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

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STATE OF NORTH CAROLINA :  
COUNTY OF NEW HANOVER :  
: DECLARATION CREATING UNIT  
: OWNERSHIP OF RANDALL SQUARE  
: OFFICE CONDOMINIUMS  
: PHASE I

10

THIS DECLARATION, Made this 26th day of March, 1986,  
by RISING 3, INC., hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, the Declarant is owner of certain real property located  
in the City of Wilmington, County of New Hanover and the State of North  
Carolina which is more particularly described in Exhibit A, attached  
hereto and incorporated by reference herein; and,

WHEREAS, the Declarant has constructed a building and certain  
other improvements on the aforesaid property; and,

WHEREAS, it is the desire and intention of the Declarant to  
submit said property to unit ownership pursuant to the provisions of  
Chapter 47 A of the General Statutes of the State of North Carolina and  
to market, sell and convey interests in said property and the improve-  
ments thereon pursuant to said Statute; and,

WHEREAS, the Declarant desires to reserve unto itself the right  
to submit additional properties to this Declaration.

NOW, THEREFORE, the Declarant does hereby declare that all of the  
real property described in Exhibit A, attached hereto and incorporated  
by reference herein, as well as all of the improvements constructed  
thereon shall be held, conveyed, hypothecated, encumbered, used, oc-  
cupied and improved subject to the following covenants, conditions,  
restrictions, uses, limitations and obligations, all of which shall 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 any  
interest in the real property and the improvements or any subdivision  
thereof, their grantees, successors, heirs, executors, administrators  
and assigns:

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Returned To David Huffine

1. SUBMISSION OF PROPERTY: The Declarant does hereby submit all the real property described in Exhibit A, attached hereto and incorporated by reference herein, together with all improvements thereon to the provisions of the "Unit Ownership Act" as enacted by the State of North Carolina and codified in Chapter 47 A of the General Statutes of the State of North Carolina.
2. DEFINITIONS: For the purposes of this Declaration and the By-Laws of the Association, the following definitions shall apply unless otherwise defined by the context thereof:
  - a. "ACT" shall mean and refer to N.C.G.S. 47-A entitled "Unit Ownership Act" as the same may be supplemented or amended from time to time.
  - b. "ASSOCIATION" shall mean and refer to Randall Square Office Condominium Property Owner's Association, Inc., the association of all unit owners, as is more particularly described herein.
  - c. "ASSESSMENT" shall mean the share of funds required for payment of common expenses, as hereinafter defined, of the Association which from time to time shall be levied or assessed against the Unit Owner by the Association as provided below.
  - d. "BUILDINGS" shall mean and refer to the building which the Declarant has constructed or will construct upon the real property described in Exhibit A to be used for business purposes as hereinafter provided as well as any other buildings submitted to this Declaration in accordance with the provisions hereof. The plans of the building prepared by J.G. Johnson Architects, P.A., showing the location of the building are attached hereto as Exhibit B. Said buildings are more particularly described in said plans and reference is hereby made to the plans for all the particulars required by law. In general, the building has two stories and is constructed of wood siding. There are no basements or garages. The building has approximately 2040 square feet of heated area and the initial building contains only one unit, said unit being hereinafter defined. The roof is constructed of fiberglass shingles.

e. "BOARD" shall refer to the Board of Directors of the Association.

f. "BY-LAWS" shall refer to the By-Laws of the Association providing for the government of the Association as 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 incorporated by reference herein.

g. "COMMON AREAS AND FACILITIES" shall mean and refer to all the real property described on Exhibit B and all of the improvements and facilities thereon, including those portions which are defined below as Limited Common Areas and Facilities and which are not units as hereinafter defined and which are not items of personal property owned, held or maintained by unit owners. Without in any way limiting the generality of the foregoing, the Common Areas and Facilities shall include, but not be limited to, the following:

(1) All of the real property more particularly described in Exhibit "A" attached hereto and incorporated by reference herein;

(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 interior walls wholly within a unit) of the building.

(3) All yard and garden areas, parking and drive areas and sidewalks.

