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RECORDED AND VERIFIED
REBECCA M. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC
DEC 7 11 28 AM '84

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION CREATING UNIT
OWNERSHIP OF PROPERTY UNDER
THE PROVISIONS OF CHAPTER 47A
OF THE GENERAL STATUTES OF THE
STATE OF NORTH CAROLINA

THIS DECLARATION, made this the 28 day of NOVEMBER, 1984 by
A & S PROPERTIES a North Carolina General Partnership hereinafter
referred to as "DECLARANT":

KNOW ALL BY THESE PRESENTS:

THAT, WHEREAS, the Declarant is the owner of record of the fee
simple title of certain real property in the City of Wilmington, County
of New Hanover, State of North Carolina, which is more particularly
described in Exhibit A attached hereto and made a part hereof by
reference; and

WHEREAS, the Declarant is the owner of the four (4) buildings
and certain other improvements heretofore constructed upon the aforesaid
property; and

WHEREAS, it is the desire and the intention of the Declarant to
market, sell and convey interests in the property and the improvements
thereon as a condominium project pursuant to the provisions of Chapter
47A of the North Carolina General Statutes, entitled "Unit Ownership
Act"; and

WHEREAS, it is the desire and intention of the Declarant in the
recording of this DECLARATION in the Office of the Register of Deeds
of New Hanover County, North Carolina, to submit said condominium
project to the provisions of the said Chapter 47A;

NOW, THEREFORE THE DECLARANT DOES HEREBY DECLARE THAT ALL OF THE
REAL PROPERTY DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND MADE A PART
HEREOF BY REFERENCE, AS WELL AS ALL OF THE IMPROVEMENTS CONSTRUCTED
THEREON, IS HELD AND SHALL BE HELD, CONVEYED, HYPOTHECATED, ENCUMBERED,
USED, OCCUPIED, AND IMPROVED SUBJECT TO THE FOLLOWING ARTICLES OF
COVENANTS, CONDITIONS, RESTRICTIONS, USES, LIMITATIONS AND OBLIGATIONS,
ALL OF WHICH ARE DECLARED TO BE IN FURTHERANCE OF A PLAN FOR THE
IMPROVEMENT OF SAID PROPERTY AND THE DIVISION THEREOF INTO CONDOMINIUM
UNITS AND COMMON AREAS AND FACILITIES, AND SHALL BE DEEMED TO RUN WITH
THE LAND AND SHALL BE A BURDEN AND A BENEFIT TO THE DECLARANT, ITS

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RETURNED TO
Gibson, Robinson & Gray

SUCCESSORS AND ASSIGNS, AND ANY PERSON OR ENTITY ACQUIRING OR OWNING AN INTEREST IN THE REAL PROPERTY AND IMPROVEMENTS, OR ANY SUBDIVISION HEREOF, THEIR GRANTEEES, SUCCESSORS, DIVISEES, HEIRS, EXECUTORS, ADMINISTRATORS, AND ASSIGNS.

ARTICLE I

Submission of Property

Pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, Section 47A-2, the Declarant does hereby submit all of the real property described in Exhibit A, attached hereto and made a part hereof by reference, together with all improvements thereon and described herein, to the provisions of the "Unit Ownership Act" of the State of North Carolina, which is codified as Chapter 47A of the General Statutes of the State of North Carolina.

ARTICLE II

Definitions

For the purposes of this Declaration and the By-Laws of the Association, hereinafter defined, the following definitions for the term used herein and therein shall apply unless otherwise defined by the context thereof:

A. ACT shall mean and refer to the Unit Ownership Act, Chapter 47A of the General Statutes of the State of North Carolina, as such or as may be supplemented or amended from time to time.

B. ASSOCIATION shall mean and refer to FRANKLIN SQUARE HOMEOWNERS ASSOCIATION, INC., a non-profit North Carolina corporation and the mandatory association of all unit owners, as is more particularly described in Article VII hereinbelow.

C. ASSESSMENT shall mean and refer to that portion of the funds necessary for the payment of the common expenses, hereinafter defined, of the Association which from time to time shall be levied or assessed against a unit owner and his unit by the Association, as provided for hereinbelow.

