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RECORDED AND VERIFIED
MARY SUE OOTS
REGISTER OF DEEDS
NEW HANOVER CO. NC

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION OF CONDOMINIUM FOR
COBBLESTONE CONDOMINIUM
PHASE I
AND

000078

BY-LAWS OF COBBLESTONE CONDOMINIUM POA, INC.

THIS DECLARATION AND BYLAWS, made on 3 day of October, 2000, by
COBBLESTONE APARTMENTS, INCORPORATED OF WILMINGTON, N.C., a North Carolina
Corporation, hereinafter called "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract of land containing two 2-story
buildings and other improvements, located in the City of Wilmington, New Hanover County,
North Carolina, that the Declarant proposes to convert to condominium ownership, which land is
more particularly described as follows:

BEING all of those certain tracts or parcels of land, with
improvements thereon, to be known as **Phase 1, Cobblestone
Condominium**, and the common areas to be dedicated therewith,
more particularly described upon Exhibit A hereto attached and
incorporated by reference.

WHEREAS, by this Declaration Declarant dedicates to condominium ownership only the
two buildings known as Building Five, containing eight (8) units located at 2720 - 2722 South
Seventeenth Street and Building Nine containing eight (8) units located at 2736 and 2738 South
Seventeenth Street as shown upon Exhibit B, hereto attached and incorporated by reference, as
the initial phase of a condominium to be known as COBBLESTONE CONDOMINIUM; and

WHEREAS; Declarant also owns and reserves the right, without any obligation, to convert
to condominium ownership, any or all of the adjoining lands shown as "FUTURE DEVELOPMENT"
upon said Exhibit B, which lands contain seven other two-story buildings with improvements, in a
series of two or more phases, by the execution and recordation of Supplemental Declarations;
and upon the execution and recordation of such Supplemental Declarations, such additional
land(s) shall automatically be annexed to and included within the Condominium created by this

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Declaration and such action shall require no approval or other action by either the unit owners, the Board of Directors, or the members of the Association, or by any other person or entity as hereinafter more particularly provided.

In order to facilitate the operation and administration of the condominium the Declarant has formed a non-profit corporation known as Cobblestone Condominium, POA, Inc., which shall have the general authority and responsibility for the operation and administration of the condominium pursuant to this Declaration, the bylaws and its articles of incorporation.

The additional phases, if developed, shall be developed under a common plan, which includes this Declaration, the features of which include common recreating facilities and the providing of maintenance and other services through a common administration.

The Declarant reserves the right, without any obligation, to annex to the Condominium any other adjacent lands located in the City of Wilmington, New Hanover County, North Carolina, located within one mile of the Property (as herein defined).

NOW, THEREFORE, Declarant hereby declares that the land described upon Exhibit A hereto attached, with all improvements thereon, shall be and the same is hereby dedicated to condominium ownership pursuant to Chapter 47C of the General Statutes of North Carolina as amended, as hereinafter provided, and to that end does hereby publish and declare that all of the said property to be known as "COBBLESTONE CONDOMINIUM, PHASE I," shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions, uses and obligations which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**PART I
DEFINITIONS**

Unless it is plainly evident from the context that a different meaning is intended, the following words and terms shall have the following meanings:

Section 1. Act. The North Carolina Condominium Act, that is codified as Chapter 47C of the North Carolina General Statutes.

Section 2: Additional Real Estate. Any or all of the real estate shown as "Future Development" upon Exhibit B hereto attached and incorporated by reference, or any other lands located within one mile of the lands described in 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, all or portions of which may be annexed to this Condominium by Supplemental Declarations, as herein provided, without the consent or joinder of the Members of the Association.

- Section 3. Allocated Interests.** The undivided interests in the Common Elements, in the common expense liability, and in the Association allocated to each unit.
- Section 4. Assessment.** A share of the funds required for the payment of common expenses that, from time to time, is assessed against the unit owners by the Association.
- Section 5: Association.** The non-profit Corporation to be known as COBBLESTONE CONDOMINIUM POA, Inc., the entity responsible for the operation of the condominium pursuant to the Act, which entity includes all of the unit owners acting as a group in accordance with the By-Laws and Declaration.
- Section 6:** **Building(s).** Either or both of the two 2-story buildings of wood frame and lap-siding construction numbered as Building Five and Building Nine, as shown upon the survey by Sherwin D. Cribb, P.L.S, attached hereto as "Exhibit B": and made a part hereof, which buildings are herein converted to condominium ownership. The Term Buildings may also include any one or more of the additional seven buildings (also of wood frame and lap-siding construction) located upon the lands designated as "Future Development" upon said Exhibit B not herein dedicated to condominium ownership, if any one or more of the seven 2-story buildings are hereafter dedicated to condominium and annexed to the condominium by Supplemental Declaration(s) or any buildings constructed upon the Additional Real Estate referred to in Section 2 above.

