

DECLARATION OF MILLER PARK CIRCLE CONDOMINIUMS

MILLER PARK APARTMENTS, INC., a North Carolina general partnership with its principal place of business in Winston Salem, Forsyth County, North Carolina, (herein "Declarant") does hereby make, declare and establish this Declaration of Condominium as and for the plan of dwelling ownership of Miller Park Circle Condominiums being the property and improvements hereinafter described.

1. Establishment of Condominium. Declarant is the owner of the fee simple title to that certain real property situate in Winston Salem, Forsyth County, North Carolina, and which property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and on which property there have been constructed 24 buildings containing a total of 96 condominium living units and their supporting facilities and other appurtenant improvements. The buildings are constructed of block masonry foundation with asbestos shingle siding and asphalt shingle roofs. Seven of the buildings have brick veneer on the outside. The property contains sufficient parking space to accommodate at least one automobile for each Condominium Unit. Each Unit Owner has the right to the use, for at least one automobile, of such space. Declarant does hereby submit the above described property and improvements to condominium ownership under the provision of Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act), and hereby declares the same to be a condominium to be known and identified as Miller Park Circle Condominiums (herein "Condominium").
2. Survey and Description of Improvements. Filed simultaneously herewith and expressly made a part hereof as Unit Ownership File No. \_\_\_\_ (herein "Unit Ownership File"), consisting of \_\_\_\_ pages, is a Survey of the land and graphic descriptions and plans of the improvements constituting the Condominium, identifying the Condominium Units and Common Areas and Facilities, as said terms are hereinafter defined, and their respective locations and approximate dimensions. Each Condominium Unit is identified by specific numerical designation on said Unit Ownership File, and no Condominium Unit bears the same designation as any other Condominium Unit.
3. Definitions. The Condominium consists of Condominium Units and Common Areas and Facilities, as said terms are hereinafter defined.
  - A. Condominium Units as defined herein shall comprise the 96 separate numerically identified Dwelling Units which are designated in said Unit Ownership File, excluding all spaces and improvements lying:
    - (1) Beneath the subflooring material of all floors;
    - (2) Beneath the interior surfacing material of all perimeter walls, interior bearing walls and/or bearing partitions;
    - (3) Above the interior surfacing materials of the ceilings; and further excluding all pipes, ducts, wires, conduits and other facilities for the furnishing of utilities and other services to Condominium Units and Common Areas and Facilities up to and including the point of entry of such pipes, ducts, wires, and conduits through the interior surfacing material for walls and ceilings and subflooring surfacing material for floors. All pipes, ducts, wires, conduits and other such facilities within the interior surfacing materials shall be a part of the respective Condominium Units. The decoration and painting of the exterior surface of doors and window frames shall be the responsibility of the Association, as hereinafter defined.

B. Common Areas and Facilities (herein "Common Property") shall comprise all of the real property, improvements and facilities of the Condominium other than the Condominium Units and all personal property held and maintained for the use and enjoyment of all the Owners of Condominium Units.

The terms "Association of Unit Owners," "Building," "Common Areas and Facilities," "Common Expenses," "Common Profit," "Condominium," "Declaration," "Majority" or "Majority of Unit Owners," "Person," "Property," "Recordation," "Unit or "Condominium Unit," or "Unit Designation," unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, have the meaning set out in Section 3 of Chapter 47A of the General Statutes of North Carolina. The terms "75% of the members" or "75% of the membership," (or "3/4" in lieu of "75%") when used in the context of membership voting rights, shall mean the owners of at least 75% of the aggregate interest in the Common Areas and Facilities. The term owner in this declaration refers to one who has equitable title pursuant to the valid entrance of the standard form condominium purchase contract of a condominium unit, regardless of whether such person has legal title to the unit.

4. Ownership of Condominium Units and Appurtenant Interest In Common Property. Each Condominium Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Condominium Unit, an undivided interest in the Common Property. The undivided interest appurtenant to each Condominium Unit shall be as set out in Exhibit "B" attached hereto and made a part hereof. The proportional interest in the Common Property that is appurtenant to each Condominium Unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each Unit as the date of the Declaration bears to the then aggregate fair market value of all of the Units having an interest in the Common Property. The fair market value of each Unit and the aggregate fair market value of all the Units have been determined by the Declarant, and are binding upon all Unit Owners. The percentage of undivided interest in the Common Property assigned to each Condominium Unit shall not be changed except with the unanimous consent of all of the Owners of all of the Condominium Units and with the consent of all of the Lenders holding first mortgages or deeds of trust on the Condominium Units.

