood; and, (c) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief. Casualty insurance obtained for the buildings and improvements shall provide such coverage commonly known as "all inclusive building" coverage and/or "completed Unit" coverage as such terms are used in the insurance industry, and shall include, but not be limited to, all components of the Units together with fixtures, cabinets, built in appliances and all other such improvements which were part of the original completed Units, except for betterments and improvements installed by the Owner.

(b) Public liability and property damage insurance in such reasonable amounts and covering all occurrences commonly insured against including, death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements, and in such forms as shall be required by the Association, including, but not limited to, legal liability, hired automobiles, non-owned automobile and off premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to an Owner.

(c) Such other insurance as the Board in its best business judgment deems advisable.

Section 18.2. Premiums - Common Expenses. Premiums upon insurance policies purchased by the Association shall be paid by the Association as Common Expenses to be assessed and collected from all of the Owners of Units.

Section 18.3. Deductibles. The deductible, if any, on any insurance policies maintained by the Association shall be paid by the Association as a Common Expense. In the event that the cause of any damage or destruction of any portion of the Condominium originated in or through the Common Elements or an apparatus located within the Common Elements, the Association may assess (i) any deductible amount necessitated by either the intentional act or

omission, negligence, abuse, misuse or neglect of an Owner, or his or her family, guest, tenant, or the family or guest of said tenant, against such Owner; and (ii) a proportionate share of the deductible amount to any Owner whose Unit is repaired (or which Owner is compensated) by funds from the insurance policies maintained by the Association, based on the proportionate amount of insured loss incurred to the Unit relative to the total insured loss to the Common Elements and other Units. In the event that the cause of any damage or destruction to any portion of the Condominium originated in or through a Unit or any component thereof, then the Owner of said Unit shall pay the deductible under the Association's master casualty policy without regard to whether the Owner was negligent. If an Owner fails to pay the deductible assessed against his or her Unit and the Association pays the deductible cost owed by the Owner, then the deductible cost paid by the Association shall be charged to the Unit as an assessment for which the Association shall have a lien.

Section 18.4. Insurance Claim Adjustment. Any loss covered by the property insurance maintained by the Association shall be adjusted with the Association; provided, however, all insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their Mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association as Trustee. The Trustee shall hold such proceeds in trust for the benefit of the Owners and their respective Mortgagees as their interests may appear.

Section 18.5. Mortgagee-Insurance Proceeds. In the event a mortgage endorsement has been issued for a Unit, the share of any insurance proceeds of the Owner shall be held for the Mortgagee and the Owner as their interests may appear, but nothing herein contained shall be construed so as to give any Mortgagee the right to determine or participate in the determination of reconstruction or repair.

Section 18.6. Use of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be disbursed first for the repair, reconstruction, or restoration of the damaged property, and Owners and lienholders 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 except as specified in Article 19.

Section 18.7. Insurance Policy Requirements. Insurance policies carried pursuant to this Article 18 shall provide that:

- (a) Each Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association;
- (b) The insurer waives its right to subrogation under the policy against any Owner or members of his household, if applicable;
- (c) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery under the policy;

(d) If, at the time of any loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and

(e) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each Mortgagee or beneficiary under a deed of trust to whom certificates or endorsements have been issued at their respective last known addresses.

Section 18.8. Insurance Coverage-Betterments. The Association shall not be required to maintain insurance coverage for any betterments or improvements to the Units and/or Limited Common Elements added by any Owner and an Owner may be required to maintain such liability coverage as is otherwise provided herein.

Section 18.9. Insurance Availability Notification. If the insurance described in this Article is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

Section 18.10. Fidelity Insurance. If desired, the Association may maintain fidelity insurance.

ARTICLE 19.

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

Section 19.1. Reconstruction-Costs. Any portion of the Condominium for which insurance is required pursuant to Article 18 which is damaged or destroyed shall be repaired or replaced promptly 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 Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) approval of all Owners of Units not to be rebuilt or Owners of Units assigned to Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense. If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated or to lienholders, as their interests may appear; and (3) the remainder of the proceeds shall be distributed to all of the Owners or lienholders, as their interests may appear, in proportion to their Common Element interest. If Owners vote not to rebuild any Unit, that Unit's allocated interests automatically shall be reallocated upon the vote as if the Unit had been condemned pursuant to N.C. Gen. Stat. § 47C-1-107(a), and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations. Unless otherwise prohibited, any such reconstruction or repair shall be substantially in accordance with the plans and specifications contained herein.

Section 19.2. Estimates of Replacement Costs. Immediately after the casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems necessary or appropriate.

Section 19.3. Priority of Repair. When the damage is to Common Elements, Limited Common Elements and Units, the insurance proceeds will be applied first to the costs of repairing the Common Elements, secondly to the cost of repairing the Units, and thirdly to the cost of repairing the Limited Common Elements.

Section 19.4. Association Right to Insurance Adjustments. Each Owner shall be deemed to have delegated to the Association his right to adjust with insurance companies all losses under policies purchased by the Association.

ARTICLE 20.

ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES

Section 20.1. Register of Owners and Mortgagees. The Association shall at all times maintain a register setting forth the names of the Owners of all of the Units. In the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Unit. Further, the Owner of each Unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any Unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any Unit may, if he so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any Unit and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

Section 20.2. Mortgage Provisions. The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

(a) Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

i. Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

ii. Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of ninety (90) days, or any other violation of the Declaration or Bylaws relating to such Unit or the Owner or Occupant which is not cured within ninety (90) days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or Bylaws which is not cured within ninety (90) days; or

iii. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

(b) No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

(c) Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

ARTICLE 21.

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Units, costs and expenses which are part of the Common Expenses. To provide for the payment of the Common Expenses, the Association has heretofore been granted the right to make, levy and collect assessments against the Owners and their Units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the Common Expenses of the Condominium, the provisions of this Article shall be operative and binding upon the Owners of all Units.

Section 21.1. Levy of Assessments. Except as specifically otherwise provided for in this Article or elsewhere in this Declaration, all assessments levied by the Association shall be levied pursuant to Section 4.2. Should the Association be the Owner of a Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and assessment therefor levied ratably among the Owners of all Units which are not owned by the Association, based upon their proportionate interests of the Common Expenses exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

Section 21.2. Assessments - Limited Common Elements. Any Common Expense associated with the maintenance, repair or the replacement of a Limited Common Element shall be assessed equally against the Units to which that Limited Common Element is assigned. Any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefited in such proportions as determined by the Board.

Section 21.3. Payment of Assessments. Assessments provided for herein may be payable in installments as directed by the Board of Directors of the Association.

Section 21.4. Association Budget. The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year (which shall correspond to the fiscal year set forth in the Bylaws). Such Budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Section 21.6 hereof, items relating to operation and maintenance from items relating to capital improvements. Within thirty (30) days after adoption of such Annual Budget by the Board of Directors of the Association, copies of said Annual Budget or summaries thereof shall be delivered to each Owner of a Unit. Within thirty (30) days after adoption of any proposed Budget, the Board of Directors shall set a date for a meeting of the Owners to consider ratification of the Annual Budget which date shall be not less than fourteen (14) nor more than thirty (30) days after the mailing of copies of such Annual Budget or summary thereof to the Owners. There shall be no requirement that a quorum be present at the meeting. The Annual Budget is ratified unless at that meeting a majority of all the Owners reject the Annual Budget. In the event the proposed Annual Budget is rejected, the periodic budget last ratified shall be continued until such time as the Owners ratify (i.e. fail to reject by a majority of all Owners) a subsequent budget proposed by the Board of Directors.

Section 21.5. Special Assessment. In addition to other authorized assessments, the Board may levy Special Assessments against all Units pursuant to Section 4.2 from time to time to cover unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the cost of any construction, repair, replacement or repaving of capital improvements, the cost of operation and management of the Condominium, or in the event of emergencies. Such Special Assessments shall be approved at a meeting of the Board and shall become effective upon approval by the Board. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

Section 21.6. Capital Improvement Fund. The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, may designate therein a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Elements, which capital

improvement and replacement fund (Capital Improvement Fund) shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements, as well as the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of the Owners of Units. The amount to be allocated to the Capital Improvement Fund may be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Elements. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Elements. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operation and maintenance.

Section 21.7. Assessments-Association Property. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, and the Bylaws of the Association. As monies for any assessment are paid into the Association by any Owner of a Unit, the same may be commingled with monies paid to the Association by other Owners of Units. Although all funds and Common Surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Elements, 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 the Owner of a Unit shall cease to be a member of the Association by reason of his divestment of ownership of such Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Condominium.

Section 21.8. Delinquent Assessments. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is higher, until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association. All monies owing to the Association shall be due and payable at the office of the Association. In any case where an assessment is payable in installments, upon a default by an Owner in the timely payment of any such installment, the maturity of the remaining total of the unpaid installments of such assessment may be accelerated, at the option of the Board, and the entire outstanding balance of the Assessment, including such delinquent installment, may be declared due and payable in full immediately by written notice to such effect upon the defaulting Owner.

Section 21.9. Liability for Assessments. The Owner or 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 such Unit while such party or parties are Owner or Owners of a Unit. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the Association, such Owner or Owners personally shall be liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorneys' fee, whether suit be brought or not.

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

Section 21.10. Lien for Assessments. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefor, and that such proper operation and maintenance results in a benefit to all of the Owners of Units, and that the payment of such Common Expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Owner, the Association is hereby granted the right to place a lien upon each Unit, and any Limited Common Elements assigned to such Unit, and its appurtenant undivided interest in the Common Elements for nonpayment of any assessment levied against a Unit remaining unpaid for thirty (30) days or longer, which lien also shall secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien also shall secure all costs and expenses, including reasonable attorneys' fees, which may be incurred by the Association in enforcing the lien provided for herein. Subject to N.C. Gen. Stat. § 47C-3-116, as amended, the lien granted to the Association may be foreclosed in the same manner as real estate mortgages and deeds of trust may be foreclosed under power of sale in the State of North Carolina. The Association shall be entitled to bid at any foreclosure sale and may apply as cash credit against its bid all sums due as provided herein. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is higher, on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or may acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Unit expressly subject to such lien rights.

