

52.00
1

BOOK PAGE
1252 1744

RECORDED AND VERIFIED
REBECCA P. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC

MAY 4 12 46 PM '84

DECLARATION CREATING UNIT OWNERSHIP
OF PROPERTY UNDER CHAPTER 47A
OF THE GENERAL STATUTES OF NORTH CAROLINA
- oOo-
LONG LEAF OFFICE CONDOMINIUMS
DECLARANT
F, P & P ASSOCIATES

<u>ARTICLE</u>	<u>TOPIC</u>	<u>PAGE</u>
I	SUBMISSION OF PROPERTY	1
II	DEFINITIONS	2
III	PLAN OF DEVELOPMENT AND SCOPE OF DECLARATION	5
IV	THE NATURE AND INCIDENTS OF UNIT OWNERSHIP	5
V	USE RESTRICTIONS	6
VI	EASEMENTS	7
VII	THE ASSOCIATION	8
VIII	TERMINATION	19
IX	AMENDMENT OF DECLARATION OF CONDOMINIUM	20
X	REMEDIES IN EVENT OF DEFAULT	21
XI	RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS	22
XII	SEVERABILITY	23
XIII	LIBERAL CONSTRUCTION	23
XIV	DECLARATION OF CONDOMINIUM BINDING ON ASSIGNS AND SUBSEQUENT OWNERS	23
XV	EMINENT DOMAIN	23
XVI	SERVICE OF PROCESS	24
XVII	WARRANTIES AND REPRESENTATIONS	24

36

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

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

THIS DECLARATION, made this the 14 day of MARCH, 1984, by F, P & P ASSOCIATES, with a certificate recorded in Book 1233, at Page 1280 of the New Hanover County Registry, hereinafter referred to as "Declarant";

KNOW ALL MEN BY THESE PRESENTS

THAT WHEREAS, the Declarant is the owner of record of the fee simple title of certain real property in the 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 one multi-unit building and certain other improvements heretofore constructed upon the aforesaid property; and

WHEREAS, it is the desire and 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 recordation of this DECLARATION in the Office of the Register of Deeds of New Hanover County, North Carolina to submit said condomium 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 improvements of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the real property and improvements, or any subdivision thereof, their grantees, successors, heirs, executors, administrators, devisees 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

1252 1746

For the purposes of this Declaration and the By-Laws of the Association, hereinafter defined, the following definitions for the terms 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 North Carolina General Statutes, as such may be supplemented or amended from time to time.

B. ASSOCIATION shall mean and refer to LONG LEAF OFFICE CONDOMINIUMS ASSOCIATION, INC., the mandatory association of all unit owners, as is more particularly described in Article VII hereinbelow.

C. ASSESSMENT shall mean and refer to a share of the funds required 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 by the Association, all as provided for hereinbelow.

D. BUILDING shall mean and refer to the single multi-unit building which the Declarant has constructed upon the real property described in Exhibit "A", to be used for business purposes, as hereinafter provided. Attached hereto and made a part hereof by reference is Exhibit "B" which consists of a full and exact copy of the plans of the building as well as a survey of the real property drawn by Envirotek, Inc. & Jack G. Stocks showing the location of the building thereon. Said building is more particularly described in the plans of said building, showing all particulars as required by law. The building has been subdivided into five units hereinafter defined as well as the common areas and facilities, also hereinafter defined, of the building. The building has been principally constructed with wood, concrete brick and fiberglass shingle roofing.

E. BOARD shall mean and refer to the Board of Administrators of the Association and Administrator 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 has been recorded in the New Hanover County Registry in Book 1252 at Page 1728.

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 thereon 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, columns, girders, beams, supports, roofs, ventilation fans and vents, load bearing walls, including all exterior walls and all interior walls (except non-load bearing partition walls wholly within a unit) of the building;

3. All yard and garden areas, parking and drive areas, and sidewalks;
4. 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, if any, and cable TV, if any, supplied for the common use and convenience of the unit owners, and which are not defined as part of the units, hereinbelow;
5. All other portions of the real property and the improvements thereon 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 expense is 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.

J. CONDOMINIUM shall mean and refer to the entire proposed development consisting of all of the real property and the building; 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.

K. DECLARANT shall mean and refer to F, P & P ASSOCIATES, its successors and assigns.

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 one hundred (100) percent of the aggregate interest in the common areas and facilities, as established by this Declaration hereinbelow, assembled at a duly called meeting of the unit owners.