The particulars of the buildings are shown diagrammatically upon the floor plans thereof hereto attached as Exhibit C and also recorded in the Condominium Plat Book in the New Hanover County Registry, showing all particulars of the units as required by law. Each unit is designated by a four-digit number indicating the street address followed by a letter, A, B, C or D, indicating the location of the unit within the building. Letters A and B indicate a unit located on the first floor and the Letters C and D indicate a unit located on the second floor. Each four units has a separate address so that each eight-unit building will have two separate four-digit street addresses. For example, Building Five has eight units designated as Units 2722A, 2722B, 2722C, 2722D, 2720A, 2720B, 2720C and 2720D. This numbering system is based upon the actual numbering system in use at the time of conversion. All Units have access to all of the general common area designated on the above referenced Plats. Each unit is bounded as to horizontal and vertical boundaries as follows: by the exterior surfaces of its interior walls, floor and ceiling. There are 16 units in Phase 1, consisting of 8 two-bedroom units and 8 three-bedroom units. The dimensions and square footage of the units are shown upon the floor plans attached as Exhibit C.

- Section 7: Bylaws.** The bylaws of the Association.
- Section 8: Common Elements.** All portions of the condominium other than the units.
- Section 9: Common Expenses.** Expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

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- Section 10: Common Expense Liability.** The liability for common expenses allocated to each unit pursuant to the Act and this Declaration.
- Section 11: Condominium.** Means and includes **Phase 1, Cobblestone Condominium**, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions, all of which is submitted to condominium ownership by this Declaration, but it also includes any additions annexed hereto by Supplemental Declarations.
- Upon the recording of this Declaration, the Condominium includes only the real estate described upon Exhibit A and shown upon the survey plat prepared by Sherwin D. Cribb, PLS, hereto attached as Exhibit B, and incorporated by reference, and includes the two 2-story buildings divided into a total of 16 units located on two levels at 2720, 2722, 2736, and 2738 South Seventeenth Street, Wilmington, New Hanover County, NC, 28401
- Section 12: Condominium Documents.** This Declaration, the By-laws, the Rules and Regulations and all other Exhibits attached hereto and all other documents and regulations promulgated pursuant to the authority created herein and in the Act, and as such documents shall be amended and supplemented from time to time.
- Section 13: Declarant** means **COBBLESTONE APARTMENTS, INCORPORATED OF WILMINGTON, N.C.**, and its successors and assigns.
- Section 14: Declaration.** This Declaration of Condominium (including the Declaration of Covenants, Conditions and Restrictions, and the By-Laws), as it may be from time to time amended or supplemented.
- Section 15: Development Rights.** Those rights hereby reserved by the Declarant to add real estate to the Condominium, to create units, common elements or limited common elements within the Condominium.
- Section 16: Eligible Mortgage Holder or Eligible Holder.** The holder of a first mortgage or lien on a unit who has requested notice of certain matters from the Association.
- Section 17: Executive Board.** The body designated in the declaration to act on behalf of the Association.
- Section 18: Limited Common Elements.** A portion of the common elements allocated by the declaration for the exclusive use of one or more but fewer than all of the units.
- Section 19: Member.** Every person or entity that holds membership in the Association.
- Section 20: Owner.** The record owner, whether one or more persons or entities, of a fee simple title to any unit which is a part of the Property, together with an undivided interest in the common elements as hereinafter set forth, including contract sellers,

but excluding those having such interest merely as security for the performance of an obligation.