The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the office of the Clerk of Superior Court of Wake County, North Carolina, which claim shall state the description of the Unit encumbered thereby, the name of the record owner, the amount due, the date when due and shall comply with any other

requirements under N.C. Gen. Stat. § 47C-3-116, as amended. The claim of lien shall be recordable at any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid, but shall be extinguished unless a proceeding to enforce the lien is instituted within three (3) years after the docketing thereof. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided and all fees, charges, late charges, fines and interest as set forth in N.C. Gen. Stat. § 47C-3-116, as amended. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

The lien provided for herein shall be prior to all liens and encumbrances on a Unit except (1) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Unit) recorded before the docketing of the lien in the office of the clerk of superior court, and (2) liens for real estate taxes and other governmental assessments or charges against the Unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

If the holder of a first mortgage or first deed of trust of record, or other purchaser of the Unit, obtains title to the Unit as a result of foreclosure or deed in lieu of foreclosure of a first mortgage or first deed of trust, such purchaser, and its heirs, successors and assigns, shall not be liable for the assessments against such Unit which became due prior to acquisition of title to such Unit by such purchaser. Such unpaid assessments shall be deemed to be Common Expenses collectible from all of the Owners including such purchaser, and its heirs, successors and assigns although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

Section 21.11. Statement of Assessment Status. Whenever any Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association for such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

Section 21.12. Election of Collection Remedies. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association.

ARTICLE 22.

COMPLIANCE AND ENFORCEMENT

Section 22.1. General Remedies. Every Owner and any occupant of any Unit shall comply with the Association Documents and the Act. Failure to comply shall be grounds for an action by the Association to recover sums due, for damages, injunctive relief or any other remedy available at law and equity or under the Act.

Section 22.2. Enforcement/Sanctions. The Board or such other Association agent with the Board's approval, may impose sanctions for violations of Association Documents after notice and a hearing in accordance with the procedures set forth in the Act and Section 22.3 of this Declaration. Such sanctions may include, without limitation:

- (a) Imposing reasonable monetary fines which shall constitute a lien upon the Unit of the violator;
- (b) Suspending an Owner's right to vote;
- (c) Suspending any Person's right to use any facilities within the Common Elements, including without limitation, deactivation of key fobs and garage door openers; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from the Unit; and
- (d) Suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

Section 22.3. Hearing Procedures. Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty, (ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of a Member or other occupant of a Unit for violations of the Association Documents, or for assessments or other amounts due and owing to the Association remaining unpaid for a period of thirty (30) days, or longer, unless and until the following procedure is completed:

- (a) Notice. The Board, or an adjudicatory panel appointed by the Board, shall serve the Owner or occupant of a Unit alleged to have violated the Association Documents or the Act (the "Responsible Person") with a written notice of a hearing to be held by the Board of the Association in closed session, or before an adjudicatory panel appointed by the Board; provided, however, that any adjudicatory panel appointed by the Board shall be composed of members of the Association who are not officers of the Association or members of the Board. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on behalf of the

Responsible Person; and (iv) the proposed sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the Responsible Person by placing said notice in the United States mail, postage prepaid, by any method as permitted for the service of summons as set forth in Rule 4 of the North Carolina Rules of Civil Procedure or by the delivery of said notice by an officer, director or agent of the Association to the Responsible Person or to any person who may be served on the Responsible Person's behalf as provided in said Rule 4.

(b) Hearing. The hearing shall be held in closed session of the Board or an adjudicatory panel appointed by the Board pursuant to the notice affording the member a reasonable opportunity to be heard. Any adjudicatory panel appointed by the Board shall be composed of Members who are not officers of the Association or members of the Board. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the Responsible Person appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In addition, a written statement of the results of the hearing and the sanction, if any, imposed shall be mailed by the United States mail, postage prepaid, by the Association to the violator.

(c) Appeal. If the hearing is held before an adjudicatory panel, following such hearing and notice of a decision adverse to the violator, the Responsible Person shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent of the Association, President or Secretary of the Association within fifteen (15) days after the date of the decision, said written notice to contain information by which the Board may notify the Responsible Person of the date of the appeal hearing. If no adjudicatory panel is appointed by the Board, no right of appeal shall exist.

(d) Sanction as Assessment. Pursuant to the provisions of this Section, a fine may be imposed by the Association is an amount not exceeding One Hundred and No/100 Dollars (\$100.00) (or any greater amount as may be provided otherwise by law or the Act) per violation of the Association Documents and without further hearing, for each day more than five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an assessment as set forth in this Declaration and the Act. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

Section 22.4. Self Help Remedies. In addition to other rights set forth in the Association Documents and the Act, upon violation or breach of any provision of the Association Documents, the Board shall have the right: (i) to enter a Unit or Limited Common Element appurtenant thereto, on which or as to which such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents, and the Board shall not thereby be deemed guilty in any manner of

trespass, (ii) to use self-help to remove or cure any violation of the Association Documents (including, without limitation, the towing of vehicles); or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that before any construction or improvements may be altered or demolished, except in emergencies, judicial proceedings shall be instituted by the Association against such defaulting Owner or its tenant.

Section 22.5. Cumulative Remedies/Attorneys' Fees. The Association shall have all powers and remedies under the Act and the Association Documents which shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Association Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

Section 22.6. Association's Right Not to Take Action. The Association shall not be obligated to pursue enforcement action in any particular case, such decisions to be within the discretion of the Board, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (a) the Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or justify expending Association funds; or, (d) it is not in the best interest of the Association, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such covenant, restriction, rule or provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, rule or provision, nor shall it preclude any Owner from taking action at law or in equity to enforce the Association Documents.

Section 22.7. Enforcement by Owner. Nothing set forth in this Article 22 shall prevent any aggrieved Owner from instituting any available remedy in law or in equity for a violation of the Association Documents.

ARTICLE 23.

COMMON SURPLUS

"Common Surplus," meaning all funds and other assets of the Association remaining after the payment of or the provision for Common Expenses, including reserves, shall be owned by the Owners of all Units in the same proportion as their Common Expense liabilities. Except for distribution of any insurance indemnity herein provided, or upon termination of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to the then Owners of Units in accordance with their percentage interest in

Common Surplus as declared herein. All Common Surplus remaining after payment of or provision for Common Expenses, including prepayment of reserves, must be paid to the Owners in proportion to their Common Expense liabilities or credited to them to reduce their future Common Expense liabilities.

ARTICLE 24.

TERMINATION

The Condominium may be terminated only in strict compliance with N.C. Gen. Stat. § 47C-2-118.

ARTICLE 25.

AMENDMENT OF DECLARATION OF CONDOMINIUM

An amendment or amendments to this Declaration may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Units, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to this Declaration being proposed by said Board of Directors or members, such proposed amendment or 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 for a date not later than sixty (60) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than fourteen (14) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the Meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated in order for such amendment or amendments of this Declaration to be adopted. Any such amendment or amendments as adopted shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such amendment or amendments, so certified and executed with the same formalities as a deed, shall be recorded in the Register of Deeds, such amendment or amendments to specifically refer to the recording data identifying this Declaration. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the Association shall be delivered to the Owners of all Units, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments.

As an alternative to holding a meeting of the members to consider an amendment of this Declaration, the members may vote by written ballot pursuant to the Bylaws or a written agreement may be circulated among the members. To be effective, the written agreement must be executed by Owners of Units to which at least sixty seven percent (67%) of the votes of the Association are allocated. Once approved, the amendment or amendments shall be transcribed, certified, executed, recorded and a copy sent to all Owners as specified above.

ARTICLE 26.

CONFLICT WITH CONDOMINIUM ACT; SEVERABILITY

Should any of the terms, conditions, provisions, paragraphs 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. In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE 27.

LIBERAL CONSTRUCTION

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

ARTICLE 28.

DECLARATION BINDING ON ASSIGNS AND SUBSEQUENT OWNERS

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

ARTICLE 29.

ASSOCIATION RECORDS/INSPECTION

The Association shall keep and maintain as permanent records those designated in N.C. Gen. Stat. § 55A-16-01 and N.C. Gen Stat. § 47C-3-118. Those records shall be available for inspection and copying by Members of the Association pursuant to the provisions of N.C. Gen. Stat. § 55A-16-02.

ARTICLE 30.

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/or the awards paid on account thereof shall be used and applied in accordance with N.C. Gen. Stat. §47C-1-107.

ARTICLE 31.

TAXES

Pursuant to the provisions of N.C. Gen. Stat. § 47C-1-105, each Unit and its appurtenant undivided interest in the Common Elements shall be deemed to be a parcel and shall be separately assessed and taxed by each assessing unit and special district for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each Owner shall be liable solely for the amount of taxes against his individual Unit and shall not be affected by the consequences resulting from the tax delinquency of other Owners. Neither any building, the Property nor any of the Common Elements shall be deemed to be a parcel.

ARTICLE 32.

LITIGATION

Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of sixty-seven percent (67%) of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Association Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 21; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

IN TESTIMONY WHEREOF, the Association has caused this instrument to be executed under seal and in such form as to be binding, all by authority duly given, this the day and year first above written.

PARAMOUNT CONDOMINIUM HOMEOWNERS
ASSOCIATION, INC. (SEAL)

By: *Amanda Lima* (SEAL)
Amanda Lima, President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: AMANDA LIMA, PRESIDENT

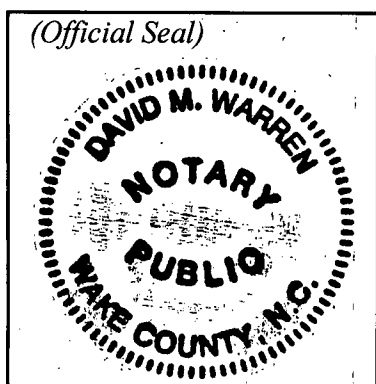
Date: JUNE 22, 2015

David M. Warren
Signature of Notary Public

DAVID M. WARREN

Notary's printed or typed name

My commission expires: JANUARY 15, 2019



Notary seal or stamp must appear within this box.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All of that certain tract or parcel of land lying and being situate in Wake County, North Carolina, shown and depicted as "Lot 100" on the map entitled "The Lennon & Paramount Partners, LLC Tracts into Lot 100 for Paramount Partners, LLC" dated September 3, 2003, recorded in Book of Maps 2003, at Page 2074, in the office of the Register of Deeds of Wake County.

