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MARY SUE OOTS  
REGISTER OF DEEDS  
NEW HANOVER CO, NC

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CINEMA DRIVE OFFICE PARK, A CONDOMINIUM  
NEW HANOVER COUNTY, NORTH CAROLINA

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CINEMA DRIVE OFFICE PARK, LLC  
Developer and Declarant

Prepared By:  
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THIS DECLARATION OF CINEMA DRIVE OFFICE PARK, A CONDOMINIUM (hereinafter referred to as the "Declaration"), made this the 20<sup>th</sup> day of June, 2000, by CINEMA DRIVE OFFICE PARK, LLC, a North Carolina limited liability company, (hereinafter referred to as "Declarant") pursuant to the provisions of Chapter 47C of the General Statutes of the State of North Carolina (sometimes hereinafter referred to as the "Condominium Act" or the "Act") to All Prospective Purchasers or Owners of property described herein;

R E C I T A L S :

A. Declarant is the owner in fee simple of certain real estate located in New Hanover County, North Carolina, said real estate being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

B. There exists on the property described on Exhibit "A" a single story steel framed, brick veneer building, curbed and paved asphalt access and parking facilities, landscaping, and related improvements.

C. The Declarant desires to submit the property described on Exhibit "A," together with the improvements thereon constructed, to the provisions of the Condominium Act to provide for the condominium form of ownership.

D. Declarant hereby establishes by this Declaration a plan for the individual ownership of Units and the co-ownership by individual and separate owners thereof, as tenants in common, of all of the remaining property in the Condominium (all portions of the Condominium except the Units hereinafter being referred to as "Common Elements").

NOW, THEREFORE, Declarant does hereby declare that the property described on Exhibit "A", attached hereto and incorporated herein by reference, shall be held, conveyed, encumbered, used, occupied, improved, sold, mortgaged, and otherwise conveyed subject to the rules, regulations, restrictions, covenants, conditions, uses and obligations set forth in this Declaration. All such rules, regulations, restrictions, covenants, conditions, uses and obligations are declared and agreed to be in furtherance of a plan for the improvement of the Condominium and the creation thereon of Units and shall be deemed to run with the land and be a burden on and a benefit to the Declarant, its successors and assigns, and on and 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 Unit Owners, their employees, guests, tenants and all persons using or possessing any property within the Condominium are subject to the provisions of this Declaration.

## I.

ESTABLISHMENT OF CONDOMINIUM

On that property described on Exhibit "A" attached hereto and incorporated herein by reference, there exists a single story steel framed, brick veneer building, curbed and paved asphalt access parking facilities, landscaping, and related improvements. Declarant does hereby submit the above-described property and improvements lying within the land area described on Exhibit "A" to condominium ownership under the provisions of Chapter 47C of the General Statutes of North Carolina (Condominium Act), and hereby declares the same to be a condominium to be known and identified as "CINEMA DRIVE OFFICE PARK, A CONDOMINIUM." The maximum number of Units, including those described above, which the Declarant reserves the right to create in the Condominium is 16. The Condominium is located in New Hanover County.

## II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

A survey of the land and plat and plans of the improvements constituting the Condominium, identifying the Units and the Common Elements, as said terms are herein defined, and containing the information required by N.C.G.S. 47C-2-109(b) and (c) are recorded in the Condominium Map Book as specified in Exhibit "B," said survey and plat and plans being incorporated herein by reference. The survey and plat and plans are sometimes collectively referred to herein as Exhibit "B." Each Unit is identified by a specific capital letter or combination of letters on Exhibit "B," and no Unit bears the same designation as any other Unit. The Units presently are designated as A, B-C and D.

## III.

DEFINITIONS

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

a. "Association" shall mean the Unit Owners association organized pursuant to the Condominium Act and shall be known as Cinema Drive Office Park Association, an unincorporated association of Owners and its successor.

b. "Common Elements" shall mean and comprise (i) all of the real property, improvements and facilities of the

Condominium, excluding however the Units as herein defined, and (ii) all personal property held and maintained for the joint use and enjoyment of all the Owners of Units.