(4) All installations and facilities, apparatus, conduits and equipments for the provision of all utility services, including but not limited to, all water and sewer service, electricity, heating, air conditioning, telephone, irrigation and trash disposal, if any, supplied for the common use and convenience of the Unit Owners, and which are not defined as part of the units below.

(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 and intended for the common and convenient use, existence, maintenance and safety of the condominium project.

h. "LIMITED COMMON AREAS AND FACILITIES" if any, shall be deemed a part or parts of the common areas and facilities which are reserved for use by less than all the Unit Owners and shall be those areas designated as limited common areas and facilities on Exhibit B attached hereto and incorporated by reference herein. The Limited Common Areas and Facilities shall be limited to use solely by the occupants of the unit or units to which they are connected and no other occupants.

i. "COMMON EXPENSES" shall mean and refer to the total cost and expense incurred by the Association for the administration, maintenance, operation, safety, repair, and replacement (including a capital reserve for repair, maintenance, and replacement of the Common Areas and Facilities) including those portions which are herein defined as Limited 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 which shall be hereafter agreed upon by the Association or unit owners as common expenses of the Association.

j. "COMMON SURPLUS" shall 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 of the following fiscal year of the Association, based upon a proposed budget of the Association for the following fiscal year.

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

- l. "DECLARANT" shall refer to Rising 3, Inc., its successors and assigns.
- m. "DECLARATION" or "DECLARATION OF CONDOMINIUM" shall refer to this instrument as it may be from time to time amended or supplemented.
- n. "DIRECTOR" shall refer to a member of the Board of Directors of the Association.
- o. "MAJORITY OF UNIT OWNERS" shall refer to the owners of 51% of the aggregate interest in the common areas and facilities as established by this Declaration assembled at a duly called meeting of the Unit Owners.
- p. "PERSON" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.
- q. "UNIT OWNER" shall refer to the Persons owning a condominium unit.
- r. "REAL PROPERTY" shall refer to all of the real property described in Exhibit A, attached hereto and incorporated by reference herein.
- s. "UNIT OR CONDOMINIUM UNIT" shall refer to any area of enclosed air space designated a unit or condominium unit on the plans attached hereto as Exhibit B, together with any additional areas, spaces and equipment accompanying the same as defined below and which are intended to or will be sold as a condominium unit pursuant to the Act and this Declaration. The deed for any particular unit shall convey such unit by its unit's designation and shall be deemed to include all that is defined as a part of that unit in this Declaration as well as the privileges and appurtenances accompanying any such unit. Any such conveyance shall be subject to the covenants, conditions, restrictions and obligations set forth in this Declaration, without regard to whether the same are stated therein and shall convey the interest in the common area set forth above without regard to whether such interest is expressly conveyed.

The unit designation of the building as shown on the plan of the building attached hereto as Exhibit B and the unit shall be referred to

as Unit A. Reference is made to Exhibit B, attached hereto and incorporated by reference herein, for the particulars of the building and the unit including, but not limited to, the layout, location, ceilings and floor elevations, dimensions of the units, and the area and location of the common areas and facilities and those portions of the common areas and facilities which are designated as Limited Common Areas and Facilities. No unit bears the same designation as any other unit. Any conflict between said plans and this definition shall be resolved by reference to said plans which shall control.

All units, including any accessory spaces and areas, 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 easements reserved herein below for such encroachments as are contained in the building, whether the same now exists or may be caused or created by existing construction, settlement or movement of the buildings, or by permissible repairs, construction or alteration.

Each unit is defined also to include the following:

(1) All non-load bearing partition walls located entirely within the unit.

(2) All materials, including but not limited to, carpet, paint, wall paper and vinyl attached to, or on, any interior finished surfaces of the perimeter walls, floors, and ceilings of the unit; and all doors, windows, window frames, window panes and window screens.

(3) Unit A contains approximately 2040 square feet of heated space.