EXHIBIT B

PLANS

For survey and plat and plans see Condominium File CM 2005, Pages 393A1-B3
in the office of the Register of Deeds of Wake County.

EXHIBIT C

ALLOCATIONS

SCHEDULE OF UNITS AND PERCENTAGE INTERESTS

The following is a schedule of (a) the Units in the Condominium, (b) the approximate heated square footage of each Unit as shown on the Plans, (c) the percentage ownership interest in the Common Elements allocated to each Unit, (d) the Parking Space allocated to each Unit as Limited Common Element, and (e) the Storage Unit allocated to each Unit as Limited Common Element.

"L" and the following number indicate the level on which the Parking Space or Storage Unit is located.

Unit No.	Address	Approx. Heated SF	Percentage of Interest in Common Elements and Common Expenses	Parking Space(s)	Storage Unit
100	618 N. Boylan Ave. #100 Raleigh, NC 27603	328	0.315%	# 1, L 1 # 11, L 1	# 310, L 3
300	618 N. Boylan Ave. #300 Raleigh, NC 27603	739	0.709%	# 130, L 3	# 433, L 4
302	618 N. Boylan Ave. #302 Raleigh, NC 27306	1124	1.079%	# 128, L 3 # 140, L 3	# 431, L 4
304	618 N. Boylan Ave. #304 Raleigh, NC 27306	1120	1.075%	# 126, L 3 # 148, L 3	# 430, L 4
306	618 N. Boylan Ave. #306 Raleigh, NC 27306	1120	1.075%	# 124, L 3 # 125, L 3	# 429, L 4
308	618 N. Boylan Ave. #308 Raleigh, NC 27306	910	0.8745%	# 131, L 3	# 432, L 4

310	618 N. Boylan Ave. #310 Raleigh, NC 27306	1584	1.521%	# 122, L 3 # 142, L 3	# 434, L 4
400	618 N. Boylan Ave. #400 Raleigh, NC 27306	1128	1.083%	# 160, L 4 # 161-C, L 4	# 439, L 4
402	618 N. Boylan Ave. #402 Raleigh, NC 27306	1124	1.079%	# 162-C, L 4 # 167, L 4	# 437, L 4
404	618 N. Boylan Ave. #404 Raleigh, NC 27306	1135	1.090%	# 158, L 4 # 164-C, L 4	# 435, L 4
406	618 N. Boylan Ave. #406 Raleigh, NC 27306	1135	1.090%	# 163-C, L 4 # 168, L 4	# 436, L 4
408	618 N. Boylan Ave. #408 Raleigh, NC 27306	910	0.874%	# 159, L 4	# 438, L 4
410	618 N. Boylan Ave. #410 Raleigh, NC 27306	1584	1.521%	# 165, L 4 # 166, L 4	# 440, L 4
500	618 N. Boylan Ave. #500 Raleigh, NC 27306	1144	1.098%	# 143, L 3 # 149, L 3	# 445, L 4
502	618 N. Boylan Ave. #502 Raleigh, NC 27306	1140	1.094%	# 136, L 3 # 155, L 3	# 443, L 4
504	618 N. Boylan Ave. #504 Raleigh, NC 27306	1135	1.090%	# 137, L 3 # 156, L 3	# 441, L 4
506	618 N. Boylan Ave. #506 Raleigh, NC 27306	1135	1.090%	# 151, L 3 # 152, L 3	# 442, L 4
508	618 N. Boylan Ave. #508 Raleigh, NC 27306	926	0.889%	# 135, L 3	# 444, L 4
510	618 N. Boylan Ave. #510 Raleigh, NC 27306	1144	1.098%	# 24-C, L 1 # 28, L 1	# 446, L 4
518	618 N. Boylan Ave. #518 Raleigh, NC 27306	1492	1.432%	# 141, L 3 # 150, L 3	# 452, L 4

520	618 N. Boylan Ave. #520 Raleigh, NC 27306	1040	0.998%	# 129, L 3 # 147, L 3	# 451, L 4
524	618 N. Boylan Ave. #524 Raleigh, NC 27306	1994	1.914%	# 121, L 3 # 127, L 3	# 450, L 4
526	618 N. Boylan Ave. #526 Raleigh, NC 27306	954	0.916%	# 139, L 3 # 154, L 3	# 449, L 4
528	618 N. Boylan Ave. #528 Raleigh, NC 27306	1279	1.228%	# 133, L 3 # 138, L 3 # 3, L 1	# 118, L 1
530	618 N. Boylan Ave. #530 Raleigh, NC 27306	779	0.748%	# 132, L 3	# 448, L 4
532	618 N. Boylan Ave. #532 Raleigh, NC 27306	1073	1.030%	# 134, L 3 # 153, L 3	# 447, L 4
600	618 N. Boylan Ave. #600 Raleigh, NC 27306	1144	1.098%	# 74-C, L 2 # 107, L 2	# 457, L 4
602	618 N. Boylan Ave. #602 Raleigh, NC 27306	1140	1.094%	# 102, L 2 # 105-C, L 2	# 455, L 4
604	618 N. Boylan Ave. #604 Raleigh, NC 27306	1135	1.090%	# 99, L 2 # 111, L 2	# 453, L 4
606	618 N. Boylan Ave. #606 Raleigh, NC 27306	1135	1.090%	# 101, L 2 # 109, L 2	# 462, L 4
608	618 N. Boylan Ave. #608 Raleigh, NC 27306	926	0.889%	# 157, L 4	# 456, L 4
610	618 N. Boylan Ave. #610 Raleigh, NC 27306	1144	1.098%	# 90, L 2 # 108, L 2	# 458, L 4
612	618 N. Boylan Ave. #612 Raleigh, NC 27306	1250	1.200%	# 98, L 2 # 110, L 2	# 459, L 4
618	618 N. Boylan Ave. #618 Raleigh, NC 27306	1492	1.432%	# 53, L 2 # 54, L 2	# 115, L 1

620	618 N. Boylan Ave. #620 Raleigh, NC 27306	1190	1.142%	# 86, L 2 # 100, L 2	# 465, L 4
622	618 N. Boylan Ave. #622 Raleigh, NC 27306	1379	1.324%	# 112, L 2 # 113, L 2	# 454, L 4
624	618 N. Boylan Ave. #624 Raleigh, NC 27306	1994	1.914%	# 55, L 2 # 56, L 2 # 106-C, L 2	# 468, L 4
626	618 N. Boylan Ave. #626 Raleigh, NC 27306	954	0.916%	# 117, L 3 # 26-C, L 1	# 464, L 4
628	618 N. Boylan Ave. #628 Raleigh, NC 27306	1294	1.242%	# 114, L 2 # 115, L 2	# 463, L 4
630	618 N. Boylan Ave. #630 Raleigh, NC 27306	794	0.762%	# 123, L 3	# 461, L 4
632	618 N. Boylan Ave. #632 Raleigh, NC 27306	1088	1.044%	# 81, L 2 # 87, L 2	# 460, L 4
700	618 N. Boylan Ave. #700 Raleigh, NC 27306	1144	1.098%	# 92, L 2 # 93, L 2	# 422, L 4
702	618 N. Boylan Ave. #702 Raleigh, NC 27306	1140	1.094%	# 103, L 2 # 104-C, L 2	# 420, L 4
704	618 N. Boylan Ave. #704 Raleigh, NC 27306	1447	1.389%	# 57, L 2 # 58, L 2	# 125, L 1
708	618 N. Boylan Ave. #708 Raleigh, NC 27306	926	0.889%	# 116, L 3 # 146-C, L 3	# 421, L 4
710	618 N. Boylan Ave. #710 Raleigh, NC 27306	1144	1.098%	# 94, L 2 # 95, L 2	# 423, L 4
712	618 N. Boylan Ave. #712 Raleigh, NC 27306	1266	1.215%	# 96, L 2 # 97, L 2	# 424, L 4
718	618 N. Boylan Ave. #718 Raleigh, NC 27306	1492	1.432%	# 84, L 2 # 85, L 2	# 129, L 1

720	618 N. Boylan Ave. #720 Raleigh, NC 27306	1190	1.142%	# 73-C, L 2 # 76, L 2	# 419, L 4
722	618 N. Boylan Ave. #722 Raleigh, NC 27306	1379	1.324%	# 61, L 2 # 82, L 2	# 410, L 4
724	618 N. Boylan Ave. #724 Raleigh, NC 27306	1994	1.914%	# 118, L 3 # 119, L 3 # 120, L 3	# 467, L 4
728	618 N. Boylan Ave. #728 Raleigh, NC 27306	1294	1.242%	# 79, L 2 # 80, L 2	# 427, L 4
730	618 N. Boylan Ave. #730 Raleigh, NC 27306	1418	1.361%	# 41, L 1 # 42, L 1	# 411, L 4
732	618 N. Boylan Ave. #732 Raleigh, NC 27306	1088	1.044%	# 75-C, L 2 # 77, L 2	# 114, L 1
800	618 N. Boylan Ave. #800 Raleigh, NC 27306	1128	1.083%	# 48, L 2 # 62, L 2 #145-C, L3	#415, L 4
802	618 N. Boylan Ave. #802 Raleigh, NC 27306	1124	1.079%	# 49, L 2 # 50, L 2	# 417, L 4
808	618 N. Boylan Ave. #808 Raleigh, NC 27306	910	0.874%	# 91, L 2 # 144, L 3	# 416, L 4
810	618 N. Boylan Ave. #810 Raleigh, NC 27306	1128	1.083%	# 65, L 2 # 66, L 2	# 414, L 4
812	618 N. Boylan Ave. #812 Raleigh, NC 27306	1266	1.215%	# 51, L 2 # 52, L 2	# 413, L 4
818	618 N. Boylan Ave. #818 Raleigh, NC 27306	1492	1.432%	# 59, L 2 # 60, L 2	# 107, L 1
820	618 N. Boylan Ave. #820 Raleigh, NC 27306	1190	1.142%	# 63, L 2 # 64, L 2	# 108, L 1