N. PERSON shall mean and refer to 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. 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 subdivisions of enclosed space within the building, together with any additional areas or spaces accompanying the same as defined hereinbelow, and which are intended to or will be sold as office 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 privilege 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 building are and will be identified by their unit designation which are Units 1-5 inclusive. These units and their designations are shown upon the plans of the building attached hereto in Exhibit "B" which also shows graphically all particulars of the building and its units, including, but not limited to, the layout, location, ceiling, and floor elevations, dimensions of the units and the area and location of the common areas and facilities. Reference is hereby made to said plans for the purpose 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 bounded both as to horizontal and vertical boundaries by the interior finished surface of the units' perimeter walls, ceilings, and floors, all of which are shown on said plans, 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 design, construction and material with the exception that Unit 3 shall have an enclosed surface area of 3000 square feet while Units 1, 2, 4 and 5 shall have an enclosed surface area of 2000 square feet. Each unit has an upstairs and a downstairs approximately equal in size and design. The 2000 square foot units are approximately fifty feet (50') deep and twenty feet (20') wide. The 3000 square foot unit is approximately fifty feet (50') deep and thirty feet (30') wide. The interior design and finish is subject to the preferences of the individual unit owner. Each unit shall be equipped with and is defined to include its own electrical meter, and a split system heat pump.

Each unit is hereby defined also to include:

1. All non-load bearing partition walls located entirely with 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, and exterior doors.
3. All air handling and condensing units, ducts and components, and all water, power, telephone, television, electricity, plumbing, gas and sewage 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, wires, 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 units 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 units is defined hereby 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 an indebtedness or the performance of an obligation.

ARTICLE III - Plan of Development and Scope of Declaration

The name by which this condominium project shall henceforth be known is LONG LEAF OFFICE CONDOMINIUMS. The Declarant has caused to be constructed upon the real property described on Exhibit "A", the multi-unit building, containing five units of the building as well as the common areas and facilities of both the building 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 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 IV - The 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 LONG LEAF OFFICE CONDOMINIUMS. The undivided interest in the common areas and facilities of LONG LEAF OFFICE CONDOMINIUMS appurtenant to each of the units is hereby established as set forth in Exhibit "C". The proportional interest in the common areas and facilities that is appurtenant to each unit has been determined in a manner consistent with the Act.

B. 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 describes said unit by the 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. Nothing herein contained shall be construed as limiting or preventing ownership of any 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 perpetual non-exclusive easement in favor of all of the owners of units in LONG LEAF OFFICE CONDOMINIUMS for their use and the use of their guests or invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably extended, 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 and his guests and invitees may be entitled to use the common areas and facilities.

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 commercial or office uses. No owner of any unit shall permit the use of his unit for residential purposes.

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 the 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 alteration to be made to such unit without first obtaining the written consent of the Association. No owner shall cause any improvements or changes to be made on the exterior of the condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects, 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.

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

ARTICLE VI - EASEMENTS

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 Administrators 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 other 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 Administrators 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 condominiums, 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 limited 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 such instruments as may be necessary to effectuate the foregoing.

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 LONG LEAF OFFICE CONDOMINIUMS, their guests, invitees, lessees, the Association, the Declarant, its successors and assigns.

E. In the event that any unit shall encroach upon any of the common areas and facilities, or any other unit or units, for any reasons not caused by the purposeful or negligent act of the unit owners, 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 encroachment shall naturally remain.

ARTICLE VII - THE ASSOCIATION

To efficiently and effectively provide for the administration and maintenance of LONG LEAF OFFICE CONDOMINIUMS by the unit owners, a non-profit North Carolina corporation known and designated as LONG LEAF OFFICE CONDOMINIUMS ASSOCIATION, INC., (hereinafter called the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book 1252 at Page 1724, 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 Condominiums. LONG LEAF OFFICE CONDOMINIUMS ASSOCIATION, INC., 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, which appear in full in Book 1252 at Page 1728 in the Office of the Register of Deeds of New Hanover County; and the provisions thereof are incorporated herein by reference as if fully set forth herein.

A. Declarant Control: Until December 31, 1984, or the date upon which the Declarant is no longer the owner of any units in LONG LEAF OFFICE CONDOMINIUMS, whichever date occurs first, the Board of Administrators of the Association shall consist of those three (3) individuals appointed by the Declarant to the initial Board of Administrators of the Association as stated in its Articles of Incorporation, or their successors or replacements, as provided for in the duly adopted ByLaws 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 the Declaration, any and all supplements or amendments hereto, the Association's Articles of Incorporation and its duly adopted ByLaws; provided,

further, however, that the Declarant may by written notice to each unit owner at any time prior to the above-referenced date manifest its intention to cause the resignation of said Board of Administrators at which time the initial meeting of the membership of the Association shall be called for the purpose of the election of a new Board of Administrators of 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 II of the By-Laws referred to and incorporated herein as stated hereinabove.

C. Powers: The Association shall have all powers granted to it as stated in Article 3 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 assessed against the unit owners and other 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 building or 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 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 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 or his 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 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.
2. The Association shall have the right to make or cause to be made such alteration or improvements to the common areas and facilities 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

PAGE

1753

BOOK

1252

alterations and improvements are approved by the Board of Administrators 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 and 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 alteration or improvement shall be assessed against and collected solely from the owner or owners of the unit or units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Administrators of the Association.