5. Restriction Against Further Subdivision of Condominium Units: Separate Conveyance of Appurtenant Common Property Prohibited. No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File nor shall any Condominium Unit or portion thereof be added to or incorporated into any other Condominium Unit. The undivided interest in the Common Property declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the undivided interest in Common Property appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a Condominium Unit, shall be null and void insofar as it purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Property unless it purports to convey, devise or encumber the entire Condominium Unit. Any instrument conveying, devising or encumbering any Condominium Unit, which described said Condominium Unit by the numerical designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Property. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants or as tenants by the entirety.

6. The Condominium Subject to Restrictions. The Condominium Units, Common Property and Limited Common Areas are hereby declared to be subject to the restrictions, easements, conditions and



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

7. Perpetual Non-Exclusive Easement in Common Property. The Common Property is hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the Owners of Condominium Units for their use and the use of the immediate families, guests and invitees, for all property purposes, and for the furnishing of services and facilities for which they are intended, and for the enjoyment of the Owners. Notwithstanding the foregoing, the Association, hereinafter defined, shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Condominium Unit, his family, guests and invitees, may be entitled to use the Common Property.

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

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

10. Administration of the Condominium by Miller Park Circle Homeowners Association. To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a non-profit North Carolina corporation known and designated as Miller Park Circle Homeowners Association (herein "Association") has been organized, and said corporation shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. A true copy of said By-Laws and Articles of Incorporation are annexed hereto and expressly made a part hereof as Exhibits "C" and "D", respectively. The Owner or Owners of each Condominium Unit shall automatically become members of the Association upon acquiring an ownership interest in title to any Condominium Unit and its appurtenant undivided interest in Common Property, such membership shall terminate automatically upon the Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be

entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership (other than Miller Park Apartments, Inc). In the administration of the operation and management of the Condominium, the Association is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulation governing the use of the Condominium Units and Common Property as its Board of Directors may deem to be in its best interest.

11. Residential Use Restrictions Applicable to Condominium Units. Each Condominium Unit is hereby restricted to residential use by its Owner, his immediate family, guests, invitees and lessees. With the exception of a Lender in possession of a Condominium Unit following a default in a first deed of trust, a foreclosure proceeding or any deed in lieu of foreclosure, no Unit Owner shall lease his Unit for transient, hotel or commercial purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement must provide that it shall be subject to the provisions of this Declaration, and that any failure by the lessee to comply with the terms hereof shall be a default under the lease, and shall be in writing. There is no other restriction on the right of any Unit Owner to lease his Unit.

12. Use of Common Property Subject to Rules of Association. The use of all Common Property by the Owner or Owners of all Condominium Units, and all other parties authorized to use the same, shall be subject to such rules and regulations as may be prescribed and established by the Association.

13. The Condominium to be Used for Lawful Purposes: Restriction Against Nuisances. No immoral, improper, offensive or unlawful use shall be made of any Condominium Unit or of the Common Property, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium shall be observed. No Owner of any Condominium Unit shall permit anything to be done or kept in his Condominium Unit, or on the Common Property, which will increase the rate of insurance on the Condominium, or which will interfere with the rights of other occupants of the Condominium or annoy them by unreasonable noises, nor shall any Owner undertake any use which shall constitute a nuisance to any other Owner of a Condominium Unit, or which interferes with the peaceful possession and proper use of any other Condominium Unit or the Common Property.

14. Right of Entry Into Condominium Units in Emergencies and for Maintenance of Common Property. In case of any emergency originating in or threatening any Condominium Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such Condominium Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

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

15. Limitation Upon Right of Owners to Alter and Modify Condominium Units: No Right to Alter Common Property. No Owner of a Condominium Unit shall permit any structural modification or alteration to be made to such Condominium Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the



Association shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Condominium in part or in its entirety. No Owner shall cause any improvements or changes to be made on the exterior of the Condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects or machines which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first obtained. No Unit Owner shall cause any object to be fixed to the Common Property (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Property without the written consent of the Association being first obtained.

16. Right of Association to Alter and Improve Common Property and Assessment Therefore. The Association shall have the right to make such alterations or improvements to the Common Property which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and their costs shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner or Owners of certain Condominium Unit or Units requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

17. Maintenance and Repair by Owners of Condominium Units. Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit which, if omitted, would affect the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Condominium Unit shall be liable and responsible for the maintenance, repair and replacement of all stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and /or their connections required to provide water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of all walls, ceilings and floors within his Unit including painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his Condominium Unit. Whenever the maintenance, repair and replacement of any item for which the Owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. All doors, window frames, panes and screens are a part of the respective Condominium Units and shall be maintained by the respective Unit Owners.

18. Maintenance and Repair of Common Property by the Association. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Property, including those portions thereof which contribute to the support of the buildings, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Property for the furnishing of utility and other services to the Condominium Units and said Common Property, and should any

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

19. Insurance and Authority to Purchase Insurance. Insurance policies upon the Property (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustees for the Condominium Unit Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Unit Owners, the Association and their respective servants, agents and guests. Such insurance shall be governed by the following provisions:

- A. The Board of Directors shall obtain a single master policy covering physical damages for the entire property. The original of said policy and endorsements thereto shall be deposited with the Board of Directors, and provision shall be made for duplicates thereof to be issued to each unit Owner and his mortgagee, if any, upon request.
- B. In addition, the Board of Directors shall be required to make every effort to secure a master policy covering physical damage that will provide the following:
  - (1) That the master policy may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the insured and all mortgagees of Units.
  - (2) That the net proceeds of such policies shall be payable to the Board of Directors or such other Insurance Trustee as designated in this Declaration.
  - (3) That the master policy shall contain a standard mortgage clause in favor of each mortgagee of a Unit, which shall provide that the loss, if any, to a particular Unit shall be payable to such mortgagee and the Owner as their interests may appear, subject however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in this Declaration.
- C. All policies of insurance shall be written with a company licensed to do business in the State of North Carolina and holding a rating of "AAA" or better by Best's Insurance Reports.
- D. In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their mortgagees, unless otherwise required by North Carolina or other applicable law or insurance regulations.
- E. Each Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his Unit, the value of which is in excess of \$1,000.00



F. Any Owner who obtains individual insurance policies covering any portion of the property, other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance.

## 20. Insurance Coverage.

A. The Board of Directors shall be required to obtain and maintain the following insurance: (a) fire insurance with extended coverage, vandalism, malicious mischief and windstorm endorsements, insuring the entire Property (including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Developer, but not including furniture, furnishings or other personal property supplied or installed by Owners), together with all air-conditioning equipment and other service machinery appurtenant to a Unit and covering the interests of the Board of Directors and all Owners and their mortgagees, as their interest may appear, in an amount equal to the maximum insurance replacement value of the Property, without deduction for depreciation; (b) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and (c) such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Owners.

B. The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, and each Owner against any liability to the public or to the Owners (and their invitees, agents and employees) arising out of, or incident to, the ownership and/or use of the Common Areas and facilities. Said insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Directors shall review such limits once each year, but in no event shall insurance be less than Two Hundred Thousand Dollars (\$200,000.00) with respect to any one person and Five Hundred Thousand Dollars (\$500,000.00) with respect to any one accident or occurrence and Fifty Thousand Dollars (\$50,000.00) with respect to any claim for property damage. It shall be the responsibility of each Owner to obtain at his own expense, liability insurance with respect to his ownership and/or use of his Unit, and the Board of Directors shall not be responsible for obtaining such insurance.

C. A duplicate original of the master policy or physical damage insurance, all renewals thereof, and all such policies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or the renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the full replacement value of the Property, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be effected pursuant to this section.