822	618 N. Boylan Ave. #822 Raleigh, NC 27306	1379	1.324%	# 69, L 2 # 70, L 2	# 112, L 1
824	618 N. Boylan Ave. #824 Raleigh, NC 27306	1994	1.914%	# 15, L 1 # 16, L 1	# 466, L 4
826	618 N. Boylan Ave. #826 Raleigh, NC 27306	1900	1.824%	# 12, L 1 # 13, L 1	# 113, L 1
828	618 N. Boylan Ave. #828 Raleigh, NC 27306	1294	1.242%	# 71, L 2 # 72, L 2	# 123, L 1
832	618 N. Boylan Ave. #832 Raleigh, NC 27306	1088	1.044%	# 88, L 2 # 89, L 2	# 412, L 4
900	618 N. Boylan Ave. #900 Raleigh, NC 27306	1447	1.389%	# 20, L 1 # 19, L 1 # 14, L 1	# 116, L 1
912	618 N. Boylan Ave. #912 Raleigh, NC 27306	1266	1.215%	# 32, L 1 # 35-C, L 1	# 119, L 1
918	618 N. Boylan Ave. #918 Raleigh, NC 27306	1492	1.432%	# 30, L 1 # 31, L 1	# 131, L 1
920	618 N. Boylan Ave. #920 Raleigh, NC 27306	1190	1.142%	# 67, L 2 # 68, L 2	# 124, L 1
922	618 N. Boylan Ave. #922 Raleigh, NC 27306	1379	1.324%	# 25-C, L 1 # 29, L 1	# 122, L 1
924	618 N. Boylan Ave. #924 Raleigh, NC 27306	2963	2.844%	# 22, L 1 # 23, L 1 # 6, L 1	# 428, L 4
928	618 N. Boylan Ave. #928 Raleigh, NC 27306	1279	1.228%	# 78, L 2 # 83, L 2	# 126, L 1
930	618 N. Boylan Ave. #930 Raleigh, NC 27306	1403	1.347%	# 17, L 1 # 18, L 1	# 121, L 1

932	618 N. Boylan Ave. #932 Raleigh, NC 27306	1073	1.030%	# 33, L 1 # 34-C, L 1	# 120, L 1
1012	618 N. Boylan Ave. #1012 Raleigh, NC 27306	1250	1.200%	# 39, L 1 # 40, L 1	# 127, L 1
1018	618 N. Boylan Ave. #1018 Raleigh, NC 27306	1492	1.432%	# 4, L 1 # 5, L 1	# 130, L 1
1020	618 N. Boylan Ave. #1020 Raleigh, NC 27306	1190	1.142%	# 45, L 1 # 46, L 1	# 132, L 1
1022	618 N. Boylan Ave. #1022 Raleigh, NC 27306	1379	1.324%	# 37, L 1 # 38, L 1	# 110, L 1
1024	618 N. Boylan Ave. #1024 Raleigh, NC 27306	2963	2.844%	# 7, L 1 # 8, L 1 # 9, L 1	# 425, L 4 # 426, L 1
1028	618 N. Boylan Ave. #1028 Raleigh, NC 27306	1279	1.228%	# 43, L 1 # 44, L 1	# 111, L 1
1032	618 N. Boylan Ave. #1032 Raleigh, NC 27306	1073	1.030%	# 36-C, L 1 # 47, L 1	# 109, L 1
	Total Square Footage	104,168	100.000%		

*Rounded per N.C. Gen. Stat. Section 47C-2-107(d)

EXHIBIT D

USE RESTRICTIONS

1. Use. The Residential Units shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Association consistent with this Declaration), subject to applicable laws. The Retail Unit shall be used for retail, office and/or service-related purposes only. The number of occupants in each Residential Unit shall not exceed: (i) the family members (spouse, parents, parents-in-law, brothers, sisters, children, and grandchildren) of one family or (ii) two (2) individuals unrelated by blood or marriage per bedroom (as designated on the Plans).
2. Nuisances. No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Elements, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed. No Owner of any Unit shall permit or suffer anything to be done or kept in his Unit, or on the Common Elements, which will increase the rate of insurance on the Condominium, or which will obstruct or interfere with the rights of other occupants of the Condominium or annoy them by unreasonable noises, nor shall any Owner undertake any use or practice which shall create and constitute a nuisance to any other Owner of a Unit, or which interferes with the peaceful possession and proper use of any other Unit or the Common Elements.
3. Leasing. Nothing contained herein shall prohibit the leasing or renting of a Unit; provided, however, that:
 - a. No Unit shall be leased or rented for a period of less than six (6) consecutive months without the prior written consent of the Association.
 - b. All leases for any Unit shall be in writing signed by the Owner and the tenant.
 - c. All leases shall be in such form, and contain such provisions, as approved by the Board, including provisions (a) requiring the tenant to comply with the Association Documents, (b) providing that the failure of any tenant under a lease to comply with the Association Documents shall constitute an event of default under the lease, and (c) providing that the Association may exercise any and all remedies for a default under the Association Documents against the Owner and the tenant under the lease including, without limitation, the right to remove a tenant from possession of a Unit by judicial process or otherwise.

- d. A true executed copy of any lease for a Unit, along with the phone number, address, and email addresses of the tenant, shall be provided to the Association prior to the occupancy by the tenant of such Unit. For purposes of this Declaration, "leasing" is defined as regular exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit including, but not limited to, a fee, service, gratuity, or emolument. The Board may adopt reasonable additional restrictions and rules regulating leasing and subleasing of Units.
 - e. Units may only be leased in their entirety. No portion of a Unit may be leased.
 - f. No Unit or portion thereof may be leased for transient purposes or to an individual with a prior felony conviction.
- 4. Garbage. Trash, garbage, and other waste shall be kept in sanitary containers within each Unit, and deposited only in common trash receptacles located within the Common Elements as designated by the Board.
- 5. Parking. No vehicle may be parked or stored on any portion of the Property except those portions of the Common Elements allocated to Units as Limited Common Element Parking Spaces or otherwise designated for parking by the Association. The Limited Common Element Parking Spaces may not be used for the storage of any item other than a vehicle. The Board may adopt additional rules and regulations regarding parking on the Property and may tow any vehicle, at the expense of the vehicle's owner, parked in violation of the terms of this Declaration or any rules and regulations adopted by the Board.
- 6. Pets. A maximum of two (2) small domesticated household pets may be kept in any one Unit provided that they do not exceed fifty (50) pounds each. Reptiles and rodents may not be kept on the Property. The Association may adopt additional reasonable rules regarding household pets designed to minimize damages to the Property and disturbances to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, pet occupancy limitations or prohibitions based on size of the Unit and fair share use of the Common Elements. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep mammals, birds, fish, or reptiles of any kind for commercial or business purposes.
- 7. Utilities. Total electrical usage in any Unit shall not exceed the capacity of the circuits for the Unit, as labeled on the circuit breaker boxes, and no electrical device causing overloading of the standard circuits may be used in any Unit without the prior written consent of the Association. All clothes dryers must have lint filters and all

stove hoods must have grease screens, and such filters and screens must be used at all times and kept clean and in good working order and repair.

8. Restricted Activities. The following activities are prohibited within the Condominium:
 - a. Any activity which violates local, state or federal laws or regulations;
 - b. Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;
 - c. Use of any Unit for a Business and Trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve door-to-door solicitation of residents of the Property; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Property which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.
9. Window Coverings. No curtains, draperies, or other window coverings which are visible to the outside view shall be installed or hung in any window of any Unit unless the side visible to the outside view has a white lining or backing. No other window coverings shall be installed or replaced without the prior written approval of the Board. No storm windows shall be installed in any Unit.
10. Personal Property in Common Elements. Without the prior written consent of the Board, no structure or personal property shall be placed or permitted to remain on any balcony, railing or other portion of the Common Elements, including Limited Common Elements.
11. Flags/Signs. No Owner shall post or display any sign, decoration, art work, flag, or banner either upon the Common Elements, Limited Common Elements or within his Unit which is visible from any Common Elements other than political signs which may be posted pursuant to rules and regulations adopted from time to time by the Board. For purposes of this restriction, a "political sign" means a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot. Notwithstanding the foregoing, no rule or regulation adopted by

the Board of Directors or the Association, nor any amendment to the Declaration adopted by the Association shall regulate or prohibit the display of the flag of the United States of America and/or the flag of the State of North Carolina, of a size no greater than four (4) feet by six (6) feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended, on a Unit on national holidays or at any other times designated by the Board.

12. Satellite Dishes and Antennae. Satellite dishes, antennae and similar devices for the transmission of television, radio, satellite, or other signals of any kind, shall not be permitted on the Property without the prior written consent of the Board. Only the following antennae or satellite dishes may be permitted by the Board: (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter.
13. Balconies and Terraces. Unit Owners shall keep balconies or terraces allocated to their Units in a clean, neat, and orderly condition at all times. Balconies and terraces shall not be used for the overnight storage of garbage or for the drying of laundry. No indoor/outdoor carpeting, hot tub, or other type of pool may be installed on any balcony or terrace. No kind of cooking grill may be used or stored on a balcony or terrace. No windsocks, plants in hanging baskets, or other decorative items may be affixed to balconies or terraces. No rugs, clothing, towels, or linens may be draped over any balcony or terrace railing or wall. No clotheslines may be permitted on any balcony or terrace.