3. PLAN OF DEVELOPMENT AND SCOPE OF DECLARATION. The Declarant submits only the real property described on Exhibit A, attached hereto, together with the improvements thereon to the act and hereafter this submission shall be referred to as Randall Square Office Condominium, Phase I. The Declarant hereby reserves to itself and its assigns, the

exclusive right and option, but not the obligation, to add to or expand the property subject to this Declaration by the addition of all or any portion or portions of the real property described on Exhibit D, attached hereto and made a part hereof by reference, in one or more additional phases of Randall Square Office Condominiums upon the following terms and in the following manner:

a. Any addition of real property subject to this Declaration, if any, shall occur only by the registration in the office of the Register of Deeds of New Hanover County of one or more supplemental declarations which shall be executed by the Declarant or its assigns. The addition to or expansion of the real property subject to this Declaration shall be at the sole discretion of the Declarant or its assigns, without consultation with or consent of any unit owner. Every unit owner, by accepting a deed for a unit therein, shall be deemed to have agreed for said unit owner to such addition or expansion of the project subject to the provisions of this paragraph.

b. The right and option to submit additional property to this Declaration shall terminate on January 1, 1991;

c. In the event the Declarant submits additional real property to the terms and provisions of this Declaration, the Declarant covenants and agrees that no more than 15 additional units will be added to Randall Square Office Condominium making a total of 16 units;

d. The Declarant covenants and agrees that all buildings subjected to the Declaration shall not be more than two stories in height and shall be constructed of materials substantially similar to those used in Randall Square Office Condominium, Phase I.

e. In the event Declarant adds to or expands the property and therefore the number of units subject to this Declaration, the fractional or percentage undivided interest of each unit owner in the common areas and facilities shall necessarily be amended. For said purpose, and in accordance with the requirements of the Act that the percentage of undivided interest of the common areas shall have a permanent

character and shall not be altered except with an unanimous consent of all the unit owners and expressed in an amended Declaration, each unit owner, by acceptance of the deed for any unit shall be deemed to have specifically agreed for said unit owner, its successors, assigns, devisees and heirs, that the Declarant shall have the right and power, either individually or as attorney in fact for each unit owner to establish the undivided fractional percentage interest for such unit owner in the common areas and facilities and is authorized to execute a supplemental declaration setting forth the amended undivided fractional percentage interest of the unit owner provided, however, that the undivided fractional percentage interest shall be the proportion that the then fair market value of each unit, new and existing, as determined solely by the Declarant, bears to then aggregate fair market value of the units on the date of the Supplemental Declaration. In determining such fair market value for any additional unit added to or made subject to this Declaration, Declarant may use the offering or purchase price of such unit or the fair market value as established by an independent appraiser. In determining fair market value of the units previously subjected to this Declaration, the Declarant may use the value then established for ad valorem tax purposes by the appropriate authorities or the value established by a independent appraiser. In determining the fair market value of the units previously subjected to this Declaration, the Declarant may use the value then established for ad valorem tax purposes by the appropriate authorities or the value established by an independent appraiser.

4. NATURE AND INCIDENCE OF UNIT OWNERSHIP.

a. Units shall be conveyed and treated as individual real property capable of independent use and fee simple ownership and each unit owner shall also be conveyed, appurtenant to the ownership in each unit, an undivided interest in the common areas and facilities of Randall Square Office Condominium, Phase I, and any future phases, if any, as amended pursuant to paragraph 3 above. The undivided interest

in the common areas and facilities of Randall Square Office Condominiums Phase I, or unit A shall be 100%, this being the portion that the fair market value of the unit bears to the aggregate fair market value of all units on the date of this Declaration in accordance with the Act.

b. No unit may be divided or subdivided into a smaller unit or units nor shall any unit or portion thereof be added to or incorporated into any other unit unless written approval is first obtained by the Board of Directors of the Association as hereinafter provided.

The undivided interest in the common areas shall not be conveyed, devised, encumbered or otherwise dealt with separately from any unit and the undivided interest in the 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.

c. The common areas and facilities shall be, and the same are hereby declared to be subject to a perpetual, non-exclusive easement in favor of all unit owners for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended, the use of said unit owner. Notwithstanding anything provided herein, the Association shall have the exclusive right to establish the rules and regulations pursuant to which any unit owner, tenants, guests and invitees may be entitled to use of the common areas and facilities, including the right to make permanent and temporary assignment of parking spaces, and to establish regulations regarding the use thereof, provided, however, said rights shall not be used in such a fashion so as to prohibit reasonable access to and from any unit to a public vehicular area.

d. No unit owner shall have the right to bring any action for partition or division of the common areas and facilities.