D. BUILDING shall mean and refer to any one of the four (4) buildings which the Declarant has constructed upon the real property described in Exhibit A, to be used for residential purposes, as

reference is Exhibit B which consists of a full and exact copy of the plans of the buildings as well as a survey of the real property, drawn by showing the location of the buildings thereon. Said buildings are more particularly described in the plans of said buildings, showing all particulars as required by law. In general, the buildings have two (2) stories and no basements. Each building has been subdivided into units, hereinafter defined, as well as the common areas and facilities, also hereinafter defined, of the building. The building is constructed principally of wood and brick.

E. BOARD shall mean and refer to the Board of Directors of the Association and DIRECTOR shall mean and refer to a member of said Board.

F. BY-LAWS shall mean and refer to those By-Laws of the Association providing for the government of the Association as they are duly adopted and amended from time to time by the Association. A copy of the initial By-Laws are attached hereto as Exhibit C and made a part hereof by reference.

G. COMMON AREAS AND FACILITIES generally shall mean and refer to all of the real property, described on Exhibit A, and all of the improvements and facilities hereon which are not units, as defined hereinafter, and which are not items of personal property owned, held, and maintained by unit owners. Without in any way limiting the generality of the foregoing, the common areas shall include, but not be limited to, the following:

1. All of the real property more particularly described in Exhibit A attached hereto, reference to which is hereby made for a more particular description thereof;

2. All foundations, blocks, columns, girders, beams, supports, roofs, ventilation fans and vents, load bearing walls, including all exterior walls and all interior walls (except nonload bearing partition walls wholly within a unit) of a building;

3. All stairways, stairwells and stairs, and their components which give access to the units:

4. All yard and garden areas, parking and drive areas, sidewalks.

5. All installations of and facilities, apparatus, conduits, and equipment for the provision of all utility services, including, but not limited to, all water and sewer service, electricity, heating, air conditioning, telephone, irrigation, trash disposal, and cable TV, if any, which may be supplied for the common use and convenience of the unit owners, and which are not defined as part of the units, hereinbelow;

6. All other portions of the real property and the improvements hereon which are not specifically part of the units themselves, as hereinafter defined, or owned by unit owners as personal property, shall be common areas and facilities intended for the common and necessary or convenient use and enjoyment, existence, maintenance or safety of the condominium project.

H. COMMON EXPENSES shall mean and refer to the total cost and expense incurred by the Association (as hereinafter provided) for the administration, maintenance, operation, enjoyment, safety, repair, and replacement (including a capital reserve for repair, maintenance, and replacement) of the common areas and facilities as well as any other expense incurred by the Association pursuant to the fulfillment of its obligations and purposes as stated herein and labeled as common expenses. Common expenses are additionally intended to mean and refer to any expense incurred by the Association as shall be hereinafter agreed upon by the Association of unit owners as common expenses of the Association.

I. COMMON SURPLUS shall mean and refer to the balance of all revenues of the Association remaining after the deduction of the common expenses. Any such common surplus shall be used to reduce the assessments for members for the following fiscal year of the Association, based upon the proposed budget for the Association for the following fiscal year, subject, however, to the terms of Article VIII, Paragraph C. hereinafter set forth.

J. CONDOMINIUM shall mean and refer to the entire proposed development consisting of all the real property and the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for common use in connection therewith, which are intended to be submitted to the provisions of the act by this Declaration, and the supplements and amendments hereto, as are provided for hereinbelow

K. DECLARANT shall mean and refer to A & S PROPERTIES ,

L. DECLARATION shall mean and refer to this instrument as it may from time to time be lawfully amended or supplemented.

M. MAJORITY or MAJORITY OF UNIT OWNERS shall mean and refer to the owners of fifty-one percent (51%) of the aggregate interest in the common areas and facilities of the Condominium, as established by this Declaration, or Amendments and for Supplements, assembled at a duly called meeting of the unit owners.

N. PERSON shall mean and refer to an individual, corporation, partnership, association, trustee, or other legal entity.

O. REAL PROPERTY shall mean and refer to all of the real property described in Exhibit A attached hereto and made a part hereof.