EXHIBIT E

AMENDED AND RESTATED BYLAWS
FOR
PARAMOUNT CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

Names and Definitions

- Section 1.1 Name
- Section 1.2 Definitions

ARTICLE 2

Membership and Voting

- Section 2.1 Membership
- Section 2.2 Application for Membership
- Section 2.3 Transfer of Membership
- Section 2.4 Suspension or Termination of Membership
- Section 2.5 Vote/Voting Rights
- Section 2.6 Additional Provisions Governing Voting
- Section 2.7 Manner of Voting
- Section 2.8 Proxies

ARTICLE 3

Meetings of Members

- Section 3.1 Place of Meetings
- Section 3.2 Annual Meetings
- Section 3.3 Special Meetings
- Section 3.4 Notice of Meetings
- Section 3.5 Waiver of Notice of Meetings
- Section 3.6 Quorum
- Section 3.7 Record Date to Determine Members and Lists of Members
- Section 3.8 Conduct of Meetings
- Section 3.9 Action by Written Ballot

ARTICLE 4

Board of Directors

- Section 4.1 Number, Election of Directors, and Terms of Office of Directors
- Section 4.2 Election Procedures and Qualifications
- Section 4.3 Voting, Quorum, and Manner of Acting
- Section 4.4 Removal or Resignation of Directors and Filling of Vacancies
- Section 4.5 Powers and Duties of the Board of Directors
- Section 4.6 Meetings of Directors
- Section 4.7 Action by Directors Without Meeting

ARTICLE 5

Managing Agent

- Section 5.1 Compensation
- Section 5.2 Duties

ARTICLE 6

Officers

- Section 6.1 Designation and Duties of Officers
- Section 6.2 Election of Officers
- Section 6.3 Removal and Resignation
- Section 6.4 Vacancies
- Section 6.5 President
- Section 6.6 Vice President
- Section 6.7 Secretary
- Section 6.8 Assistant Secretaries
- Section 6.9 Treasurer
- Section 6.10 Assistant Treasurers

ARTICLE 7

Committees

- Section 7.1 Nominations Committee
- Section 7.2 Committees of the Board of Directors
- Section 7.3 Other Committees

ARTICLE 8

Indemnification and Other Director and Officer Issues

- Section 8.1 Execution of Documents
- Section 8.2 Indemnification
- Section 8.3 Compensation of Directors and Officers

ARTICLE 9

Books and Records

- Section 9.1 Maintenance of Books and Records and Financial Review
- Section 9.2 Availability
- Section 9.3 Accounting Report
- Section 9.4 Fiscal Year
- Section 9.5 Seal

ARTICLE 10

Notices

ARTICLE 11

Amendments to Bylaws

ARTICLE 12

Priority

AMENDED AND RESTATED
BYLAWS
FOR
PARAMOUNT CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND DEFINITIONS

Section 1.1. Name. The name of the association shall be Paramount Condominium Homeowners Association, Inc. (the "Association").

Section 1.2. Definitions. Terms specifically defined in the Amended and Restated Declaration of Condominium for the Paramount, as same may be amended from time to time, and including all attachments (hereinafter referred to as the "Declaration") shall have the same meaning in these Bylaws, unless the context shall otherwise prohibit.

ARTICLE 2

MEMBERSHIP AND VOTING

Section 2.1. Membership. The Owner or Owners automatically shall become members of the Association upon such Person's acquisition of an ownership interest in title to any Condominium Unit and its appurtenant undivided interest in Common Elements and may become a member in no other manner. No Person holding a lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage, or encumbrance, to membership in the Association or to any of the rights or privileges of such membership. (The term "Bylaws" as used herein shall include any amendments made, from time to time, to the Bylaws.)

Section 2.2. Application for Membership. Application for membership shall consist of notice to the Association that the applicant has acquired title to a Condominium Unit.

Section 2.3. Transfer of Membership. Memberships are not transferable. Membership occurs only upon the occurrence of those events set out in this Article and the Declaration.

Section 2.4. Suspension or Termination of Membership. The membership rights of a member shall not be suspended so long as the Person continues to hold title to a Condominium Unit, is not in violation of any provision of the Association Documents, and is not in arrears in the payment of any assessment. The membership of any Owner or Owners in the Association shall terminate automatically upon such Owner or Owners being divested of such

Person's ownership interest in the title to a Condominium Unit, regardless of the means by which such ownership may be divested.

Section 2.5. Vote/Voting Rights. Each Owner(s) (collectively, if applicable) shall have the vote specified in the Declaration. Members shall be entitled to vote on all matters as to which members may be entitled to vote under the North Carolina Nonprofit Corporation Act and the North Carolina Condominium Act, unless specifically provided otherwise in these Bylaws, the Articles of Incorporation, or the Declaration. In addition, members shall have any voting rights as may be specified in the Declaration. Except as specifically stated in Section 2.6 of these Bylaws, the voting rights of members of the Association shall be as set forth in N.C. Gen. Stat. §§ 47C-3-110.

Section 2.6. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an owner of a Condominium Unit, the Association shall not cast the vote appurtenant to such Condominium Unit, nor shall any such vote be counted for the purpose of establishing a quorum.

(b) Multiple-Person Owners. In the event that any Condominium Unit is owned by more than one Person, and if only one of such Persons is present at a meeting of the Association, that Person so present shall be entitled to cast the vote for that Condominium Unit. If more than one of such Persons is present, the vote appurtenant to that Condominium Unit shall be cast only in accordance with unanimous agreement of such Persons who are present at the meeting and such agreement shall be conclusively presumed if any of them purports to cast the vote appurtenant to that Condominium Unit without protests being made forthwith to the individual presiding over the meeting by any of the other Persons having an ownership interest in the Condominium Unit.

(c) Voting Certificate. If a member is not a natural person, the vote by such member may be cast by any natural person authorized by such member. Such natural person must be named and a certificate signed by an authorized officer, partner, member, or trustee of such Person and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote is cast. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary. Wherever the approval or disapproval of a member is required by the Association Documents, such approval or disapproval may be made by any person who would be entitled to cast the vote of such member at any meeting of the Association.

(d) Delinquency. No member may vote at any meeting of the Association or be elected to serve on the Board or be appointed to serve on any committee if payment by such member of any financial obligation to the Association is delinquent more than thirty (30) days and the amount necessary to bring the account current has not been paid by the record date set pursuant to Section 3.7 hereof for the applicable members' meeting (in the case of

a member voting or being elected to serve on the Board) or has not been paid by the date of appointment, in the case of appointment to serve on any committee.

Section 2.7. Manner of Voting. Voting by members at a meeting, except for the election of directors which shall be by written ballot, shall be by voice vote or a show of hands unless any member present at the meeting requests, and by an affirmative vote of a majority of the votes cast the members consent to, a vote by written ballots. Except for the election of directors as provided in Section 4.1 herein, if a quorum is present, action on a matter at a meeting of members shall be deemed approved if approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by the North Carolina Nonprofit Corporation Act, the Association's Articles of Incorporation, the Bylaws, or the Declaration.

Section 2.8. Proxies. Members may vote either in person or by an agent authorized by written proxy signed by the Unit Owner of a Condominium Unit. If a Condominium Unit is owned by more than one Person, each Unit Owner of the Condominium Unit may vote or register protest to the casting of votes by the other Unit Owners of the Condominium Unit through a duly executed proxy. A proxy is void if not dated. A proxy shall be valid for eleven (11) months unless a shorter term is provided therein. All proxies shall be filed with the Secretary of the Association. A proxy given by a member may be revoked by such member by giving actual notice of its revocation to the person presiding over a meeting of the Association in oral or written form.

ARTICLE 3

MEETINGS OF MEMBERS

Section 3.1. Place of Meetings. All meetings of members shall be held at the principal office of the Association or at such other place within or without the State of North Carolina as shall be designated in the notice of the meeting.

Section 3.2. Annual Meetings. The annual meetings of members of the Association shall be held at least once a year. The annual meeting of members shall be held at such date and time as may be determined on an annual basis by the Board of Directors and stated in the notice of such members' meeting. The annual meeting of members shall be held for the purpose of electing directors of the Association, and for such other purposes as may be included in the notice of such meeting.

Section 3.3. Special Meetings. Special meetings of the members may be called at any time by (a) the President, or (b) the Board of Directors of the Association, or (c) the holders of at least twenty percent (20%) of all the votes entitled to be cast on any issue proposed in such request to be considered at the meeting and, in which case, shall be noticed by the Secretary of the Association within thirty (30) days upon receipt of a written request signed, dated, and received by the Secretary. The signatures on a petition requesting a special meeting shall be valid for a period of ninety (90) days after the date of the first signature. The call for a special

meeting shall: (1) specify the time and place at which the meeting is to be held, which place must be in Wake County, North Carolina; (2) either specify a date on which the meeting is to be held which date will allow the Secretary to comply with all notice provisions of this Article or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary in writing.

Section 3.4. Notice of Meetings. Notice of meetings of members shall be given by the President, Secretary, or other person calling the meeting by any means that is fair and reasonable, and for this purpose, written or printed notice stating the time, place, and date of the meeting shall be delivered by hand-delivery, electronic mail, or by United States mail (postage prepaid) not less than ten (10) nor more than fifty (50) days before the date thereof, to each member of record entitled to vote at such meeting, unless the North Carolina Nonprofit Corporation Act or the Association's Articles of Incorporation require that such notice be given to all members with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the member at the member's address as it appears on the current record of members of the Association, with postage thereon prepaid. For this purpose, a member's address shall be the mailing address of each Condominium Unit or to any other mailing address designated in writing by the Owner to the Secretary of the Association. If sent electronically, such notice shall be deemed effective when sent to the recipient, correctly addressed to the member at the member's email address as it appears on the current record of the members of the Association, without the sender receiving a failed email delivery return notice.

Notwithstanding the foregoing, if the notice provided for the above clearly would not be fair and reasonable under the circumstances then existing, then notice appropriate for the circumstances shall be given; PROVIDED, HOWEVER, THAT notice of a meeting where any of the following matters are to be voted on in all events shall be given as provided in the first paragraph of this Section: (i) director conflict of interest or indemnification, (ii) amendment to the Association's Articles of Incorporation, Bylaws, or Declaration, PROVIDED, HOWEVER, THAT the Declaration shall only be amended pursuant to the Declaration, (iii) plan of merger or dissolution, or (iv) a sale of assets other than in the regular course of the Association's activities; and PROVIDE, FURTHER, HOWEVER, THAT any special notice procedure set forth in the Declaration for any of the foregoing or any other matter shall be followed in addition to the notice provisions set forth herein.

The notice of any meeting shall state the items on the agenda, including a summary or copy of any proposed amendment to the Declaration, the Bylaws or Articles of Incorporation; any budget changes, and any proposal to remove a director or officer, and shall include any other matters and a copy or summary of any proposed action that expressly is required by the provisions of the North Carolina Nonprofit Corporation Act or the North Carolina Condominium Act. Only those matters which are stated in the notice may be acted upon at a meeting of members.