- Section 21: Period of Declarant Control.** The period commencing on the date hereof and continuing until the earlier of (i) seven (7) years after the date of the first conveyance of a unit to an owner other than a Declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the units (including any units which may be created pursuant to special Declarant rights) to a unit owner other than Declarant; (iii) two years after Declarant has ceased to offer units for sale in the ordinary course of business; (iv) two years after any development right to add new units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the condominium.
- Section 22. Phased Development.** The Declarant reserves the right, but without any obligation, to add, by supplemental declarations, additional phases to the condominium by the development and annexation of all or any portion of the Additional Real Estate described as "Future Development" in Exhibit B, and any other lands within one mile of the Condominium now owned or hereafter acquired by Declarant for purposes of development.
- Section 23: Plat.** The plat or plats of the Condominium recorded or to be recorded in the Office of the Register of Deeds of New Hanover County.
- Section 24: Property.** The real estate described in Exhibit "A", attached hereto and incorporated herein by reference, together with the buildings and improvements located thereon, and any additions thereto annexed by Supplemental Declaration.
- Section 25: Supplemental Declaration.** A document filed by Declarant to annex to this Condominium (i) all or a portion of the Additional Real Estate, and/or the buildings or improvements located thereon, described as "Future Development" in Exhibit B or (ii) any other real estate located within one mile of the Condominium now owned or hereafter acquired by Declarant in the manner provided herein.
- Section 26. Unit or Condominium Unit.** A physical portion of the condominium designated for separate ownership or occupancy.

**PART II
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
ARTICLE I
GENERAL**

Declarant hereby submits the Property described in Exhibit A to the provisions of the North Carolina Condominium Act, codified as Chapter 47C of the General Statutes of North Carolina, as amended (the "Act"). The Property will be administered in accordance with the provisions of the Act, the Declaration, and the Bylaws

Section 1. The name of the Condominium shall be "COBBLESTONE CONDOMINIUM ". The name of the initial phase of the Condominium shall be "PHASE 1, COBBLESTONE CONDOMINIUM".

Section 2. The Property is located at 2720-22 and 2736-38 South Seventeenth Street, Wilmington, New Hanover County, North Carolina, 28401.

Section 3. The maximum number of units that Declarant reserves the right to create is 76, in multiple phases.

Section 4. Declarant does hereby establish within the Property, sixteen (16) units and does hereby designate all such units for separate ownership but Declarant reserves the right to increase the maximum number of units if Declarant should acquire other lands within one mile of the Condominium and annex the same to this Condominium by Supplemental Declaration.

Section 5. Each owner shall be a member of the Association. An owner shall be entitled to one (1) vote in the Association for each unit owned.

Section 6. Each unit shall have the exclusive use and enjoyment of those limited common elements, whether screen porches, decks, patios, and/or fireplaces, which are appurtenant to such unit, subject to the provisions of this Declaration and By-Laws.

Section 7. Easements and licenses appurtenant to and included in the condominium are set forth in ARTICLE VIII below. Upon the recording of this instrument, there shall be deemed to be granted to owners, as property owners in the Condominium, nonexclusive easements in and to the common areas, parking areas, open spaces, located within the real property described upon Exhibit A hereto attached.

**ARTICLE II
PROPERTY RIGHTS**

Ownership of a unit shall vest fee simple title to such unit in the owner. Every owner shall own an undivided interest in the common elements and shall have a right and easement of enjoyment in the common elements that shall be appurtenant to and shall pass with the title to every unit. The undivided interest of every unit owner in the common elements shall be

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proportionate to the total number of units in the condominium: Upon the recording of this Declaration, such interest shall be a one sixteenth (1/16) undivided interest for each unit owned. The undivided interest in the common elements and the right and easement of enjoyment in such common elements are subject to the following:

Section 1. The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the common elements; such fees to be in an amount sufficient to maintain or repair any common element recreational facilities in a reasonable and good condition;

Section 2. The Association shall have the right to suspend the voting rights and right of use of any recreational facilities situated upon the common elements, by any owner for any period during which any assessment against his unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

Section 3. The Association shall have the right to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the common elements;

Section 4. The Association shall have the right to dedicate or transfer, or encumber all or any part of the common elements subject to approval by the owners as provided in G.S. § 47C-3-112.

Section 5. Every owner shall have non-exclusive parking privileges to parking in the parking lots serving the condominium subject to such rules and regulations as may be established by the Executive Board.

Section 6. Any owner may delegate his right of enjoyment to the common elements to members of his family or tenants.