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

d. "Condominium" shall mean the property described on Exhibit "A" which is hereby submitted to condominium ownership.

e. "Declarant" shall mean CINEMA DRIVE OFFICE PARK, LLC and any Person who succeeds to any Special Declarant Rights as provided herein or pursuant to the Condominium Act.

f. "Declaration" means this instrument and any amendments thereto and restatements thereof.

g. "Development Rights" means the rights reserved by Declarant under Article XXIX of this Declaration, including the right to create Units, Common Elements, and Limited Common Elements within the Condominium.

h. "Director" means a member of the Executive Board of the Association.

i. "Executive Board" means the body designated in this Declaration to act on behalf of the Association.

j. "Limited Common Elements" shall mean those portions of the Common Elements allocated by operation of N.C.G.S. 47C-2-102 for the exclusive use of one or more but fewer than all of the Units, and those portions of the Common Elements designated as Limited Common Elements or Limited Common Area on Exhibit "B." In addition to the exterior doors and windows declared to be Limited Common Elements, the jams, frames and casings appurtenant to and forming a part of the exterior doors and windows or systems will also be Limited Common Elements.

k. "Unit," shall mean a physical portion of the Condominium designated for separate ownership, the boundaries of which are hereinafter defined. At the present time, there are 3 Units in the Condominium, which are the three separate units designated as Units A, B-C, and D on Exhibit "B." Declarant has the right to create 13 additional Units in the Condominium, which would result in the Condominium containing 16 Units.

The boundaries of each Unit are situated as shown on Exhibit B and shall consist of:

i. Horizontal Boundaries: the upper and lower boundaries of each Unit shall be the following boundaries extended to an intersection with the Vertical Boundaries:

- (1) Upper Boundary: the upper boundary of each Unit is the plane of the finished bottom surface of the main steel beam roof trusses extending the greatest distance below the roof running from the front to the rear of the building.
- (2) Lower Boundary: the lower boundary of each Unit is the top surface of the finished concrete floor slab.

ii. Vertical Boundaries: the Vertical Boundaries of each Unit are the vertical planes extended to the intersection with the Unit's Horizontal Boundaries of the finished surfaces of the interior sides of the exterior walls of each Unit or the common wall between Units.

Each Unit shall also include heating, ventilation, air conditioning systems and appurtenant apparatus and equipment exclusively serving such Unit whether or not located within the title lines or boundaries of the Unit.

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

m. "Property" shall mean the real estate described on Exhibit "A," together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

n. "Owner" shall mean 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.

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.G.S. 47C-1-103.

OWNERSHIP OF CONDOMINIUM Units  
AND  
APPURTENANT ALLOCATED INTERESTS

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 appurtenant to the Unit. The undivided interest in the Common Elements appurtenant to each of the Units which presently exists, subject to amendment as provided herein, shall be as set out in Exhibit "C" attached hereto and made a part hereof. The proportional interest in the Common Elements that is appurtenant to each Unit has been determined by the following formula:

The quotient, expressed as a percentage, derived by dividing the total square footage of each Unit by the total square footage of all Units in the Condominium.

The undivided interest in the Common Elements shall be reallocated among all of the Units employing the same formula as stated above when new Units are created pursuant to the exercise of Development Rights; provided, however, when new Units are created by subdivision, combination, or recombination of Units previously existing, the undivided interest in the Common Elements for such new Units shall be determined by reallocating the undivided interest in the Common Elements previously allocated among the Unit(s) so subdivided, combined, or recombined among the new Units based on the ratio that the square footage of each new Unit has to the aggregate square footage of all of the new Units.

The portion of the common expenses of the Association and the portion of the votes in the Association allocated to each Unit which presently exists, subject to amendment as provided herein, shall be as set out in Exhibit "C" attached hereto and made a part hereof. The portion of the common expenses of the Association and the portion of the votes in the Association allocated to each Unit have been determined by the same formula utilized to determine the proportional interest in the Common Elements appurtenant to each Unit. The allocated interests of each Unit in the common expenses of the Association and the votes in the Association are subject to change as Units are created pursuant to the exercise of Development Rights provided in this Declaration. The allocated interests of each Unit in the common expenses of the Association and the votes in the Association shall be reallocated among all of the Units upon the same formula as stated above when new Units are created

pursuant to the exercise of Development Rights; provided, however, when new Units are created by subdivision, combination, or recombination of Units previously existing, the allocated interests of each new Unit in the common expenses of the Association and the votes in the Association for such new Units shall be determined by reallocating the portion of the common expenses of the Association and the votes in the Association previously allocated among the Unit(s) so subdivided, combined, or recombined among the new Units based on the ratio that the square footage of each new Unit has to the aggregate square footage of all of the new Units.

The formulas set forth above are to be used in reallocating allocated interests if Units are added to the Condominium. The effective date for assigning allocated interests to Units created by Declarant pursuant to Article XXIX of this Declaration shall be the date on which the amendment creating the Unit is recorded in the office of the Register of Deeds of New Hanover County.

V.

ALTERATION OF UNITS, RELOCATION OF UNIT BOUNDARIES,  
SUBDIVISION OF UNITS AND REALLOCATION OF LIMITED  
COMMON ELEMENTS; SEPARATE CONVEYANCE  
OF APPURTENANT COMMON PROPERTY PROHIBITED

Subject to Declarant's Development Rights reserved in this Declaration, the provisions of N.C.G.S. 47C-2-108, 47C-2-111, 47C-2-112 and 47C-2-113, and to the limitations contained in Article XVI of this Declaration, Units may be altered, boundaries between adjoining Units may be relocated, Units may be subdivided, Limited Common Elements may be reallocated, and Common Elements may be allocated as Limited Common Elements.

The undivided interest in the Common Elements declared to be an appurtenance to each Unit shall 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 or entity as tenants in common, joint tenants or as tenants by the entirety.

VI.

CONDOMINIUM SUBJECT TO RESTRICTIONS

The Units and Common Elements shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use of said Units and Common Elements and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements, and said Units and Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the Condominium and set forth in Exhibit "D" attached hereto and incorporated herein by reference.

VII.

PERPETUAL EASEMENT IN COMMON ELEMENTS

Subject to the Development Rights reserved to Declarant in this Declaration and the provisions of N.C.G.S. 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 and invitees, 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 Declarant's Development Rights, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the Owner of any Unit, his tenants, guests and invitees, may be entitled to use the Common Elements and to establish regulations concerning the use of said Common Elements. Subject to Declarant's Development Rights, each Unit shall have a non-terminable right to use the parking places and drive-ways forming a part of the Common Elements; provided, however, that equitable assignments of parking spaces may be made by the Association.

## VIII.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT  
ENCROACHMENTS: BEALL'S RULE

In the event that any Unit shall encroach upon any Common Elements, or any other Unit or Units, for any reason not caused by the purposeful or negligent act of the Unit 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 or upon a Unit for so long as such encroachment naturally shall exist; and, 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. If any Unit or Common Element shall be partially or totally destroyed as a result of fire, storm or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such Unit and/or Common Element in accordance with Article XXII hereof, there exist encroachments of portions of the Common Element upon any Unit, or of any Unit upon any other Unit or 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.

## IX.

RESTRAINT UPON SEPARATION AND PARTITION  
OF COMMON ELEMENTS

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, as same may be amended from time to time in the manner herein set out, shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division of the Common Elements.

X.

**ADMINISTRATION OF THE CONDOMINIUM**  
**BY CINEMA DRIVE OFFICE PARK**  
**ASSOCIATION, AN UNINCORPORATED**  
**ASSOCIATION OF Unit OWNERS**

To efficiently and effectively provide for the administration of the Condominium by the Owners of the Units, an unincorporated association known and designated as "CINEMA DRIVE OFFICE PARK ASSOCIATION," an unincorporated association of Unit Owners (herein sometimes called the "Association") has been organized, and 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 its Bylaws. 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. In the administration of the operation and management of the Condominium, the Association, subject to the provisions of N.C.G.S. 47C-3-105 and 47C-3-112, 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 Executive Board of the Association may deem to be in the best interests of the Association and to exercise such other powers as set forth in N.C.G.S. 47C-3-102. The Association shall also have the authority and power to assign its right to future income, including the right to receive common expense assessments, subject to such conditions as may be set forth from time to time by the Executive Board.

XI.

**RESTRICTIONS APPLICABLE TO UNITS**

The use of each Unit hereby is restricted exclusively to commercial, office and institutional purposes, and those uses permitted by then current applicable zoning laws and regulations affecting the Condominium, all subject to rules prescribed for such

uses from time to time by the Association. The right of an Owner to lease or rent his Unit shall be subject to rules prescribed by the Association from time to time.

XII.

USE OF COMMON ELEMENTS SUBJECT TO RULES  
OF ASSOCIATION

The use of Common Elements by the Owner or Owners of all Units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use or which may be hereafter prescribed and established by the Association.

XIII.

THE CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES;  
RESTRICTION AGAINST NUISANCES

The Owner of each Unit shall observe all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium. 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.

XIV.

RIGHT OF ENTRY INTO UNITS IN EMERGENCIES

In case of any emergency originating in or threatening any Unit, regardless of whether the Owner is present at the time of such emergency, the Executive Board of the Association, or any other person authorized by it, or the managing agent, if any, shall have the right to enter such Unit, for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

XV.

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, 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.

XVI.

