

STATE OF NORTH CAROLINA : DECLARATION CREATING UNIT OWNERSHIP
: OF
COUNTY OF NEW HANOVER : THE EXECUTIVE HATCH

THIS DECLARATION, made this the 23rd day of February, 1984, by LEE J. HOLTZCLAW, JR., a resident of New Hanover County, State of North Carolina, hereinafter referred to as "DECLARANT":

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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 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, 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 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 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 GRANTEEES, SUCCESSORS, HEIRS, EXECUTORS, ADMINISTRATORS, DEVISEES AND ASSIGNS.

ARTICLE I.

SUBMISSION OR 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

RETURNED TO

James Mac Donald

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.

DESCRIPTION OF LAND AND PLAN OF DEVELOPMENT

The subject real property is the same as set out in Exhibit A attached hereto and incorporated herein by reference.

A. Plan of Development. The name by which this condominium project shall henceforth be known is THE EXECUTIVE HATCH. The Declarant has caused to be constructed upon the real property described in Exhibit A the multi-unit building containing 9 condominium units as well as the common areas and facilities of the building and the real property all as defined and described herein 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 time sharing 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 Incorporation of the Association and its duly adopted By-Laws and its Rules and Regulations.

B. The Declarant, by this Declaration, submits only the real property described in Exhibit A, together with the improvements thereon and hereafter this submission shall be referred to as The Executive Hatch. It is the Plan of the Declarant and the Declarant reserves the right, at its option, and without the further consent of the unit owners with the Homeowners Association, but without obligation as hereafter set forth to construct additional condominium units in one or more additional Phases on the real property described in Exhibit C attached hereto and incorporated herein by reference.

C. In the event the Declarant adds to the real property subject to this Declaration all or part of the real property described in Exhibit C, the Declarant covenants and agrees that no more than a total of 6 units will be added to the 9 units in The Executive Hatch, Phase I.

D. The Declarant covenants and agrees that all buildings containing units built upon the real property which may be subjected to this Declaration under this Article shall be constructed of such materials and in such manner and design as to compliment the appearance of the entire time sharing condominium development.

ARTICLE III

DEFINITIONS

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 contest 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 may be supplemented or amended from time to time.

B. ASSOCIATION shall mean and refer to THE EXECUTIVE HATCH, 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" for The Executive Hatch, Phase I, which is to be used for residential purchases as hereinafter provided. Said building is to be a three-story structure with a storage and garage area shown as Unit 9A. Total number of living units in the building will be 9.

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.

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 thereof 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, cluding all exterior walls and all interior walls (except nonload bearing partition walls wholly within a unit) of the building;
3. All stairways, stairwells and stairs and their components which give access to the units; and all halls or passage-ways, and their entrances, giving access to the storage rooms located on the garage and storage level of the building situated on the finished grade;
4. All yard and garden areas, parking and drive areas, side-walks, and piers;
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 and sewer services, electricity, heating, air conditioning, tele- phone 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;
6. All other portions of the real property and the improve- ments 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 expenses 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.

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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, as are provided for hereinbelow.

K. DECLARANT shall mean and refer to LEE J. HOLTZCLAW, JR., his heirs 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 fifty-one per cent (51%) 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. 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 nine (9) subdivisions of enclosed space within the building together with any additional areas or spaces accompanying the same as shown on the maps or plats of a condominium development attached hereto as Exhibit A and incorporated herein by reference. The approximate area in each unit is as shown on Exhibit B attached hereto and incorporated herein by reference.

In general reference should be made to Exhibit B for a more complete and accurate description of each unit and any conflict between said Exhibit B and the generalized description hereinafter shall be resolved by reference to said Exhibit B, which shall control each of the nine (9) units in Phase I, unit

designations, which are 1 through 9, inclusive, provided there shall be a unit designation of 9A which shall consist of private storage area reserved by the Declarant unless otherwise conveyed by him. These units and there designations are shown upon the plans of the buildings attached hereto as Exhibit B. If and when this declaration is amended to add additional Phases additional surveys and descriptions of improvements will be filed as part of said amendment.

Each unit is bounded both as to horizontal and vertical boundaries by the interior finished surfaces of the units perimeter walls, ceilings and floors of the additional areas conveyed as part of each unit as defined hereinbelow, all of which are shown on Exhibit B subject to easements reserved herein for such encroachments as are contained in the building whether the same exists or may be caused or created by existing construction, settlement, removal of the building or by permissible repairs, construction or alterations.

Each unit shall be constructed in substantial conformity to the designs as shown on Exhibit B. Depending on the design of the unit, each unit shall be wholly contained within one of the three levels or stories, there being nine (9) units in the building.

Depending on the design of the unit, each unit shall have either one or two bedrooms, either one or two bathrooms, a combined great room-kitchen area, a closed storage closet, a closet housing the unit's indoor section of the heating and air conditioning equipment and the utility closet. See Exhibit B for a more exact description of each unit.

Each unit is hereby defined to include the open air balconies, said balconies being more accurately described in Exhibit B. All open air balconies are subject to restrictions on use and decorations as set out hereinafter and in the Association By-Laws. The balconies are bounded horizontally by the interior finished surface of the floor and the ceiling overhangs of the balconies that are bounded vertically by the interior finished surface of the interior plans of either the balcony railings or the perimeter walls of the balcony.

Units 1, 3, 6 and 8 shall be two bedroom units and shall have approximately 780 square feet. Units 2 and 4 shall be one bedroom units and have approximately 550 square feet. Units 5 and 7 shall be one bedroom and shall have approximately 440 square feet. Unit 9 shall be a two bedroom unit and shall have approximately 1,120 gross square feet.