21. Separate Insurance. Each Owner, at his own expense, shall keep in force comprehensive personal liability insurance for damage to person or property of others occurring within such Owner's Unit, another Unit, or upon the Common Areas and Facilities, in such amounts as the Board of Directors from time to time determine, but in no case less than One Hundred Thousand Dollars (\$100,000.00) for each occurrence. Each Owner shall have the right, at his own expense, to obtain insurance coverage upon his personal property. No owner shall acquire OR MAINTAIN ANY INSURANCE COVERAGE WHICH WILL CAUSE THE INSURANCE COVERAGE maintained by the Board of Directors pursuant hereto to be brought into contribution with such insurance coverage obtained by the Owner.

22. Insurance Trustee.

- A. So long as the condominium shall exist, the Board of Directors shall be designated as the Insurance Trustee. If for any reason the Board of Directors desire to be removed, shall fail; refuse or cease to act as such, the Board of Directors shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company, or any institutional lender as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby; provided, however, that prior to such designation of a new Insurance Trustee, the Board of Directors shall obtain the consent to such new Insurance Trustee of the mortgagee or mortgagees holding mortgages constituting first liens on at least fifty-one percent (51%) of the number of Units in the Condominium encumbered by mortgages. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of these By-Laws.
- B. The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purpose elsewhere stated in these By-Laws, for the benefit of the Owners of the Units and their respective mortgages.

23. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the Agent for each Owner of a Unit and for each mortgagee of a Unit and for each Owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

24. Premiums. Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a common expense.

25. Repair and Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of all or any of the Buildings as a result of fire, or other casualty (unless more than two-thirds (2/3) of the Buildings are destroyed and at least three-fourths (3/4) of the Owners and at least three-fourths (3/4) of the mortgages of Units in the Property, based upon one (1) vote for each mortgage owned, vote not to proceed with the reconstruction and repair of the buildings), and Board of Directors shall arrange for and supervise the prompt repair and restoration of the Buildings (including any damaged Units, and any floor covering or any kitchen or bathroom fixtures initially installed herein by the Developer, and replacements thereof installed by the Owners, but not including any other furniture, furnishings, fixtures, or equipment installed by the Owners in the Units). Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his own Unit.

26. Procedure for Reconstruction and Repair.

- A. Immediately after a fire or other casualty causing damage to any Building, the Board of Directors shall obtain a reliable and detailed estimate of the cost of repairing and restoring the Building (including any damaged Units, and any floor coverings and kitchen and bathroom fixtures initially installed therein by the Developer, and



replacements thereof installed by the Owner, but not including any other furniture, furnishings, fixtures or equipment installed by the Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determine to be necessary.

- B. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all the Owners in proportion to the Owners' respective Percentage Interests.
- C. Any such reconstruction or repair shall be substantially in accordance with the Plans and Specifications under which the Property was originally constructed.
- D. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the Architectural Plans under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed Building shall stand.

27. Disbursements of Construction Funds.

- A. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this section. The entire construction fund shall be disbursed by the Board of Directors as Insurance Trustee, or in the alternative, by the Insurance Trustee if different from the Board of Directors.
- B. The construction fund shall be paid by the Board of Directors or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the Building as are designated by the Board of Directors.
- C. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Owners and their mortgagees who are the beneficial Owners of the fund, in proportion to the Owners' respective Percentage Interests.
- D. When the damage is to both Common Areas and Facilities and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Areas and Facilities and the balance to the cost of repairing the Units in the shares set forth above.
- E. The Insurance Trustee shall be entitled to rely upon a certificate executed by the

President or Vice President, and the Secretary of the Condominium certifying (i) whether or not the damaged property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursements from any disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

28. When Reconstruction is Not Required. If more than two-thirds (2/3) of the Buildings are destroyed by fire or other casualty and at least three-fourths (3/4) of the owners and at least 3/4 of the mortgagees of Units in the Property, based upon one (1) vote for each mortgage owned, vote not to proceed with repair or restoration (i) the Property shall be deemed to be owned as tenants in common by the Unit Owners; (ii) the undivided interest in the Property owned by the Unit Owners as tenants in common which shall appertain to each Unit Owner shall be the Percentage Interest previously owned by such Owner in the Common Areas and Facilities; (iii) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the Percentage Interest of the Unit Owner in the Property as provided herein; and (iv) the Property shall be subject to an action for partition at the suit of the Owner of any Unit, as if the Property was owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one Fund, and shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among the Owners of all the Units in proportion to their respective Percentage Interests, after first paying out of the share of each Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