P. SINGULAR, PLURAL GENDER: Whenever the context so permits the use of the plural shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

Q. UNIT or CONDOMINIUM UNIT shall mean and refer to any one of those thirty-two (32) subdivisions of enclosed space within the four (4) buildings, together with any additional areas or spaces accompanying the same as defined hereinbelow, and which are intended to or will be sold as dwelling units pursuant to the Act and this Declaration. The deed for any particular unit shall convey such unit by its unit designation and the same shall be deemed to include all that is defined as a part of that unit as stated specifically in this definition, as well as the privileges and appurtenances accompanying any such unit and subject to the covenants, conditions, restrictions, and obligations applicable to unit owners as all are more generally stated and described throughout this Declaration.

The units of the buildings are and will be identified by their unit designations, which are as follows:

Building A	Units 1, 2, 3, 4, 5, 6, 7, 8
Building B	Units 1, 2, 3, 4, 5, 6, 7, 8
Building C	Units 1, 2, 3, 4, 5, 6, 7, 8
Building D	Units 1, 2, 3, 4, 5, 6, 7, 8

Units whose designations end in 1,2,3,4 are units wholly located on the First or Ground floor of the Building; and units whose designations end in 5,6,7,8 are units wholly located on the Second floor of the Building.

These units and their designations are shown upon the plans of the buildings attached hereto in Exhibit B, which also shows graphically all particulars of the buildings and their thirty-two (32) (eight units per building) units, including, but not limited to, the layout, location, ceiling and floor elevations, dimensions of the units, and the layout and location of the common areas and facilities. Reference is hereby made to said plans for the purposes of identifying and locating each unit within the building, as well as identifying its dimensions, approximate areas, and number of rooms. No unit bears the same designation as any other. Any conflict between said plans and this definition shall be resolved by reference to the said plans, which shall control.

All units, as well as the additional areas defined as part of each unit hereinbelow, are bound both as to horizontal and vertical boundaries by the interior finished surface of the unit's perimeter walls, ceilings and floors, subject to the easement reserved hereinbelow for such encroachments as are contained in the building whether the same now exist or may be caused or created by existing construction, settlement, or movement of the building, or by permissible repairs, construction or alteration.

All units shall be substantially the same in construction and material. Each of the 32 units is wholly contained within one of the two levels or stories of each of the four buildings.

All 32 units are alike, except for their exact physical location within the condominium. Each unit has approximately 842 square feet and contains a living/dining area, kitchen, 2 bedrooms, 1 full bath and decks.

Each unit is hereby defined to also include:

1. All non-load bearing partition walls located entirely within

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the unit;

2. All materials, including, but not limited to, carpet, paint, and vinyl attached to, or on, the interior finished surfaces of the perimeter walls, floors and ceilings of the unit; and all window panes, frames, panes, exterior doors and decking for the decks.

3. All air handling and condensing units, ducts and components, and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewer lines, located within the unit; provided, however, that the portion of said lines located within a common compartment for, or installation of, such lines shall be common areas and facilities as defined hereinabove.

Each unit is hereby defined to exclude all pipes, ducts, wire, conduits and other facilities for the furnishing of utility services and other services to the units up to and including the point of entry of such pipes, ducts, wires, conduits and other facilities through the interior finished surface material for perimeter walls, ceilings and floors of the units. All such pipes, ducts, wires, conduits, and other such facilities are defined as a part of the unit at and from their point of entry into the unit.

The definition stated hereinabove for "Unit" is complete and all other aspects of the condominium not hereinabove defined as a part of the unit is defined as a part of the common areas and facilities of the condominium.

The specifics, such as style, construction, materials, and finishes of the building and its units are best described in the plans of the building which are shown in Exhibit B, attached hereto and made a part hereof by reference, and which shall control in case of conflict with the provisions hereof.

R. UNIT DESIGNATION shall mean and refer to the number which designates a unit within the condominium as the same is shown upon the plans of the building in Exhibit B attached hereto.

S. UNIT OWNER shall mean and refer to a person, corporation, partnership, association, trust, other legal entity, or any combination thereof, in whose name or names the title to or an interest in the title to any unit is vested, excluding those who own or hold such title or interest under the terms of any mortgage or deed of trust or other similar instrument for the purposes of securing the payment of any indebtedness or the performance of an obligation.