Also, notice of an annual, regular, or special meeting of members shall give notice of any matter a member intends to raise at the meeting if the Association receives a written request of any matter the members intends to raise by members entitled to call a special meeting pursuant to Section 3.3 ("Special Meetings") of this Article, and such written request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of such meeting.

If any meeting of members is adjourned by the vote of a majority of votes cast on the motion to adjourn to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to the members of record entitled to vote at the meeting as of the new record date.

Section 3.5. Waiver of Notice of Meetings. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the member, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A member's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the member or the member's proxy at the beginning of the meeting objects to holding the meeting or transacting business thereat, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member or the member's proxy objects to considering the matter before it is voted upon.

Section 3.6. Quorum. Unless provided otherwise by the Association's Articles of Incorporation or these Bylaws, twenty percent (20%) of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum on that matter at the opening of a meeting of members. Once a member is present or represented by proxy for any purpose at a meeting, such member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date (set forth in Section 3.7 below) is or must be set for that adjourned meeting under the North Carolina Nonprofit Corporation Act.

Section 3.7. Record Date to Determine Members and List of Members. The record date for determining which Persons are members and therefore entitled to vote shall be the close of business on the seventieth (70th) day prior to the date of the meeting, unless the Board of Directors shall determine a record date closer to the meeting date. The Board of Directors is not permitted to set a record date retroactively. The membership list shall be current as of the record date. Before each meeting of members, the Association shall prepare an alphabetical list of the members entitled to notice of the meeting and entitled to vote at the meeting, showing each such member's address and the number of votes each such member is entitled to cast at the meeting. As a part of the aforementioned membership list and prepared on the same basis, the Association shall list, current through the time of the membership meeting, a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the

meeting. The list shall be kept on file at the principal office of the Association for the period beginning two (2) business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any member, personally or by or with such member's representative, at any time prior to the meeting. A determination of members entitled to notice of, or to vote at, a membership meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which the Board of Directors shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 3.8. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The President shall, in his sole discretion, determine the procedural manner in which each meeting shall be conducted and it shall not be according to *Robert's Rules of Order Newly Revised* unless that specific determination is made by the President at the beginning of the meeting.

Section 3.9. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall: (a) set forth each proposed action, (b) provide an opportunity to vote for or against each proposed action, and (c) indicate the time by which a ballot shall be received by the Association in order to be counted. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast. A written ballot may not be revoked.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Number, Election of Directors, and Terms of Office of Directors.

(a) Election of Directors. The number of directors of the Association shall be seven (7). Except as provided in Section 4.4 hereof, the directors shall be elected at the annual meeting of members; those persons who receive the highest number of votes by the members entitled to vote in the election at a meeting at which a quorum is present shall be deemed to have been elected. All ties shall be broken by coin-toss. The Board of Directors of the Association shall be referred to herein from time to time as the "Board".

(b) Terms of Directors. The directors elected by the membership at the 2015 annual meeting of members shall be divided into two (2) classes, to serve in the first instance for terms of one (1) year and two (2) years, respectively, and until their successors shall

be elected and shall qualify, and thereafter the successors in each class of directors shall be elected to serve for terms of two (2) years and until their successors shall be elected and shall qualify. Except as specifically provided above, each director shall hold office for a term of two (2) years or until such director's death, resignation, retirement, removal, or disqualification. Despite the expiration of a director's term, the director continues to serve as such until the director's successor is elected and qualifies. All terms of directors serving prior to the 2015 annual meeting shall expire at the 2015 annual meeting and seven (7) directors shall be elected at the 2015 annual meeting. The term of the Board of Directors elected by the membership at the 2015 annual meeting shall be staggered as follows: The four (4) nominees receiving the highest number of votes shall each be elected for a term of two (2) years and the three (3) nominees receiving the next highest number of votes shall each be elected for a one (1) year term. Except for directors elected to fill a vacancy (who shall hold until the expiration of the term of the person they are replacing), all directors elected by member vote after the 2015 annual meeting shall hold office for a term of two (2) years. All ties shall be broken by coin-toss.

Section 4.2. Election Procedures and Qualifications.

(a) Nominations Committee. Nominations for election to the Board of Directors may be made by a Nominations Committee. If appointed by the Board of Directors, the Nominations Committee shall develop election procedures and administer such procedures as are approved by the Board of Directors providing for election of directors by members at the annual meetings, and, where appropriate, at special meetings. If appointed, the Nominations Committee shall serve from the date of their appointment through the close of the annual meeting or, where appropriate, the special meeting, at which the election for members of the Board of Directors is to be held.

(b) Nominations. Persons qualified to be directors may be nominated for election by the Nominations Committee and the names of such persons nominated shall be submitted in writing to the President of the Association and the Board of Directors sixty (60) days before the meeting at which the election is to be held. The Nominations Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Any written nominations presented by the Nominations Committee shall be accompanied by a statement signed by the nominees indicating the willingness of such nominees to serve as directors. Additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by the Nominations Committee. If no Nominations Committee is appointed, nominations for directors may be made by the Board of Directors and/or may be made from the floor by any member at the meeting at which the election is held for any vacancy on the Board of Directors. Any nominee must either be present at said meeting and consent to the nomination or have indicated in writing his or her willingness to serve as a director.

(c) Qualifications. No person shall be eligible for election by the members of the Association as a director unless such person is a Unit Owner or is the individual nominee of a Unit Owner which is other than an individual. No Owner or representative of such Owner shall be elected as a director or continue to serve as a director if such Owner is more than thirty (30) days delinquent in meeting any financial obligation owed to the Association, if such delinquency is not cured by the record date set pursuant to Section 3.7 hereof for such members' meeting in the case of an election of directors.

Section 4.3. Voting, Quorum, and Manner of Acting. Each director shall be entitled to one (1) vote on all matters that come before the Association. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Unless a vote of greater percentage is required by the Association's Articles of Incorporation, these Bylaws, the North Carolina Nonprofit Corporation Act, or the Declaration, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A director who participates in a meeting by any means of communication by which all directors may simultaneously hear each other during the meeting shall be deemed present at a meeting for all purposes.

Section 4.4. Removal or Resignation of Directors and Filling of Vacancies.

(a) Any director may be removed from office at any time with or without cause by at least a sixty-seven percent (67%) vote of all members present and entitled to vote at any meeting of members at which a quorum is present. A director may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is the removal of the director so removed. If any directors are so removed, new directors may be elected at the same meeting. In addition, any director not in attendance at three (3) consecutive regular meetings of the Board of Directors shall be removed automatically.

(b) A vacancy in the Board of Directors caused by a removal of a director by the members shall be filled by a vote of the members. A vacancy among the directors caused by any reason other than the removal of a director by the members shall be filled by the remaining directors at a meeting of the Board of Directors held for such purpose promptly after the occurrence of such vacancy. If the directors remaining in office do not constitute a quorum of the Board of Directors, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors, or by the sole remaining director, as the case may be. The term of a director elected to fill a vacancy in a directorship elected by members expires at the next election of directors by members, and the term of the director filling any other vacancy expires at the end of the unexpired term that such director is filling.

(c) A director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to

make it effective. A director shall be deemed conclusively to have resigned upon disposition by the Owner of the Unit which made such individual eligible to be a director or upon any other event of disqualification set forth in these Bylaws.

Section 4.5. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed and directed by the Board of Directors. Except as provided below, the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, including, but not by way of limitation, all powers as set forth in Article 3 of Chapter 55A of the North Carolina General Statutes (North Carolina Nonprofit Corporation Act) and Section 47C-3-102 of the North Carolina Condominium Act but may not do any such acts and things which are required by the Declaration, the Bylaws, or the Articles to be exercised and done by the members; provided, however, that all such powers, duties, acts, and things shall be exercised consistent with the provisions of the Declaration, the Bylaws, and Articles of Incorporation. The Board of Directors may delegate to one of its members or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Section 5.2 hereof), if any, which may arise between the meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by any other provision of the Declaration or by any resolution of the Association that hereafter may be adopted, the Board of Directors shall perform the following duties and take the following actions on behalf of the Association, subject to any voting rights of the members provided by the Declaration, these Bylaws, and the Articles, or by law:

(a) Provide goods and services to the members in accordance with the Declaration, and shall administer the operation and management of the Condominium pursuant to the Declaration.

(b) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to operate and manage the Condominium as provided in the Declaration, and provide goods and services to the Owners, as provided for in the Declaration, as well as purchase equipment, supplies, and materials to be used by such personnel in the performance of their duties.

(c) Collect the assessments specified in the Declaration, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to maintain the Common Elements and administer the operation and management of the Condominium to the extent the Association is so authorized by the Declaration.

(d) Adopt, amend and repeal any reasonable rules and regulations not inconsistent with the Declaration and these Bylaws.

(e) Open bank accounts on behalf of the Association and designate the signatories thereon.

(f) Enforce by legal means the provisions of the Association Documents as are in effect from time to time.

(g) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Elements and the Condominium.

(h) Notify the members of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(i) Obtain and carry insurance pursuant to Article 18 of the Declaration and pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized goods and services rendered to the Association and not billed to Owners of individual Condominium Units or otherwise provided for in the Declaration.

(k) Acquire, hold and dispose of Condominium Units and mortgage the same without the prior approval of the Association if such expenditures and hypothecations are included in the budget.

(l) Suspend the right of any Owner or other user of a Condominium Unit, and the right of such Person's household, guests, employees, customers, tenants, agents and invitees to use the Condominium, pursuant to the hearing procedure provided in the Declaration.

(m) In advance of each fiscal year, the Board of Directors shall cause to be prepared and adopt a proposed budget in compliance with the Declaration. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board shall provide a copy or summary of the budget to all Unit Owners, and shall set a date and give notice for a meeting of the Unit Owners to consider ratification of the budget. The date of the meeting of the Unit Owners to consider ratification of the budget shall be not less than fourteen (14) nor more than thirty (30) days after the mailing of the copy or summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at the meeting a majority of all of the Unit Owners of the Association reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

(n) Adopt an annual budget and make assessments (general or special) against the Owners to defray the Common Expenses of the Association pursuant to the Declaration, establish the means and methods of collecting such assessments from the Owners and establish the period of the installment payment, if any, of the assessments for Common Expenses.