6. USE RESTRICTIONS.

a. No portion of any unit shall be used except for office or business purposes and for purposes incidental or excessory thereto.

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 over the unit shall be observed.

c. No unit owner of any unit shall permit or suffer anything to be done or kept in said unit, or on the common areas and facilities, which will increase the rate of insurance on the unit, or common areas and facilities, or which will obstruct or interfere with the rights of other occupants of other units or shall cause unreasonable noises or constitute a nuisance to any other unit owner or which interferes with the peaceful possession and property use of any other unit or of the common areas and facilities.

d. The use of the common areas and facilities, by any unit owner, and any other party authorized to use the same, shall at all times be subject to such reasonable rules and regulations as may be established by the Association.

e. No unit owner shall permit any structural modification or alteration to be made to a unit without first having the written consent of the Board of Directors of the Association. No owner shall cause any improvements or changes to be made on the exterior of the condominium or in any manner alter the appearance of the exterior portion of the buildings, without the written consent of the Board of Directors of the Association. No unit owner shall cause any object to be affixed to the common areas and facilities or in any manner change the appearance of the common area and facilities without the written consent of the Association having been obtained.

f. All exterior signs or signs which are visible from the exterior of the building shall be approved by the Board of Directors of the Association or such agent as said Board of Directors designates. All such signs must be in keeping with the general plan and design of the condominium.

g. For so long as Declarant shall retain ownership in any of the units, including additional phases which may be submitted to this

Declaration, the Declarant may utilize any such units or units for sales offices, models or other usage for the purpose of selling units in the condominium. The Declarant may assign this limited usage right to such person as they may choose.

h. No animals, domesticated or otherwise, shall be kept or housed in any unit or in the common areas and facilities, without the prior written consent of the Association.

i. The Association is hereby authorized to establish reasonable rules and regulations regarding the units, buildings, common areas and facilities as they may deem necessary from time to time.

7. EASEMENTS. In addition to any easements provided herein, the following easements and rights are hereby established as covenants and burdens running with the real property and the improvements thereon:

a. The Board of Directors of the Association or other person authorized by said Board shall have the right, in case of any emergency, to enter any 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 is hereby granted an easement in common with other owners of units as well as the Association to use all pipes, wires, ducts, cables, conduits and public utility lines located in any of the other units. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect said areas and to remove violations therefrom, and to maintain, repair or replace the common facilities contained therein or elsewhere in the building.

c. The Board of Directors may grant or issue 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 or on any portion of the units or common areas and facilities and each unit owner hereby grants to the Board of Directors or its designee, the irrevocable

power of attorney to execute, acknowledge and record for or in the name of the Association or each unit such instruments as may be necessary to effectuate the foregoing.

d. Ingress and egress is reserved for pedestrian traffic over, through and across the 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 in all Phases of Randall Square Office Condominiums, their guests, invitees, lessees, the Association and the Declarant.

e. The Declarant hereby reserves unto itself the right to grant easements over any of the common areas and facilities of this Phase of Randall Square Office Condominiums, to be used by, for or in connection with any other Phases of Randall Square Office Condominium which may be hereafter erected on the real property described in Exhibit D as may be necessary for the purpose of the Declarant, its grantees, lessees and assigns servicing such adjacent phases with utility services, drainage and easements for ingress, egress and regress. IN ADDITION, THE DECLARANT HEREBY EXPRESSLY RESERVES UNTO ITSELF AN EASEMENT FOR THE PARKING OF MOTOR VEHICLES ADJACENT TO THE SOUTHERN PROPERTY LINE OF THAT PROPERTY DESCRIBED IN EXHIBIT D WHICH THE DECLARANT ANTICIPATES WILL BE SHOWN ON THE PLAT OR PLATS OF RANDALL SQUARE OFFICE CONDOMINIUM PHASE II WHICH THE DECLARANT ANTICIPATES WILL BE RECORDED IN THE FUTURE.

f. In the event any unit shall encroach upon any of the common areas and facilities, or any other unit or units for any reason other than by the purposeful or negligent act of the unit owner or agents of such owner, then an easement appurtenant to said 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. In addition, in the event 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 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 said unit or common areas and facilities in accordance with this Declaration, there may exist an encroachment of portions of the common areas and facilities upon any unit or of any unit upon any other units or of any unit upon any portion of the common areas and facilities, then such encroachment shall be permitted and a valid easement for maintenance thereof shall exist for so long as said encroachments naturally remain.