Section 7. First Refusal. In the event any owner shall desire to sell any unit owned by him, then said owner shall, prior to the acceptance of any offer for the purchase of said unit, first offer said unit to the Association, for the same price at which the highest bona fide offer has been made for such unit or units. The Declarant, or the Association, as the case may be, shall have thirty (30) days after receipt of written notice of the price and terms of the offer, to exercise its option to purchase said unit; should the Declarant, or the Association, as the case may be, fail or refuse, within thirty (30) days after receipt of written notice of the price and terms of the offer, to exercise its option to purchase said unit, or units, then the owner thereof shall have the right to sell said unit(s) subject, however, to all covenants, restrictions and limitations contained herein.

ARTICLE III COVENANTS FOR ASSESSMENTS

Section 1: The Declarant, for each unit owned within the Property, and each owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as

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hereinafter provided. The liability of each owner for the common expenses of the Association shall be proportionate to the total number of units in the condominium: one/sixteenth (1/16) for each unit owned. Any assessment levied against a unit remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that unit when filed of record in the office of the Clerk of Superior Court of New Hanover County and shall accrue interest at a rate set by the Association not to exceed 18% per annum. The Association may bring an action at law against the owner, or foreclose the lien against the Property. Fees (including attorneys' fees), charges, late charges, fines, and interest are also enforceable as assessments.

Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any unit shall not affect the assessment lien. The sale or transfer of any unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 3: The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents and in particular, for the maintenance, repair, replacement and improvement of the common elements of the condominium, for services and facilities devoted to this purpose, and for the use and enjoyment of the common elements.

Section 4: The Association may also levy a special assessment payable in a manner as specified by the Association for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, improvement or replacement of a capital improvement upon the common elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the members.

Section 5: Until October 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual assessment shall be \$1,440.00, prorated for the remainder of said year.

(a) From and after May 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual assessment may be increased effective October 1 of each year without a vote of the membership by up to fifteen percent (15%) of the previous year's maximum annual assessment. The assessment may be increased without limit by vote of two-thirds of the members of the Association voting in person or by proxy at an annual meeting, or at a special meeting called for such purpose.

(b) The executive board may fix the annual assessment at an amount not in excess of the maximum. Permitted under sub-paragraph (a).

Section 6: Both annual and special assessments must be fixed at a uniform rate for all units and may be collected on a monthly or such other basis as may be established by the Board.

Section 7: The annual assessments provided for herein shall commence at a date established by the Association. Once such annual assessments are established, written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the executive board.

**ARTICLE IV
PARTY WALLS**

Section 1: The walls and flooring connecting adjacent units are "party walls" and are situated on or about the boundary line separating such units.

Section 2: All finish flooring and any other materials constituting any part of the walls, floors, or ceilings are a part of the common elements, pursuant to G.S. § 47C-2-102(1).

Section 3. To the extent any duct, wire, conduit, or any other fixtures lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated exclusively to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements, pursuant to G.S. § 47C-2-102(2).

Section 4. Any decks, screen porches, patios, chimneys and all exterior doors and windows or other fixtures designated to serve a single unit but located outside the unit's boundaries are limited common elements allocated exclusively to that unit, pursuant to G.S. § 47C-2-102(4).

Section 5: Each wall which is built as a part of the original construction of a unit and placed on the dividing line between the units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 6: The cost of reasonable repair and maintenance of a party wall shall be a common expense shared by the owners who make use of the wall in proportion to such use.

Section 7: Notwithstanding any other provisions of this Article, an owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 8: The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 9: If any owner desires to sell his unit, such owner may, in order to assure a prospective purchaser that no adjoining unit owner has a right of contribution as provided in this Article IV, request of the adjoining unit owner a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining unit owner to make such certification immediately

upon request and without charges; provided, however, that where the adjoining unit owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 10: In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina as then existing.

ARTICLE V EXTERIOR MAINTENANCE

Section 1: In addition to maintaining the common elements, the Association shall provide exterior maintenance for each unit, subject to assessment hereunder, including the performance of the following, as needed: Paint, repair, replace and care of roofs, exterior building surfaces, trees, shrubs, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces of windows serving individual units.

Section 2: In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of an owner, his family, guests, invitees, or tenants, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such unit is subject.

ARTICLE VI ARCHITECTURAL CONTROL

No building, fence, wall, or other structure or improvement shall be commenced, erected or maintained upon the condominium, nor shall any exterior addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Executive Board.

The exterior color of a unit cannot be changed unless the color scheme of the entire condominium is similarly changed. Any such change requires the approval of two-thirds of the owners at a duly called meeting at which a quorum is present.