(o) Borrow money on behalf of the Association when required for any valid purpose.

(p) Enter into contracts to carry out the business and activities of the Association.

(q) Grant easements, rights-of-ways or licenses over and through the Common Elements pursuant to N.C. Gen. Stat. §§ 47C-3-102(9).

Section 4.6. Meetings of Directors.

(a) Types of Meetings. The first (organizational) meeting of the Board of Directors following an annual meeting of the Association shall be held within fifteen (15) days thereafter at such time and place as shall be determined by a majority of the directors to elect officers and establish the manner of operation of the Board of Directors for the ensuing year. 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; provided, however, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may be called by the President, and shall be called by the President or Secretary upon the written request of at least two (2) directors. At regular intervals, the Board shall provide the Owners an opportunity to attend a portion of a Board Meeting and to address the Board at such meeting. The President or presiding officer may call the Board of Directors into closed session on sensitive matters such as personnel, litigation strategy or hearings with respect to violations of the Declaration or Rules and Regulation. Any final action taken by the Board of Directors in closed session shall be recorded in the minutes.

(b) Notice. Regular meetings of the Board of Directors may be held without notice. The Chairperson, if any, the President, or any two (2) directors may call and give notice of a meeting of the Board of Directors. The person or persons calling a special meeting of the Board of Directors, at least two (2) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

(c) Waiver of Notice. Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(d) Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meeting and record all resolutions adopted at the meetings and proceedings occurring at the meetings.

Section 4.7. Action by Directors Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board of Directors and evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records.

ARTICLE 5

MANAGING AGENT

Section 5.1. Compensation. The Board of Directors may employ for the purpose of administering the Condominium a "managing agent" at a compensation to be established by the Board of Directors. The managing agent shall be a bona fide business enterprise or individual which manages common interest communities. Otherwise, the managing agent may be a full-time employee of the Association who shall organize, staff, train and administer the in-house personnel solely to perform the managing agent duties set forth below. The Board of Directors shall impose appropriate standards of performance upon the managing agent.

Section 5.2. Duties. The managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties listed in Section 4.5(a), (b), (c), and (j). However, the Board of Directors may not delegate to the managing agent the powers and duties set forth in Section 4.5(d), (e), (f), (g), (h), (i), (k), (l), (m), (n), (o), (p), and (q). In addition and generally, the managing agent shall perform the obligations, duties and services relating to the management of the Condominium in compliance with the provisions of these Bylaws, the Association's Articles of Incorporation, and the Declaration.

ARTICLE 6

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. All officers shall be Unit Owners, officers of corporate Unit Owners, partners of partnership Unit Owners, or members of limited liability company Unit Owners and shall be members of the Board of Directors. Each officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent, if any, inconsistent with the Declaration and these Bylaws, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified individual to act in such officer's stead on an interim basis.

Section 6.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Any officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Each officer shall hold office for a term one (1) year or until such officer's death, resignation, retirement, removal or disqualification, or until the election and qualification of such officer's successor.

Section 6.3. Removal and Resignation. Any officer or agent may be removed by the Board of Directors at any time with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. An officer may resign at any time by notifying the Association, orally or in writing, of such resignation. A resignation shall be effective upon receipt by the Association unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Board of Directors may fill the pending vacancy prior to such date; however, the successor to the resigning officer may not take office until the effective date. An officer's resignation does not affect the Association's contract rights, if any, with such officer.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The individual appointed to fill a vacancy shall serve for the remainder of the term of the officer such individual replaces.

Section 6.5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association in accordance with these Bylaws. The President, when present, shall preside at all meetings of members. The President, with any other proper officer,

may sign any deeds, leases, mortgages, bonds, contracts or other instruments which lawfully may be executed on behalf of the Association, except where required or permitted by law otherwise to be signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent. In addition, the President shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned by the Board of Directors.

Section 6.6. Vice President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice Presidents in the order of their length of service as Vice Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct and as may be required by Article 16 of the North Carolina Nonprofit Corporation Act; give or cause to be given all notices required to be given by the Association; give each Owner notice of each assessment against such Owner's Unit as soon as practicable after assessment is made; provide for each Owner, upon request, a copy of the rules and regulations of the Association; maintain a register setting forth the place to which all notices to members and Mortgagees hereunder shall be delivered; make it possible for any member to inspect and copy at reasonable times and by appointment the records of the Association in accordance with and as required by the North Carolina Nonprofit Corporation Act; and, in general, perform all the duties incident to the office of Secretary.

Section 6.8. Assistant Secretaries. In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretaries, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. Assistant Secretaries shall perform such other duties as from time to time may be assigned by the Secretary, by the President, or by the Board of Directors.

Section 6.9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse the same under the direction of the Board of Directors. The Treasurer shall maintain appropriate accounting records as may be required by law and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 6.10. Assistant Treasurers. In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurers in the order of their

length of service as Assistant Treasurers, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. Assistant Treasurers shall perform such other duties as from time to time may be assigned by the Treasurer, by the President, or by the Board of Directors.

ARTICLE 7

COMMITTEES

Section 7.1. Nominations Committee. The Board of Directors may establish a Nominations Committee as set forth in Section 4.2(a) of these Bylaws.

Section 7.2. Committees of the Board of Directors. The Board of Directors, by resolution of a majority of the number of directors in office, may designate two or more directors to constitute an Executive Committee and such other committees as the Board of Directors shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Association. Each committee member serves at the pleasure of the Board of Directors. The provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to any committees of the Board of Directors established pursuant to this Section. The designation of any committee of the Board of Directors and the delegation thereto of the Board of Directors' authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon him or her by law.

Section 7.3. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee. For committees set up under this Section 7.3 to which decision making authority is delegated by the Board of Directors or in any Association Documents, the provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, quorum and voting requirements of the Board of Directors shall apply to any such committees. Further, such committees shall keep a written record of actions taken by such committees. It is provided, however, that the authority of any such committees shall not exceed the power granted to the Association in the Declaration.

ARTICLE 8

INDEMNIFICATION AND OTHER DIRECTOR AND OFFICER ISSUES

Section 8.1. Execution of Documents. Unless as may otherwise be provided in a resolution of the Board of Directors, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations for Common Expenses and all checks drawn upon reserve accounts, shall be executed by any two (2) individuals designated by the Board of Directors. Any officer of the Association may be designated by Board of Directors resolution to sign a statement of Common Expenses on behalf of the Association.

Section 8.2. Indemnification. The Association shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative, or investigative and whether or not brought by or on behalf of the Association, by reason of the fact that such person is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees; PROVIDED, HOWEVER, THAT the Association shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Association or if such person received an improper personal benefit from such activities. The Association likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The Association shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined that such claimant is entitled to be indemnified by the Association against such expenses.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Bylaw, including without limitation, (a) a determination by a majority vote of disinterested directors (i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Association and (ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the Association.

Any person who at any time after the adoption of these Bylaws serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of these Bylaws.

Section 8.3. Compensation of Directors and Officers. No salary or other compensation shall be paid by the Association to any director or officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by any person serving as a director or officer for services provided to the Association in a capacity other than that of director or officer nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or officer.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1. Maintenance of Books and Records and Financial Review. The Association shall keep books and records as required by Article 16 of the North Carolina Nonprofit Corporation Act. The Association may cause to be adopted procedures for such level of financial review and compilation of the Association as the Board of Directors may determine appropriate, which may include an audit or some lesser level of review. The cost of any such financial review shall be a Common Expense.

Section 9.2. Availability. The books and records of the Association shall be available for inspection by the members and their attorneys and accountants pursuant to the terms and conditions of Article 16 of the North Carolina Nonprofit Corporation Act.

Section 9.3. Accounting Report. Within seventy-five (75) days after the end of each fiscal year, the Board of Directors shall make available to members 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 reserves.

In addition, the Board of Directors, in its sole discretion, may authorize an audit of the Association or any other level of financial review of the books and records of the Association, and if authorized, such service shall be a Common Expense of the Association. In the event that a Unit Owner or Unit Owners request an audit of the Association and the Board of Directors does not authorize an audit, an audit may be conducted and paid for by the requesting Unit Owner or Unit Owners.

Section 9.4. Fiscal Year. The fiscal year of the Association shall be fixed by the Board of Directors.

Section 9.5. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed "SEAL"; and such seal, in the form approved by the Board of Directors, shall be adopted by the Board as the corporate seal of the Association.

ARTICLE 10

NOTICES

Except as specifically provided otherwise in the Declaration, these Bylaws, or the North Carolina Nonprofit Corporation Act, all notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (a) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Condominium Unit of such Unit Owner; and (b) if to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Association. If a Condominium Unit is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder, otherwise the Person receiving the notice shall have the responsibility for notifying the other Persons comprising the Unit Owner.

ARTICLE 11

AMENDMENTS TO BYLAWS

These Bylaws may be amended or repealed and new Bylaws may be altered, amended, or repealed at any time pursuant to the applicable provisions of the North Carolina Nonprofit Corporation Act, and with the approval of members entitled to vote thereon by two-thirds ($2/3^{\text{rds}}$) of the votes cast or a majority of the votes entitled to be cast on the amendment, whichever is less. Amendments to these Bylaws shall become effective upon approval by the members and it shall not be necessary to record an amendment to these Bylaws in the Register of Deeds or record an amendment to the Declaration in the Register of Deeds.

ARTICLE 12

PRIORITY

In the event that any of the provisions of these Bylaws conflict with the provisions of the North Carolina Nonprofit Corporation Act, the provisions of the North Carolina Nonprofit Corporation Act shall control. In the event of any inconsistency between the Bylaws and the Declaration, the Declaration shall control; in the event of any inconsistency between the Bylaws and the Articles of Incorporation, the Articles shall control; and in the event of any inconsistency between the Articles and the Declaration the Declaration shall control.