Each unit is hereby defined to include:

- A. All non-load bearing partition walls located entirely within the unit;

B. All materials, including, but not limited to, carpet, paint, and vinyl attached to, or on, the interior finished surfaces of said walls or ceilings of the unit; and all windows, window panes, frames and exterior doors.

C. All air handling and condensing units, ducts and components, and all water, telephone, television and cable television, electricity, plumbing, water and sewerage 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 described herein.

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

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

ARTICLE IV

NATURE AND INCIDENTS OF UNIT OWNERSHIP

A. Each unit shall be conveyed and treated as a separate individual unit of real property capable of independent use and fee simple ownership, and the owner or owners of each dwelling shall own as an appurtenance to the ownership of said dwelling an undivided interest in the common areas and facilities of The Executive Hatch and future phases, if any. The undivided interest in the common areas and facilities of The Executive Hatch appurtenant to each of the nine (9) units of Phase I of The Executive Hatch is as set out in Exhibit D attached hereto and made a part hereof. The proportional interest in the common area and facilities of The Executive Hatch that is appurtenant to each unit has been determined by ratio formulated upon the proximate relation that the fair market value of each unit at the date of Declaration bears to the aggregate fair market value of all the units having an interest in the common

The fair market value of each unit and the aggregate fair market of all units have been determined by Declarant in a manner consistent with North Carolina General Statutes 47-A, Unit Ownership Act, and are binding upon all unit owners subject to amendments as provided herein regarding development of future phases.

B. Declarant reserves the irrevocable right, power, and authority for a period of five years from the recording of this Declaration to amend this Declaration to reflect the addition of any future phases of construction and the changes necessitated thereby to include changes in the ownership interest, experience, responsibilities of each unit owner in and for said common elements and facilities and voting rights in the association of each unit owner. Upon the filing of the amendment to the Declaration to bring future phases under this Declaration the appurtenant undivided interest of each unit owner in the common areas and facilities of The Executive Hatch all phases shall necessarily decrease from the percentage set out in Exhibit D. The Declarant covenants and agrees to establish such appurtenant undivided interest for all units at such time as may be necessary pursuant to this article in the proportions of the then fair market value of each unit then existing as shall be determined solely by the Declarant bears to the then aggregate fair market value of all units on the date of the supplemental Declaration or Declarations. When determining such fair market value for any additional unit added to or made subject to this Declaration, Declarant may use or offer the purchase price of such unit for the fair market value as established by any independent appraiser. In determining the fair market value of units previously subjected to the Declaration, the Declarant may use the values then established for tax purposes by the appropriate authorities for the value established by any independent appraiser.

C. Nothing herein shall be deemed to limit or alter the Declarant's right, hereby reserved, to vary the internal layout, size, configurations of any units hereafter constructed as long as the Declarant substantially conforms with the provisions of this Article.

D. Each unit owner in The Executive Hatch, any phase, by the acceptance of this deed for his unit shall be deemed to have specifically agreed for himself, his heirs, devisees, successors and/or assigns that the Declarant shall have the exclusive right and power, as attorney-in-fact for every unit owner to effect such amendment without his further consent and also thereby agrees to execute any such writing as may be required by Declarant to effectuate this purpose.

E. No unit may be divided or subdivided into a smaller unit or units other 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 appurtenant 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, and encumbered

or otherwise included with the unit eventhough 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 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 be conveyed, devised, encumbered 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 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. 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 entirety as tenants in common, joint tenants or as tenants by the entirety. Furthermore, nothing contained herein shall be construed as limiting or preventing the Declarant, his successors or assigns from adding Phase II or such additional phases as are hereinbefore set out. Furthermore, nothing contained herein shall be construed as limiting or preventing the Declarant, his successors or assigns from adding Phase II or such additional phases as are hereinbefore set out.

F. 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 the owners of units in The Executive Hatch for their use and the use of their immediate families, guests, or invitees for all proper and normal purposes and 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 establish regulations concerning their use.

G. 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 the facilities in common with the owners of all 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

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. No owner of any unit shall permit the use of his unit for transient hotel or commercial 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 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. 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 choose; provided, however, that when all units have been sold, this right of commercial usage by the Declarant, its successors and assigns shall immediately cease.

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 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 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 Directors of the Association or their designee shall have the right to 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 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 all phases of The Executive Hatch their guests, families, 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 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 the 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 valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

ARTICLE VII
THE ASSOCIATION

To efficiently and effectively provide for the administration and maintenance of THE EXECUTIVE HATCH, and future phases, if any, by the unit owners, a nonprofit North Carolina corporation known and designated as THE EXECUTIVE HATCH HOMEOWNERS ASSOCIATION, INC. (hereinafter the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book 1248 at Page 487 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, THE EXECUTIVE HATCH, as well as future phases, if any, and shall undertake and perform all the 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 hereto in Exhibit "E" and expressly made a part hereof by reference.

A. DECLARANT CONTROL: Until July 1, 1985, or the date upon which the Declarant is no longer the owner of any units in THE EXECUTIVE HATCH, all phases, whichever date occurs first, the Board of Directors of the Association shall consist of those three (3) individuals appointed by the Declarant to the initial Board of Directors of the Association as stated in its Articles of Incorporation, or 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 or 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

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 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 Directors 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 Directors 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 of the association shall be provided in Article VI of its Articles of Incorporation referred to and incorporated herein as stated hereinabove. Membership being mandatory for all unit owners of THE EXECUTIVE HATCH.

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 assessed 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 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, 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.

2. The Association shall have the right to make or cause to be made such alterations 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 alterations and improvements are approved by the Board of Directors 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 alterations or improvements 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 Directors 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 Directors, 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 Directors or 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.

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 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, stoves, refrigerators, fans, 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