ARTICLE VII USE RESTRICTIONS

Section 1: Each of the units shall be used and occupied for residential purposes only. No unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred, except as herein provided

Section 2. No noxious or offensive activities shall be carried on in or upon any unit, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to other unit owners.

Section 3. No unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred, except as herein provided. Provided, however, that the

owners of any two adjoining units shall be permitted to make provision for a door interconnecting said units, subject to the approval of the Executive Board with respect to preserving the structural integrity of the building.

Section 4. No animals of any kind shall be kept or maintained in any unit except that dogs, cats or other household pets may be permitted by the rules and regulations adopted by the Executive Board.

Section 5. No outside radio or television antennas, including satellite dishes or receivers, shall be erected on any unit unless and until permission for the same has been granted by the executive board.

Section 6. No advertising signs or other signs shall be displayed or permitted on or about the units unless approved by the Declarant, or the Executive Board, or its designee, and no unsightly objects or nuisances shall be displayed or permitted at any time.

Section 7. All window coverings (i.e., curtains, blinds, draperies, shades, etc.) shall appear white or off-white from the exterior.

Section 8. The exterior of the units, including trim and hardware, door units, and related exterior features, shall not be altered or decorated by the individual unit owners in any manner without the prior written consent of the Executive Board.

Section 9. No camper, trailer, boat trailer, trailer vehicle, motor home or similar type of vehicle shall be kept anywhere on the premises at any time, nor shall any temporary structures be placed on the property at any time, either temporarily or permanently, without the express permission of the Executive Board. No trucks shall be permitted except for standard 2-ton pickup trucks, or smaller sized truck.

Section 10. All garbage and refuse from the individual units shall be deposited with care in the receptacles provided for and intended for such purpose.

Section 11. No refuse, rubbish, trash or waste of any sort shall be thrown into the waters adjoining the Property, nor on any common area of the condominium.

Section 12. It shall be the responsibility of each unit owner, and the Executive Board to prevent the development of any unclean, unsightly or unkempt conditions of the common area.

Section 13. Parking in the parking area of the Condominium shall be subject to such rules and regulations as the Executive Board shall, from time to time, adopt.

Section 14. In the event of a violation or breach of any of these restrictions, or any of the other covenants of this Declaration by any unit owner, lessee, guest, invitee, or agent thereof, the Association or the owners of any other units or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Executive

Board shall have the right whenever there shall have been any violation of these restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner, if after fifteen (15) days written notice of such violation it shall not have been corrected or removed by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter, as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restrictions or obligations contained in this Declaration shall in no way affect any of the other restrictions, which shall remain in full force and effect.

Section 15. All present and future owners, tenants and occupants of units in the project shall be subject to, and shall comply with the provisions of this Declaration, By-laws and such rules and regulations as may be adopted in accordance with the By-laws now in force or an may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-laws and any rules and regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease.

ARTICLE VIII EASEMENTS

In addition to easements and rights established and/or reserved elsewhere in this Declaration, the following easements, rights and limitations are hereby established as covenants and burdens running with the real property and the improvements thereon:

Section 1. All units and common elements shall be subject to easements for public utilities as shown upon the Plat of the Condominium, and shall also be subject to easements encroachment of improvements constructed on adjacent units to the extent that such improvements actually encroach, including, but not limited to, such items as overhanging eaves, stoops, misaligned common wall foundation footings and walls, provided such encroachment does not interfere with the reasonable use of the common elements or units so encroached upon.

Section 2. Declarant shall have a reasonable construction easement across the common elements for the purpose of constructing improvements on the units. Declarant shall also have such easements through the common elements as may be reasonably necessary for the purpose of discharging Declarant's obligations, as provided herein.

Section 3. The Association shall have a right of entry upon the units and any limited common elements to effect emergency repairs, and a reasonable right of entry upon the units to effect other repairs, improvements, replacement or maintenance as necessary.

Section 4. The Association shall have the right to grant easements for utilities to

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service the project that may or may not be recorded prior to sale and conveyance of the first unit.

Section 5. The Declarant reserves the right to grant easements for utilities to service the project, which may or may not be recorded prior to sale and conveyance of the first unit. The Declarant also reserves, for itself, its successors and assigns, non-exclusive and alienable easements over all common areas for access to undeveloped areas described as "Future Development" in Exhibit B or to other lands located within one mile of the Condominium now owned or hereafter acquired by Declarant for purposes of development.