EXHIBIT F

OPERATIONS AND MAINTENANCE MANUAL

The Paramount
STORMWATER MAINTENANCE PLAN
RALEIGH, NC

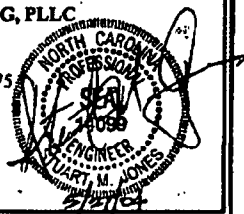
OWNER:

The Paramount, LLC
7901 Strickland Road
Suite 102
Raleigh, NC 27615

Prepared by:

JONES AND CROSSEN ENGINEERING, PLLC
106 W. Chatham Street
Apex, North Carolina 27502
(919) 387-1174 - Fax (919) 387-3375

October 3, 2003
Revised May 13, 2004
Revised May 27, 2004



STORMWATER MAINTENANCE PLAN OPERATIONS AND MAINTENANCE MANUAL THE PARAMOUNT

I. INTRODUCTION

This maintenance manual outlines the steps to be taken for the management and operation of the stormwater control measures for this project. These procedures are in compliance with the guidelines of the City of Raleigh Stormwater Management Design Manual. The City rules require that stormwater measures be inspected annually and that they be maintained in perpetuity as part of the development. If repairs are noted during the annual inspection, that work should be completed within 30 calendar days after the inspection. If additional time is needed, the City of Raleigh should be contacted about a time extension. A Homeowners Association will be created to maintain certain portions of the site and the stormwater control devices.

II. STORMWATER MAINTENANCE PLAN

A. Nitrogen

The Stormwater Maintenance Plan complies with City of Raleigh Code Section 10-9027. Nitrogen standards have been met by installation of a BMP sand filter and a payment to achieve the minimum level. A payment in the amount of \$392 will be made to the North Carolina Wetlands Restoration Fund for nutrient offset.

B. Storage

Stormwater management requirements will be met by providing temporary storage of stormwater in an oversized 18" RCP storm drainage pipe located in the lower level parking garage. The storage requirements are based on a two-year storm event. The pre-development flow was computed for the entire site and then the developed conditions were analyzed. A routing analysis was used to determine required pipe size for storage and corresponding outlet size. The outlet flow rates from inlet #2 are as follows:

Inlet	Q(in) (cfs)	Q(out) (cfs)	Pipe Req. (in)	Pipe Provided (in)	Outlet Size (in)
2	4.4	2.8	18	18	8

III. MAINTENANCE REQUIREMENTS

A. Storage Pipe

1. **Pipe Joints** - The pipe and joints are very inert materials and seldom should there be any problems. Yet they need to be inspected in order to insure that the stormwater device is operating properly. The inspector should look for warning signs that the storage pipe has a leak such as, but not limited to, sink holes, cracks in pipe and saturated soils around pipe. In the event that the pipe is not performing its function, the reports should note this. Minor deterioration is no cause for alarm, but if the pipe should separate, the joints should be re-surfaced. Should the pipe break or become non-functional, an engineer should be called in to describe the remedy.
2. **Sediment Removal** - Any blockage of the pipe which does not allow the device to function properly must be cleared away. Yearly maintenance is to be performed on the inlet and outlet to adequately remove sedimentation or other obstructions as they occur.
3. **Schedule**
 - An inspection of the facility shall be made immediately after construction is complete to assure that the system is free of any construction related debris/material.
 - For the first year after completion, the drainage system shall be monitored and maintained on a quarterly basis.
 - The system shall be checked for build-up of trash, sediment or clogging of piping and shall be cleaned accordingly.
 - After the first year, the drainage system shall be monitored and maintained twice annually.
 - Performance of the underground stormwater detention facility also depends on other components (i.e. catch basins, junction boxes, etc.). General inspection and maintenance in these areas will be made each year.
 - One time each year, an engineering inspection of the drainage system and report shall be made in conformance with Raleigh City Code I 0-9028.
4. **Major Repairs** - Pipe failure could be a cracked pipe, joint separation, or pipe joints separating due to unstable effect of uneven settling, or any

expenditure which exceeds one-third the initial construction cost of the stormwater control measure. If these effects are observed upon the regular inspections, they are to be noted on the regular reports. These events should be monitored on the next reports until the annual report made by the Registered Engineer is made. If the Registered Engineer deems it necessary to perform remedial work, see that the work required is done to the satisfaction of the Registered Engineer.

B. Sand Filter

1. Sediment Chamber -The sediment chamber must be pumped out as directed by the site inspections. If the chamber contains an oil skim, it should be removed by a firm specializing in oil recovery and recycling. The remaining material may then be removed by vacuum pump and disposed of in an appropriate landfill. After each cleaning, refill the first chamber with clean water to reestablish the water seals to the clearwell chamber.

2. Sand Filter Chamber -When deposition of sediments in the filtration chamber indicate that the filter media is clogging and not performing properly, sediments must be removed (a small shovel may be all that is necessary) along with the top two to three inches of sand. The coloration of the sand will provide a good indication of what depth of removal is required and any discolored sand shall be removed. Clean sand must then be placed in the filter to restore the design depth. Disposal of petroleum hydrocarbon contaminated sand should be coordinated with the appropriate environmental official.

3. Concrete Shell -The concrete shell, risers, etc. must be examined during each annual inspection to identify areas that are in need of repair, and such repairs must be promptly effected.

4. Rooftop Gardens - Grass clippings, leaves and other landscape area debris shall be removed from the site to prevent them from washing into the sand filter and contaminating the sediment or sand chambers.

5. Trash Collection - Trash on the Paramount property shall be collected weekly and removed from the site. Any trash collected on stormwater inlets should be removed promptly and no less frequently than weekly to assure the design inflow of the sand filter device.

6. Schedule

- An inspection of the facility shall be made immediately after construction is complete to assure that the system is free of any construction related debris/material.

- For the first year after completion, the filter system shall be monitored and maintained on a quarterly basis.
- The system shall be checked for build-up of trash, sediment or clogging of piping and shall be cleaned accordingly.
- After the first year, the filter system shall be monitored and maintained twice annually.
- One time each year an engineering inspection of the filter system and report shall be made in conformance with Raleigh City Code 10-9028.

7. Major Repairs - Pipe failure could be a cracked pipe, joint separation, or pipe joints separating due to unstable effect of uneven settling, or any expenditure which exceeds one-third the initial construction cost of the stormwater control measure. If these effects are observed upon the regular inspections, they are to be noted on the regular reports. These events should be monitored on the next reports until the annual report made by the Registered Engineer is made. If the Registered Engineer deems it necessary to perform remedial work, see that the work required is done to the satisfaction of the Registered Engineer.

IV. OPERATION

A. Schedule

1. Semi-Annual Inspection and Maintenance
 - a. Pipe inspected to ascertain that water would flow out at a proper rate, that there are no obstructions and that there is no appreciable build-up of sediment.
 - b. Sand filter inspected to ascertain that water is being filtered at a proper rate, that there are no obstructions and that there is no appreciable build-up of sediment.
2. Annual Inspection
 - a. Registered Engineer inspects and confirms that the stormwater device and the filter device are operating properly and are in good physical condition. The date set as a deadline to have this annual inspection is the date of this manual.
 - b. Sedimentation shall be removed.

B. Record Keeping

1. Annual Inspection Reports -A collection of written inspection reports should be kept on record. Inspections should be conducted annually. Copies should be provided to the City of Raleigh Stormwater Management Section of the Engineering Division.
2. Observations -All observations should be recorded. Where periodic inspections are performed following significant rainfall events, these inspections should be logged into the attached Periodic Inspection, Operation & Maintenance Form.
3. Maintenance -Written records of maintenance and/or repairs should be maintained.
4. Other Operation Procedures - The Owner should maintain a complete and up-to-date set of plans (as-built drawings) and all changes made to the Stormwater Control Measures.

V. BUDGET

The following is an estimate for use in establishing a budget to cover operating and maintenance of the Paramount's Stormwater and Nitrogen Control Measures. Our estimated budget is as follows:

A. Annual Budget

Annual Maintenance & General Clean-ups	
1 visits x \$1,000/visits	= \$ 1,000
Inspection & Miscellaneous Visits	
3 visits x 2hrs/visit x \$100/hr (Registered Engineer)	= \$ 600
Sand Filter Cleaning/Replenishment	
\$500 each year	= \$ 500
Casualty & Liability Insurance (15%)	= \$ 315
Total Annual Budget	= \$ 2,415

B. Sinking Fund BudgetSarid Filter

Precast Box	1 EA	@ \$10,000/EA	=	\$ 10,000
Risers	3 EA	@ \$ 500/EA	=	\$ 1,500
Sand & Gravel	1 LS	@ \$ 500	=	\$ 500
Sub-total				\$12,000

Storage

Catch Basin	1 EA	@ \$ 850/EA	=	\$ 850
18" RCP	128 FT	@ \$ 18.00/FT	=	\$ 2,304
Sub-total			=	\$ 3,154
Total			=	\$ 17,569

Engineer. _____

Time: _____

Sand Filter	Observations	Condition
Sediment Chamber		
Filter Chamber		
Clearwell Chamber		

Inspection Notes:[illegible]

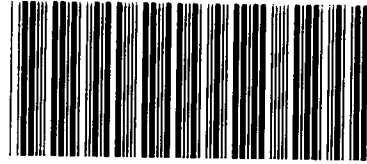
Engineer: _____

Time: _____

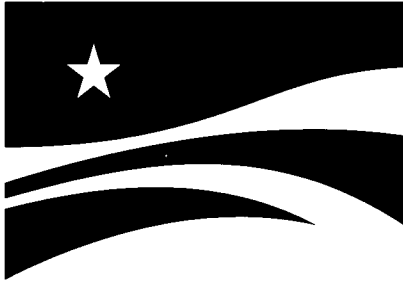
Sand Filter	Observations	Condition
Sediment Chamber		
Filter Chamber		
Clearwell Chamber		

Inspection Notes:[illegible]

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**WAKE
COUNTY**
NORTH CAROLINA

Please retain yellow trailer page

It is part of the recorded document and must be submitted with the original for re-recording.

Laura M. Riddick

Register of Deeds

Wake County Justice Center
300 South Salisbury Street, Suite 1700
Raleigh, NC 27601

☐ New Time Stamp

☐ \$25 Non-Standard Fee

☐ Additional Document Fee

☐ Additional Reference Fee

This Customer Group

____ # of Time Stamps Needed

This Document

____ *84* # of Pages *LG*