ARTICLE IIIPlan of Development and Scope of Declaration

The name by which this condominium shall henceforth be known is FRANKLIN SQUARE . The Declarant has caused to be constructed upon the real property described in Exhibit A the four (4) multi-unit buildings, containing the thirty-two (32) units of the buildings as well as the common areas and facilities of both the buildings and the real property, all as defined hereinabove and as shown upon the plans contained in Exhibit B attached hereto and made a part hereof by reference. The units of the building, together with their privileges and appurtenances, shall be offered for sale to the public by the Declarant as condominium units pursuant to the provisions of Chapter 47A of the General Statutes of the State of North Carolina, subject to the covenants, conditions, restrictions, and obligations stated in the Articles of this Declaration, the Articles of Incorporation of the Association, its duly adopted By-Laws and its Rules and Regulations.

ARTICLE IVThe Nature and Incidents of Unit Ownership

A. Each unit shall be conveyed and treated as an individual real 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 unit, an undivided interest in the common areas and facilities of FRANKLIN SQUARE . The undivided interest in the common areas and facilities of FRANKLIN SQUARE appurtenant to each of the 32 units of FRANKLIN SQUARE and the fair market value of each Unit on the date of this Declaration is shown on Exhibit D hereto attached and made a part hereof.

B. No unit may be divided or subdivided into a smaller unit or units than as shown on Exhibit B hereto, nor shall any unit or portion thereof be added to or incorporated into any other unit. The undivided interest in the common areas and facilities declared to be an appurtenance to each unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said unit, and the undivided interest in common areas and facilities 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 conveyance, mortgage, or other instrument which purports to grant any right, interest, or lien in, to or upon a unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a unit and its appurtenant undivided interest in common areas and facilities, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire unit. Any instrument conveying, devising, encumbering, or otherwise dealing with any unit, which described said unit by the letter/numerical designation assigned thereto in Exhibit B without limitation or exception, shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common areas and facilities by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

C. The common areas and facilities shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement in favor of all of the owners of units in FRANKLIN SQUARE, for their use and the use of their immediate families, guests or invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of units. Notwithstanding anything above provided in this Article, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any unit, his family, guest and invitees, may be entitled to use the common areas and facilities, including the right to make permanent and temporary assignments of parking spaces, and to establish regulations concerning the use thereof, if necessary.

D. Recognizing that the proper use of a unit by an owner or owners is dependent upon the use and enjoyment of the common areas and facilities 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 areas and facilities be retained in common by the owners, it is hereby declared that the proportional undivided interest in the common areas and facilities appurtenant to each unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition or division.

ARTICLE V

Use Restrictions

A. Each unit is hereby restricted to single-family residential use by the owner thereof, his immediate family, guests, invitees and lessees; it being intention that no unit shall be sold or conveyed as a "time-shre" or "interval Ownership" unit.

B. No immoral, improper, offensive or unlawful use shall be made of any unit or of the common areas and facilities, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the unit shall be observed. No owner of any unit shall permit or suffer anything to be done or kept in his unit, or on the common areas and facilities, which will increase the rate of insurance on the unit, or which will obstruct or interfere with the rights of other occupants of the other units 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 areas and facilities.

C. The use of common areas and facilities, 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.

D. No owner of a unit shall permit any structural modification or alternation to be made to such unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in their sole discretion, 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 antenna or any other objects, machines or air conditioning units 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 had and obtained. No unit owner shall cause any object to be fixed to the common areas and facilities (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 areas and facilities or limited common areas and facilities without the written consent of the Association being first had and obtained. No owner of a unit shall permit the use of any window or glass covering, blind, shade, drape, curtain or other decoration of a color other than white.

E. So long as the declarant shall retain ownership of any units, it may utilize any such unit or units for sales offices, models or other usage for the purpose of selling units within said project. The Declarant may assign this limited commercial usage right to any other person or entities as it may chose; provided, however, that when all units have been sold, this right of commercial usage by the Declarant, its successors and assigns shall immediately cease.

F. The use of the condominium may be further restricted under the By-Laws of the Association, or its Rules and Regulations.

ARTICLE VIEasements

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

A. 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 Board of Directors of the Association, or any other person authorized by it, or the managing agent, 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.

B. Each unit owner shall have an easement in common with the other owners of all units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair, or replace the common facilities contained therein or elsewhere in the building.