Section 6. Non-exclusive Easements and rights of way are hereby declared and granted over all access easements as shown upon the plats of the Condominium for access egress and regress by the Unit Owners, their agents, guests, invitees and assigns, to and from the Condominium.

Section 7. All easements granted herein are appurtenant to and shall run with the land, and shall inure to the benefit of and be binding upon the Declarant, the Association, owners, occupants, and mortgage holders, and any other person or entity having an interest in the condominium.

ARTICLE IX MISCELLANEOUS

Section 1. All powers granted in the declaration or the bylaws to the Association shall be exercisable by the Executive Board, except as expressly provided in the Declaration, the Bylaws, or the Act.

Section 2. The Association may adopt and enforce reasonable Rules and Regulations not in conflict with the Declaration, as provided in the Bylaws and the Act, as amended and supplemented from time to time, and when adopted, they shall be published and made available to the members of the Association.

Section 3. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this declaration, the bylaws and articles of incorporation of the Association. Failure by the Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

Section 5. Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within 90 days, any unit owner, or other holder of an interest in the condominium may undertake the enforcement of the provisions of the declaration at his own expense.

Section 6. The covenants and restrictions of this declaration shall run with and bind

the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless the condominium is sooner terminated as provided in Section 47C-2-118 of the Act.

Section 7. This Declaration may be amended as provided in Section 47C-2-117 of the Act, upon the approval of not less than seventy-five (75) percent of the unit owners, in writing, with, or without a meeting. Any amendment must be recorded in the office of the Register of Deeds of New Hanover County...

Section 8. The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

**PART III
BYLAWS OF
COBBLESTONE SUITES POA, INC.**

**ARTICLE I
MEETINGS OF MEMBERS**

- Section 1:** The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter.
- Section 2:** Special meetings of the members may be called at any time by the president or the executive board, or upon written request of 20% of the members, pursuant to G.S. § 47C-3-108.
- Section 3:** Written notice of each meeting shall be given by, or at the direction of, the secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least 10 days and not more than 50 days before such meeting to each member as provided in § 47C-3-108.
- Section 4:** Within 30 days after adoption of any proposed budget for the condominium, the executive board shall provide a summary of the budget to all the unit owners. The budget shall be considered at a meeting of the unit owners as set forth in G.S. § 47C-3-103(c).
- Section 5:** The presence at the meeting of members or proxies entitled to cast ten percent (10%) of the votes shall constitute a quorum for any action except as otherwise provided by law.
- Section 6:** Every unit owner shall be entitled to one vote for each unit owned.
- Section 7:** Pursuant to G.S. § 47C-3-110, votes allocated to a unit may be cast pursuant to a dated written proxy signed by a unit owner. A unit owner may not revoke a proxy

except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

**ARTICLE II
OFFICERS AND EXECUTIVE BOARD; SELECTION; TERM OF OFFICE**

- Section 1:** The affairs of the Association shall be managed by an executive board of not less than three (3) members, nor more than seven (7) members who shall be entitled to act on behalf of the Association. The initial Board shall be comprised of three members who shall serve until the first annual meeting or until their successors are elected and installed. Thereafter, the number of members of the executive board may be increased to not more than seven (7) members, by the Association at its annual meeting. Nomination for election of the executive board shall be made from the floor at the annual meeting. Election shall be by secret written ballot and by a majority of the unit owners when a quorum is present. Cumulative voting is not permitted.
- Section 2:** At the first annual meeting, at least three (3) executive board members shall be elected to serve until the following annual meeting.
- Section 3:** Any executive board member, except those appointed by the Declarant, may be removed in accordance with G.S. § 47C-3-103(b). In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present.
- Section 4:** No executive board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the executive board, any executive board member may be reimbursed for actual expenses incurred in the performance of his duties.
- Section 5:** The executive board shall have the right to take any action in the absence of a meeting, which they could take at a duly held meeting by obtaining the written consent of all the executive board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the executive board.

**ARTICLE III
MEETINGS OF EXECUTIVE BOARD**

- Section 1:** Meetings of the executive board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Special meetings of the executive board may be called by any member of the executive board, after not less than five (5) days notice to each executive board member.
- Section 2:** A majority of the executive board members shall constitute a quorum for the