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

30. Assessment: Liability, Lien and Enforcement. The Association is given the authority to administer the operation and management of the Condominium as being in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses (herein "common expense"). To provide the funds necessary for such proper operation, management and capital improvement, the Association has been granted the right to make, levy and collect assessments against the Unit Owners and their condominium Units. In furtherance thereof, the following provisions shall be operative and binding upon the Owners of all Condominium Units:

A. All assessments levied against the Unit Owners and their Condominium Units shall be uniform and unless specifically otherwise provided for herein, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his Condominium Unit shall bear the same ratio to the total assessment made



against all Unit Owners and their Condominium Units as the undivided interest in Common Property appurtenant to each Condominium Unit bears to the total undivided interest in Common Property appurtenant to all Condominium Units. Should the Association be the Owner of a Condominium Unit or Units, the Assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and assessment therefore levied ratably among the Owners of all Units which are not owned by the Association based upon their proportionate interests in Common Property exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

- B. Assessments provided for herein shall be payable in monthly installments, or in such other manner as the Board of Directors of the Association shall determine and shall commence when determined by the Board of Directors
- C. The Board of Directors of the Association shall establish an Annual Budget in Advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with paragraph "D" hereof, items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies shall be delivered to each Owner of a Condominium Unit and the Assessment for said year shall be established based upon such budget, although the non-delivery of a copy of it to each Owner shall not affect the liability of any Owner for such assessment. Should the Board of Directors at any time determine that the assessments levied are insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessments it may deem necessary.
- D. The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, shall designate a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Property (herein "Capital Improvement Fund") shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Property, and the replacement of personal property constituting a portion of the Common Property held for the joint use and benefit of the Owners of Condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Property. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association and shall be used only to make capital improvements to Common Property. Any interest earned on the Capital Improvement Fund may be expended for current operation and maintenance.
- E. All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation and the

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

- F. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of its due date. When in default, the delinquent assessment or delinquent installment thereof due to Association shall bear interest at twelve percent (12%) until paid in full to the Association.
- G. The Owner or Owners of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorney's fees, whether suit be brought or not.
- H. No Owner of a Condominium Unit may exempt himself from liability for any assessment levied against him or his Condominium Unit by waiver of the use of enjoyment of any of the Common Property, or by abandonment of the Condominium Unit or in any other way.
- I. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefore, and that such proper operation and maintenance results in benefit to all of the Owners of Condominium Units, and that the payment of such common expenses represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant undivided interest in Common Property, which lien shall secure the funds due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit. The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to reasonable rental from the Owner of any Condominium Unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a Receiver for said Condominium Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of



superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, including interest at twelve percent (12%) on any such advances so made. All persons, who shall acquire any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

- J. The Lien herein granted to the Association shall be enforceable from the time of recording a claim of lien in the Public Records of Forsyth County, North Carolina, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, it shall be satisfied of record.

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

- K. Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owners, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which 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.

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

In any voluntary conveyance of a Condominium Unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser therefore.

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

31. Common Surplus. "Common Surplus", meaning all funds and other assets of the Association (including excess of receipts of the Association, including but not limited to assessments, rents, profits and revenues from whatever source over amount of the common expense), shall be owned by the Owners of all Condominium Units in the same proportion that the undivided interest in Common Property appurtenant to each Owner's Condominium Unit bears to the total of all undivided interest in Common Property appurtenant to all Condominium Units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance indemnity herein provided, or upon termination of the Condominium, any attribution or distribution of common surplus which may be made from time to time shall be made to the then Owners of Condominium Units in accordance with their percentage interest in common surplus as declared herein.
32. Termination. The Condominium shall be terminated, if at all, in the following manner:
- A. The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument duly recorded; and, provided that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the Property as provided in subparagraph "C" below. The termination shall become effective when such agreement has been recorded in the public records of Forsyth County, North Carolina.
  - B. If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Forsyth County, North Carolina.
  - C. After termination of the Condominium, the Condominium Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against Condominium Unit or Units formerly owned by such Condominium unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit Owners. The undivided share or



interest owned as tenants in common shall be that percentage of the undivided interest in the Common Area and Facilities previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be held for the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.