C. The initial and subsequent Boards may grant or assume easements, leases, or licenses for utility purposes for the benefit of the condominium, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the units and/or common areas and facilities; and, each unit owner hereby grants to the Board, or its designee, the irrevocable power of attorney to execute, acknowledge, and record for or in the name of the Association or each unit owner each instruments as may be necessary to effectuate the foregoing.

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D. Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities; and, for vehicular traffic over, through and across such portions of the common areas and facilities as from time to time may be paved and intended for such purposes, for all unit owners of units in all phases of FRANKLIN SQUARE, their guests, families, invitees, lessees, the Association, and the Declarant, its successors and assigns.

E. The Declarant hereby reserves unto itself the right to grant easements over any of the common areas and facilities of this phase of FRANKLIN SQUARE to be used for, by, or in connection with any other phases of FRANKLIN SQUARE, which may hereafter be erected on the property described in Exhibit A, pursuant to this Declaration, as may become necessary for the purpose of the Declarant, its grantee, lessee, successor, or assigns, servicing such adjacent phases with utility services, drainage and easements for ingress and egress and regress.

F. In the event that any unit shall encroach upon any of the common areas and facilities, 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 areas and facilities or upon a unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the common areas and facilities shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the common areas and facilities upon any unit for so long as such encroachment shall naturally exist. If any unit or common areas and facilities 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 areas and facilities in accordance with this Declaration, there exist encroachments of portions of the common areas and facilities upon any unit, or of any unit upon any other unit or upon any portion of the common areas and facilities, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

ARTICLE VIIthe Association

To efficiently and effectively provide for the administration and maintenance of FRANKLIN SQUARE, and future phases, if any, by the unit owners, a nonprofit North Carolina corporation known and designated as FRANKLIN SQUARE Association, Inc. (hereinafter the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book ____ at Page ____ in the Office of the Register of Deeds of New Hanover County, North Carolina, and the provisions thereof are incorporated herein by reference. The Association shall administer the operation and management of the condominium, FRANKLIN SQUARE, as well as future phases, if any, and shall undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and its duly adopted By-Laws. A true copy of the original By-Laws are attached here in Exhibit C and expressly made a part hereof by reference.

A. Declarant Control: Until 75% of all units in all phases of FRANKLIN SQUARE have been sold and deeded to purchasers, or on October 1, 1986, whichever occurs first, the Board of Directors of the Association shall consist of those two (2) individuals appointed by the Declarant to the initial Board of Directors of the Association as stated in its Articles of Incorporation, of their successors or replacements, as provided for in the duly adopted By-Laws of the Association. Until said date, said Board shall exclusively be responsible for the total operation and management of the Association, exercising all powers, duties, and obligations thereof, free from interference or control by any and all unit owners; provided, however, that said Board shall manage and operate the Association in a manner consonant with the terms and conditions of this Declaration, any and all supplements or amendments hereto, the Association's Articles of Incorporation and its duly adopted By-Laws; provided, further, however, that the Declarant may give written notice to each unit owner at any time prior to the above-reference date and manifest its intention to cause the resignation of said Board of Directors at which time the initial meeting of the membership of the Association shall be

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the Association from the membership thereof, who shall then become responsible for the operation and management of the Association.

B. Membership and Voting Rights: Membership and voting rights in the Association shall be as provided in Article VI of its Articles of Incorporation referred to and incorporated herein as stated hereinabove; membership being mandatory for all unit owners and all units in all phases of FRANKLIN SQUARE .

C. Powers: The Association shall have all powers granted to it as stated in Article V of said Articles of Incorporation.

D. Common Expenses: The common expenses of the Association shall be shared by the unit owners in the same proportions that the undivided interest in the common areas and facilities appurtenant to each owner's unit bears to the total of all undivided interests in the common areas and facilities appurtenant to all units, and as assessment against the unit owners and their units as provided for hereinbelow.

E. Management and Maintenance

1. The Association, as a common expense, shall be responsible for the maintenance, repair and replacement of all of the common areas and facilities, 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 areas and facilities for the furnishing of utility and other services to the units and said common areas and facilities, and should any incidental damage be cause 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 areas and facilities, 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 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 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 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.