8. THE ASSOCIATION. The Association shall administer the operation and management of Randall Square Office Condominiums, Phase I, as well as any additional phases which may be subjected to this Declaration and shall undertake and perform all acts and duties incidental thereto in accordance with the terms of its Articles of Incorporation and its duly adopted By-Laws.

a. Declarant Control. Until such time as the Declarant has conveyed all units in Randall Office Square Condominium Phase I and any and all additional phases submitted hereto pursuant to the terms of this Declaration or until January 1, 1991, whichever occurs first, the Declarant shall have the right to select a majority of the members of the Board of Directors to be elected at the annual meeting of the members of the Association as provided in this Declaration, the Charter and By-Laws of the Association. Until the first annual meeting, the Board of Directors shall consist of those three individuals named as the initial Board of Directors of the Association in its Articles of Incorporation, or their successors or replacements, as provided in the By-Laws.

b. Membership and voting rights in the Association shall be as provided in the Articles of Incorporation referred to above. Membership

is mandatory for all unit owners in all phases of Randall Square Office Condominiums.

9. POWERS. The Association shall have all powers granted to it in the Articles of Incorporation.

10. COMMON EXPENSES. The common expenses of the Association shall be shared by the unit owners in the same proportion that the undivided interest in the common areas and facilities bears to the total of all undivided interests in the common areas and facilities appurtenant to all units and shall be assessed and collected as hereinafter provided.

11. MANAGEMENT AND MAINTENANCE.

a. The Association, as a common expense, shall provide for the maintenance, repair and replacement of all the common areas and facilities, including those portions designated as limited common areas and facilities including support structures, conduits, ducts, plumbing, wiring and other facilities as well as furnishing of utility and other services to the units and to the common areas and facilities. In the event maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair pursuant to this Declaration is occasioned by any act of a unit owner, said owner's guest, invitees or tenants and such loss or damage is or may be covered by 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 provided, however, any unit owner who is responsible for the act causing the damage, whether the same is done by the owner, the owner's guests, invitees or tenants, shall be required to pay such portion of the cost of such maintenance, repair or replacement as shall exceed the amount of any insurance proceeds applicable to such maintenance, repair or replacement.

b. The Association shall have the right or make or cause to be made such alterations or improvements to the common areas and facilities with the approval of the Board of Directors, provided such alterations

and improvements do not prejudice the rights of the owners of any unit in the use of said unit and the cost of such alterations or improvements shall be deemed common expenses to be assessed and collected from all owners of the units.

c. The Association may enter into a contract with a management company or manager for the purpose of providing all or part of the elements of the operation, care, supervision, maintenance and management of the condominium. All of the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to the manager by the Board of Directors except such as are specifically required by this Declaration, the By-Laws or the Act to have the approval of the Board of Directors of the Association. The manager is hereby further authorized to recommend the annual budget, and upon approval thereof by the Board of Directors, 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 Directors.

d. Each unit owner shall promptly perform all maintenance and repair work in said owners unit, which, if omitted would affect the condominium, either in its entirety or in any part belonging to other owners and each owner is expressly responsible for the damages and liabilities resulting from said failure to maintain and repair. The owner of each unit shall be liable and responsible for maintenance, repair and replacement as the case may be, of all air conditioning and heating equipment, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their telephone connections required to provide water, lights, power, telephone, sewage and sanitary service to said owner's unit. Each owner shall further be responsible for the maintenance, repair and replacement of any interior surfaces of all walls, ceilings and floors within a unit, including painting, decorating and furnishing, and all other accessories which such owner may desire to place or maintain in the condominium unit. Whenever the