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

33. Amendment of Declaration of Condominium. This Declaration of Condominium may be amended in the following manner:

- A. An Amendment to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or members, such proposed Amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days not later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give to each member written notice of such Special Meeting, stating the time and place, and reciting the proposed Amendment in reasonably detailed form, which notice shall be mailed not less than ten (10) 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 proposed must be approved by an affirmative vote of seventy-five percent (75%) of the members owning Units in the Condominium, and by an affirmative vote of a three-fourths majority of the entire membership of the Board of Directors, in order for such Amendment to become effective. Thereupon such Amendment of this Declaration 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 so certified and executed with the same formalities as a deed, shall be recorded in the Forsyth Public Registry within ten (10) days from the date on which the same

became effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented there at by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

- B. No alteration in the percentage of ownership in Common Property appurtenant to each Condominium Unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of basis of ownership of Common Surplus, or alteration of voting rights in the Association, shall be made without the prior written consent of all of the Owners of all Condominium Units and all of the Lenders holding first mortgages or first deeds of trust on the Condominium Units.
  - C. No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Declarant shall be made without the written consent of said party being first had and obtained.
34. Remedies in Event of Default. The Owner of Owners of each Condominium Unit shall be governed by and shall comply with the provision of this Declaration and the Articles of Incorporation and By-Laws of the Association, as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owner of other Condominium Units to the following relief:
- A. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner.
  - B. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.
  - C. In any proceeding arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.
  - D. The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.
  - E. All right, remedies and privileges granted to the Association or the Owner or Owners



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

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

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

35. Right Reserved Unto Lenders. As long as any Lender shall hold any mortgage upon any Condominium Unit or Units, or shall be the Owner of any Condominium Unit or Units, such Lender shall have the following rights:

- A. To approve the company or companies with whom casualty insurance is placed.
- B. To examine, upon request and at reasonable times and upon reasonable notice, the books and records of the Association; and to be furnished at least one copy of the Annual Audited Financial Statement and Report of the Association prepared by a Certified Public Accountant designated by the Association, such Financial Statement and Report to be furnished by April 1 of each calendar year.
- C. To be given written notice by the Association of the call of any meeting of the membership, which notice shall state the purpose of such meeting; and to designate a representative to attend.
- D. To be given written notice of default by any Owner owning a Condominium Unit encumbered by a mortgage held by the Lender, such notice to be sent to the place which it may designate in writing.
- E. To be given written notice of any loss to or taking of, the common elements of the Condominium if such loss or taking exceeds \$10,000 or damage to a Condominium Unit in excess of \$1,000.
- F. To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

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

36. Makeup of the Board of Directors of the Association. The Association will have a Board of Directors consisting of three members, two of which shall be elected by a majority of the holders of legal title to each Condominium Unit with one vote per unit. One member of the Board of Directors shall be elected by a plurality of the members at the annual membership meeting.

37. Miscellaneous.

- A. In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable, such holding shall not affect, alter, modify or impair in any manner any of the other terms, provisions or covenants hereof of the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.
- B. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural and the masculine gender the feminine or neuter. The Article headings are for convenience or reference only and shall not be considered terms of this Declaration.
- C. The restrictions and burdens imposed by the covenants of this Declaration shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit and its appurtenant undivided interest in Common Property. This Declaration shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become Owners of Condominium Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.
- D. The following named individual is designated as the person to receive service of process for the Association:

T. Eugene Barrier  
3010 Maplewood Avenue Avenue  
Suite 122  
Winston Salem, NC 27103

IN WITNESS WHEREOF, Miller Park Apartments, Inc. has caused these presents to be executed in its name, by its President, and under its seal, this 31 day of July, 1980 in Winston-Salem, North Carolina.

MILLER PARK APARTMENTS, INC.  
A North Carolina Corporation

By: Dwight M. Jester  
VICE-President

Attest:

[Signature]  
Secretary