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

A. Subject to the Special Declarant Rights and Development Rights reserved to Declarant in this Declaration, no Owner of a Unit shall permit any structural modification or alteration to be made to a Unit or any 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 Executive Board of the Association shall determine, in their sole discretion, that such structural modifications, alterations, betterments or improvements would adversely affect or in any manner endanger the Condominium in part or in its entirety. Subject to the Special Declarant Rights and Development Rights reserved to Declarant in this Declaration, no Unit 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 improvements or changes to be made, such improvements, including but not limited to antennae and other objects, machines or equipment which may extend beyond the boundaries of a Unit shall become and be deemed to be a part of the Unit to which they are affixed.

Subject to the Special Declarant Rights and Development Rights reserved to Declarant in this Declaration, the Executive Board of the Association, in its sole discretion, may require a Unit Owner desiring to add betterments or improvements to the Limited Common Elements appurtenant to his Unit to indemnify the other Unit 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 Unit Owner

to obtain liability insurance naming the other Unit Owners and the Association as additional insureds in such amounts and upon such terms as the Executive Board shall determine.

B. For Sale or For Rent signs may be located on the Common Elements; provided, however, the size, design and locations of such signs must be approved in writing by the Association.

XVII.

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON ELEMENTS AND ASSESSMENT THEREFOR

Subject to Declarant's Special Declarant Rights and Declarant's Development Rights, the Association shall have the right to make or cause to be made such alterations or improvements to the Common Elements which do not prejudice the rights of the Owner of any Unit in the use and enjoyment of his Unit, provided the making of such alterations and improvements are approved by the Executive Board of the Association and the cost of such alterations or improvements shall be Common Expenses to be assessed and collected from all of the Owners of Units. However, where any alterations or improvements are exclusively or substantially for the benefit of the Owner or Owners of a certain Unit or Units requesting the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Unit or Units exclusively or substantially benefitted, the assessment to be levied in such proportion as may be determined by the Executive Board of the Association.

XVIII.

MAINTENANCE AND REPAIR BY OWNERS OF UNITS

Every Owner shall perform promptly all maintenance and repair work within his Unit which, if omitted, would affect the Condominium, either in its entirety or in part, or property and Units belonging to other Owners, 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 maintenance, repair and replacement, equipment and fixtures and/or their connections required to provide water, light, power and telephone service solely to his Unit. Whenever the maintenance, repair and replacement of any item for which the Owner of a Unit 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 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.

Each Unit Owner shall be responsible for the maintenance, repair or replacement of any and all permitted improvements and betterments placed or constructed by the Owner on or within such Limited Common Elements. In the event an Owner shall fail to maintain, repair or replace such permitted improvements and betterments placed or constructed within the Limited Common Elements, or perform work determined necessary by the Association to keep the Limited Common Elements from becoming an "eyesore" or otherwise creating an area which appears to be unmaintained, the Association may cure such deficiency and assess the cost to correct such matter against the Unit Owner and Unit as a special assessment.

XIX.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS  
BY THE ASSOCIATION

Subject to Declarant's Special Declarant Rights and Declarant's Development Rights, the Association shall be responsible for the maintenance, repair and replacement 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. 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 maintenance, repair or replacement of any Common Elements, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair or 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 Unit 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 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 his tenants, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair or 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. Whenever the maintenance, repair or replacement of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by an act of a Unit Owner, his tenants, guests or invitees, and such loss or damage is not covered by any insurance maintained in force by the Association, the Unit 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 maintenance, repair or replacement. Establishment of liability for damage caused by the Owner of a Unit or the Association is subject to the provisions of N.C.G.S. 47C-3-107(d).

XX.

AUTHORITY TO PURCHASE INSURANCE

All required or permitted insurance policies (other than title insurance and insurance on betterments and improvements to the Units and/or Limited Common Elements installed by Unit Owners, if any) upon the Property (other than the personal property of the Unit Owners) shall be purchased by the Association in the name of the Association, as Trustees for the Unit 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 Unit Owner, mortgagee, or beneficiary of a deed of trust. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Unit, his personal property 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 Unit Owners, the Association and their respective servants, agents and guests.

XXI.

INSURANCE COVERAGES TO BE MAINTAINED; USE  
AND DISTRIBUTION OF INSURANCE PROCEEDS

A. The following insurance coverages shall be maintained in full force and effect by the Association:

(1) Casualty insurance covering the Common Elements and Units, including all buildings, and improvements, shall be procured in an amount equal to at least eighty percent (80%) of the maximum insurable replacement value thereof (exclusive of land, excavation, foundations, streets and parking facilities) as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against: (a) loss