3. The Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the manager by the Board of Administrators, except such as are specifically required by this Declaration, the By-Laws, or the Unit Ownership Act, to have the approval of the Board of Administrators, or the Association. The manager is hereby further authorized to recommend the annual budget and upon approval thereof, by the Board of Administrators, make assessments for common expenses, and collect such assessments as provided in this Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Administrators.

4. Unit Owners Maintenance:

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 a part belonging to other owners; every owner being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his unit. Such owner shall further be responsible and liable for the maintenance, repair and replacement of the surfaces of any and all walls, ceilings, and floors which are a part of his unit, including painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in 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. All glass doors, window frames, panes and screens are a part of the respective units and shall be maintained by the respective unit owners.

All parts of a unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply with any requirements of the insurance underwriters of the insurance for the common areas and facilities when so requested in writing by the Board or its designated agent. Any failure of an owner to repair, maintain or replace as may be required pursuant to this Declaration, or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common areas and facilities or any unit may be, upon written notice to the owner of the nature of the required repair, maintenance, or replacement, repaired or replaced by the Association at the expense of the unit owner to be collected by special assessment as provided herein and in the By-Laws. Such assessment may include the cost to the Association incurred in the abatement of any nuisance maintained by the unit owner therein.

5. Limitation of Liability: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent conditions of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

F. Insurance:

1. Acquisition: Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Board of Administrators of the Association, as Trustee for the unit owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificates or mortgagee endorsements to the holders of first mortgages on the units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against unit owners, the Association and their respective servants, agents, and guests. Each unit owner may obtain insurance, at his own expense, affording coverage upon his unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waivers of subrogation as that referred to above if the same is available.
2. Coverage: All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value,

- excluding foundation and excavation costs, or by ninety (90) percent co-insurance coverage or by such other form of policy as the Board of Administrators annually determines will most reasonably provide the funds necessary to repair or reconstruct the insured improvements. Such coverage shall afford protection against (a) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and (b) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the real property, including, but not limited to, vandalism and malicious mischief.
3. Public Liability Insurance: Public liability insurance shall be secured by the Association in such amount and with such coverage as shall be deemed necessary by the Board of Administrators, including but not limited to, an endorsement to cover liability of the unit owners as a group or to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Administrators or manager shall determine from time to time to be desirable or necessary.
 4. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association and chargeable to the Association as a common expense.
 5. Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The Board of Administrators of the Association is hereby irrevocably appointed agent for each unit owner and his mortgagee as their interests may appear for the purpose of compromising and settling the claims arising under insurance policies purchased by the Board of Administrators for the benefit of the Association and the unit owners; said Board of Administrators or its designee is hereby further empowered to execute and deliver releases to the insurance carrier upon the payment of claims. The Board of Administrators' duty or its designee's duty upon receipt of such proceeds shall be to hold the same in trust for the purposes elsewhere stated herein or in the By-Laws for the benefit of the Association and the unit owners and their mortgagees, as their interests may appear.
 6. Distribution of Insurance Proceeds: Proceeds of Insurance policies shall be payable to the Board of LONG LEAF OFFICE CONDOMINIUMS ASSOCIATION, INC., as insurance trustee and shall be distributed to or for the benefit of the beneficial owners in the following manner:
 - (a) Expense of the Trust: All expenses of the insurance trustee shall be first paid or provision made therefor, if any:
 - (b) Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as determined in

Paragraph F(7) hereof. Any proceeds remaining after defraying such cost shall be distributed as surpluses to the beneficial owners of the damaged units pursuant to Paragraph H hereof;

- (c) Failure to Reconstruct or Repair: If it is determined, as provided in Paragraph F(7) hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed as surplus to the beneficial owners of the damaged units thereof pursuant to Paragraph H hereof;
- (d) Mortgagees: In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired.

7. Damage and Destruction:

Determination to Reconstruct or Repair: If any part of the condominium property shall be damaged by casualty, whether it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Areas and Facilities: If the damaged improvement is a common area or facility, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

(b) Units:

(i) Partial Destruction: If the damaged improvement is a unit, and if termination as provided in subparagraph (ii) below does not take place, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated;

(ii) Total Destruction: If more than one-half (1/2) of the units are destroyed and the owners of all of the units in the entire condominium should determine not to proceed with repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina Statutes, and any amendments thereto, shall take place.

Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits, or if not, then according to plans and specifications approved by the Board of Administrators of the Association, and if the damaged property is a unit, by the owners of all damaged units therein, which approvals shall not be unreasonably withheld.

Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the costs to rebuild or repair.

Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common areas and facilities shall be in proportion to the unit owner's share in the common areas and facilities.

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

H. Assessments: Liability, lien and enforcement: The Association has been given the authority to administer the operation and management of the condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all units. To properly administer the operation and management of the condominium, the Association will incur for the mutual benefit of all of the owners of units, costs and expenses which are sometimes herein referred to as "common expense". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the unit owners and their units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the cost and expenses for the operation, management of and capital improvements to the condominium, the following provisions shall be operative and binding upon all the owners of all units: