

PREPARED BY AND RETURN TO: ~~JERRY McPHERSON~~
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NORTH CAROLINA 09241
CUMBERLAND COUNTY ~~09060~~

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**DECLARATION OF CONDOMINIUM FOR
McPHERSON GREEN CONDOMINIUM AND
FOR McPHERSON GREEN CONDOMINIUM
ASSOCIATION, INC.**

McPherson Green Inc., a North Carolina Corporation with its principal place of business in Fayetteville, Cumberland County, North Carolina, hereinafter referred to as "Developer" does hereby make declare and establish this Declaration of Condominium as and for the plan of dwelling ownership of McPherson Green Condominium, being the property and improvements hereinafter described.

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I.

ESTABLISHMENT OF CONDOMINIUM

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GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

Developer is the owner of the fee simple title to that certain real property situated in the City of Fayetteville, Cumberland County, State of North Carolina, more particularly described in Exhibit A, attached hereto and incorporated herein by reference and on which property there has been constructed two (2) two story buildings. Building number five (5) known as Phase one (1), contains a total of eight (8) condominium living Units and supporting facilities, areas designated for at least sixteen (16) parking spaces and other appurtenant improvements. Building number one (1), known as Phase two (2), contains a total of four (4) condominium living Units and supporting facilities areas designated for at least sixteen (16) parking spaces and other appurtenant improvements. There are no basements. The buildings are of wood frame construction, with masonry foundation walls and brick veneer exterior. Developer does hereby submit the above described property and improvements to condominium ownership under the provisions of Chapter 47C of the General Statutes of North Carolina (North Carolina Condominium Act), and Chapter 27 of the Code of Ordinances of the City of Fayetteville, North Carolina, both of which are incorporated by reference as if fully set forth herein. In the event of a conflict between the two, the provisions of Chapter 47C, NCGS, shall prevail. The Developer declares the above described property and improvements to be a condominium to be known and identified as "McPherson Green Condominium" Hereinafter in this Declaration, McPherson Green Condominium is sometimes referred to as "the Condominium".

Developer presently intends, but is not obligated, to expand McPherson Green Condominium beyond Phase 1 and Phase 2 as described above to include additional proposed phases, if constructed, that would contain approximately the number of units indicated below:

<u>PHASE NO:</u>	<u>NUMBER OF UNITS</u>
3	8
4	8
5	4
6	8
7	8
8	8
9	8
10	8
11	8
12	8
13	8

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GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

The total number of units in all phases would not exceed 96 units, if constructed, and will be located on the land described in Exhibit A, attached hereto and incorporated herein by reference. The methods and procedures for expanding the Condominium to include these additional phases and the effects of such expansion are described in Article XXVII.B. of this Declaration.

THIS INSTRUMENT IS BEING RE-RECORDED TO INCLUDE EXHIBITS D AND E AS SET FORTH IN ARTICLE X.

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II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof as Exhibit B is a survey of the land and graphic descriptions and plans of the improvements constituting the Condominium, identifying the Units and Common Areas and Facilities, as said terms are hereinafter defined, and their respective locations, approximate dimensions and principal building materials. Exhibit B is recorded in Cumberland County Register of Deeds Condominium Plat Book 4 Page 191. Each Unit is identified by specific numerical designation on Exhibit B, and no Unit bears the same designation as any other Unit.

III.

DEFINITIONS

The Condominium consists of Units and Common Areas and Facilities, as said terms are hereinafter defined.

A. Units as the term is used herein shall mean and comprise the separate numerically identified dwelling Units which are designated in Exhibit B to this Declaration of Condominium, excluding, however, all spaces and improvements lying:

1. Beneath the subflooring material of all floors;
2. Beneath the interior surfacing material (sheetrock) of all perimeter walls, interior bearing walls and/or bearing partitions;
3. Above the interior surfacing material (sheetrock) of the ceilings;

and further excluding all pipes, ducts, wires conduits and other facilities for the furnishing of utilities and other services to Units and Common Areas and Facilities up to and including the point of entry of such pipes, ducts, wires and conduits through the interior surfacing material for walls and ceiling and subflooring surfacing material for floors. All pipes, ducts, wires, conduits and other such facilities shall become a part of the respective Units, provided, however, that the exterior decoration and painting of the exterior surface of such doors and window frames shall be the responsibility of the Association, as hereinafter defined.

B. Common Areas and Facilities, sometimes referred to herein as "Common Property", shall mean and comprise all of the real property, improvements, including private streets within the property, and facilities of the Condominium other than the Units and all personal property held and maintained for the use and enjoyment of all the owners of Units.

C. Certain portions of the Common Areas and Facilities are reserved for the use of a particular Unit to the exclusion of other Units and are designated as "Limited Common Areas and Facilities". Limited Common Areas and Facilities and the Units to which they are reserved are as follows:

As shown on Exhibit B, the concrete patios, wooden decks and outside storage areas located immediately to the rear of each Unit are reserved for the exclusive use of the owner of the particular Unit to which they are attached, their families, guests, invites and lessees.

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The terms "Association", "Association of Unit Owners", "Building", "Common Areas and Facilities" (sometimes referred to as "Common Property"), "Common Expenses", "Common Profit", "Condominium", "Declaration", "Majority" or "Majority of Unit Owners", "Owner", "Person", "Property", "Recordation", "Unit" or "Condominium Unit", "Unit Designation", and "Unit Owner", unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall, as used herein, have the meaning set out in Chapter 47C of the General Statutes of North Carolina, known as the North Carolina Condominium Act, as that statute exists as of the date of the filing of this Declaration.

IV.

**ADDITION OF LAND AND UNITS;
PERCENTAGE INTEREST OF COMMON AREAS**

1. **Supplementary Declaration:** Declarant does hereby reserve the right to add, from time to time, and at any time, subject to the terms and provisions of this Article IV, any portion or portions of the expansion land, and improvements constructed thereon, to the Condominium Property; provided, however, that prior to each such addition, Declarant has constructed upon each portion of the expansion land to be added to the Condominium property (a) a building or a number of buildings of the same architectural style as are now located on Phase 1 and Phase 2, such buildings containing multiple dwelling Units constructed in the same manner of substantially the same materials as, and having substantially the same value per square foot of heated floor area as the Units constructed in Phase 1, and provided further, that the maximum total number of Units that may be included in the Condominium property is 96 Units. The addition of any portion of the expansion land shall be effected by Declarant after the completion on such improvements on such portion of the expansion land by the filing of a Supplemental Declaration, executed by Declarant, which describes or identifies the portion of the expansion land to be added to the Condominium property, designates which portions of such property are to be "Units", "Common Areas", and "Limited Common Areas" consistent with such designations made herein with respect to Phase 1, recompute the percentage interest for each Unit and the site plan, plans and certificates required by the act, together with such other provisions as are deemed necessary by Declarant. Upon such recording, the property described in the Supplementary Declaration shall become part of the condominium property as if such property had been subjected to the Declaration on the date hereof. By accepting a deed, or deed of trust to a Unit subject to this Declaration and any applicable Supplementary Declaration, the Unit Owner, Institutional Lenders, and any owner and holder of a deed of trust encumbering a Unit, consent and agree that such additions to the Condominium Property may be accomplished in one or more such Supplementary Declarations filed from time to time, but in no event after October 31, 1999. No assurances are made in regard to fixing the boundaries of the additional property nor regulating the order in which those additional properties may be subjected to the exercise of such development rights.

2. **Percentage Interest:** As the result of the recording of this Declaration, the percentage interest of each Unit owner in Phase 1 and Phase 2 is set out on Exhibit C attached hereto and incorporated herein by reference. These percentage interests have been computed by Declarant based upon the approximate relation that the fair market value of the Unit at the date of the Declaration bears to the then aggregate fair market value of all the Units having an interest in said Common Areas and Facilities. It being conclusively presumed that the relation of said square foot heated floor areas of Units of the same design and constructed in the same manner of the same materials is approximately the same as the relation of their fair market values. In the event that any portion of the expansion land is added

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to the Condominium property as permitted in Section 1 of this Article IV, and such portion of the expansion land includes Units to be added to the Condominium property, the percentage interest of each Unit owner in the Common areas shall be reduced. Each Supplementary Declaration filed by Declarant pursuant to Section 1 of this Article IV shall assign a percentage interest to each Unit theretofore and thereby made a part of the Condominium property in accordance with the following formula:

$$\frac{\text{Square Foot Heated Floor Area of Unit}}{\text{Total Square Foot Heated Floor Area of All Units} \times 100} = \text{Percentage Interest of Unit}$$

For the purpose of making such computation, the Units in Phase 1 shall be conclusively deemed to have the amount of square foot heated floor area indicated on Exhibit C attached hereto and the square foot heated floor area for Units to be added by any such Supplementary Declaration shall be computed by Declarant in the same manner as was used by Declarant for the computations for Phase 1 and 2 Units. Any Percentage Interest so computed by the Declarant may be adjusted upward or downward by no more than .0005% so that the sum of all Percentage Interests will equal 100%.

By acceptance of a deed to a Unit, each owner, for himself, his heirs, successors and assigns, agrees that Declarant, without need for further consent or joinder of any Unit owner, may add any one or more portions of the expansion land to the Condominium property, and upon the recording by Declarant of the Supplementary Declaration, the percentage interest shall be reduced to the percentage interests computed by Declarant in accordance with this Section 2 of this Article IV as each and every such portion of the expansion land is annexed and made subject to this Declaration. No supplementary Declaration may change the percentage interests other than as provided in this Article IV, unless such Supplementary Declaration is joined by one hundred percent(100%) of the Unit Owners in the manner required for amendment of the Declaration to change percentage interests of ownership in Common Areas and Facilities.

3. **Supplementary Declaration to Add Property:** Each owner and his respective mortgagees, by acceptance of a deed conveying a Unit or a mortgage encumbering such Unit, as the case may be, is deemed thereby to authorize, direct and empower Declarant, in the event that the Declarant exercises the rights reserved in Section 1 of this Article IV to add to the Condominium property, to execute, acknowledge and record for and in behalf of such Owner and any such mortgagee a Supplementary Declaration for such purpose, and for and in behalf of such respective mortgagees a consent and joinder to such Supplementary Declaration. Such Supplementary Declaration may amend this Declaration in such respects as Declarant may deem advisable in order to effectuate the addition of such properties to the condominium property.

4. **Effect of Additions:** In the event that any additional lands are added to the Condominium property pursuant to Section 1 of this Article IV, (a) such additional lands shall be considered within the definition of Condominium property for all purposes of this Declaration, specifically including without limitation the extension of the jurisdiction, functions, duties and membership of the Condominium Association to such annexed properties, and (b) all voting by Owners hereunder shall be aggregated, it being intended that any voting requirements need not be fulfilled separately for the real property described as Phase 1 and for each tract of additional lands described in a Supplementary Declaration or other documentation.

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V.

**RESTRICTION AGAINST FURTHER SUBDIVIDING OF
CONDOMINIUM UNITS; SEPARATE CONVEYANCE
OF APPURTENANT COMMON PROPERTY PROHIBITED**

No Unit may be divided or subdivided into a smaller Unit or Units than as shown on Exhibit B hereto, nor shall any Unit or portion thereof be added to or incorporated into any other Unit. The undivided interest in the Common Property declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from the Unit, even if the 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 Property, 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 Property. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common Property by more than one person or entity as tenants in Common, joint tenants, or as tenants by the entirety.

VI.

OTHER RESTRICTIONS AND EASEMENTS

Units, Common Property and Limited Common Areas are further declared to be subject to the restrictions, easements and conditions and limitations now of record, if any, affecting the land and improvements of the Condominium, as shown on Exhibit B.

VII.

**PERPETUAL NON-EXCLUSIVE EASEMENT IN
COMMON PROPERTY**

The Common Property shall be, and the same is hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of Units in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Owners of Units. Notwithstanding anything above provided in this Article, McPherson Green Condominium Association, Inc., hereinafter identified, shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any Unit, his family, guests and invitees, may be entitled to use the Common Property, including the right to make permanent and temporary assignments of parking spaces, and to establish regulations concerning the use thereof.

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VIII.

EASEMENTS

A. **Easement for Unintentional and Non-Negligent Encroachments.** In the event that any Unit shall encroach upon any Common Property, or any other Unit or Units, as a result of initial construction or 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 Property or upon a Unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Property shall encroach upon any Unit, then an easement shall exist for the continuance of such encroachment shall naturally exist. If any Unit or Common Property 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 Property in accordance with Article XXII hereof, there exist encroachments of portions of the Common Property upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Property, then such encroachment shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachment shall naturally remain.

B. **Developer's Easement.** The Developer reserves an easement over and upon the common elements and upon lands appurtenant to the Condominium Units for the purpose of constructing and completing improvements for which provision is made in the Declaration. This easement shall terminate when all phases are constructed or on October 31, 1999, whichever first occurs.

IX.

RESTRAINT UPON SEPARATION AND PARTITION
OF COMMON PROPERTY

Recognizing that the proper use of a Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Property 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 Property be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Property 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.

X.

ADMINISTRATION OF THE CONDOMINIUM
BY McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

To provide efficiently and effectively for the administration of the Condominium by the Owners of the McPherson Green Units, a non-profit North Carolina corporation known and designated as McPherson Green Condominium Association, Inc. (hereinafter called "Association") has been or will be organized, and the Association shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. A true copy of the Articles of Incorporation and By-laws are annexed hereto

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and expressly made a part hereof as Exhibits D and E respectively. The Owner or Owners of each Unit shall automatically become members of said Association upon his, their or its acquisition of an ownership interest in title to any Unit and its appurtenant undivided interest in Common Property, and the membership of such Owner or Owners shall terminate automatically upon such Owner or Owners being divested of such ownership interest in the title to such Unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon a Unit shall be entitled by virtue of such lien, mortgage or other encumbrance upon a Unit to membership in the Association or to any of the rights or privileges of such a membership except as set forth in Article XXIX hereof. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of condominium, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units and Common Property as the Board of Directors of said Association may deem to be in the best interest of the Association.

XI.

RESIDENTIAL USE RESTRICTIONS
APPLICABLE TO UNITS

Each Unit is hereby restricted to residential use by the Owner, his immediate family, guests, invites and lessees. Any lease or rental agreement for a Unit shall be in writing and for a period of at least thirty (30) days. Such leases shall provide that the terms of the lease are subject to the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. Corporate or partnership members, other than the Developer, shall permit the use of a Unit owned by it only by its principal officers, directors or partners, or other guests or lessees. Such corporate or partnership member shall annually sign and deliver to the Association a written statement designating the name of the party (or parties) entitled to use such Unit, together with a written covenant of such party in favor of the Association from time to time and acknowledging that the party's right to use such Unit shall exist only so long as the corporation or partnership shall continue to be a member of the Association. Upon demand by the Association to any corporate or partnership member to remove a party for failure to comply with the terms and provisions of the Declaration of condominium and/or the rules and regulations of the Association or for any other reason, the corporate or partnership member shall forthwith cause such party to be removed, failing which, the Association, as agent of the owner, may take such action as it may deem appropriate to accomplish such removal, and all such action by the Association shall be at the cost and expense of the Owner who shall reimburse the Association upon demand, together with such attorneys' fees as the Association may have incurred in the process of removal.

Anything in this Declaration to the contrary notwithstanding, Developer shall have the right to maintain a sales office and model Units and to display advertising signs upon the Common Property during the period of Unit sales. Such right shall terminate when all Units in all phases of the Condominium are sold, or on October 31, 1999, whichever first occurs.

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XII.

**USE OF COMMON PROPERTY SUBJECT TO RULES
OF ASSOCIATION**

The use of Common Property, including the Limited 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 from time to time by the Association.

XIII.

**THE CONDOMINIUM TO BE USE FOR LAWFUL PURPOSES
RESTRICTIONS AGAINST NUISANCES**

No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Property, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominium 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 Property, which will increase the rate of insurance on the Condominium, or which will obstruct or interfere with the rights of other occupants of the Condominium 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 Property.

XIV.

**RIGHT OF ENTRY INTO UNITS
IN EMERGENCIES**

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.

XV.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON PROPERTY

Whenever it may be necessary to enter any Unit for the purpose of performing any maintenance, alteration or repair to any contiguous portion or the Common Property, the Owner of the Unit shall permit the duly constituted and authorized Agent of the Association, to enter such Unit for the purpose, provided that the entry shall be made only at reasonable times and with reasonable advance notice, with express permission and presence of the Owner whenever possible.

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XVI.

**LIMITATION UPON RIGHT OF OWNERS TO
ALTER AND MODIFY UNITS; NO
RIGHT TO ALTER COMMON PROPERTY**

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, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in their sole discretion, that such structural modifications or alterations would adversely affect the uniformity or construction and appearance or in any manner endanger the Condominium in part or in its entirety.

The Association, through the Board of Directors, of its Architectural Control committee (if so appointed), shall regulate the external design, appearance, use, location and maintenance of the condominium and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. No Owner shall cause any improvements, alterations, repairs or changes to be made on the exterior of a Unit (including painting or other decoration, the installation of electrical wiring, television or radio antennae or any other objects or devices which may protrude through the walls or roof of the unit 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 Property or to any Limited Common Area without the written consent of the Association being first had and obtained.

Any Unit Owner desiring to make any improvement, alteration or change described above shall submit the plans and specifications therefor, showing the nature, kind, shape, height, materials and location of the same, to the Board of Directors which shall evaluate such plans and specifications in light of the purpose of this Article as set forth above. As a condition to the granting of approval of any request made under this Article, the Association may require that the Unit Owner requesting such change be liable for any cost of maintaining, repairing and insuring the approved alteration. If such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Association. Thereafter, the Unit Owner, and any subsequent Owner of the Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that the cost of maintaining, repairing and insuring such alteration shall be a part of the annual assessment or charge for that particular Unit set forth in Article XXIX, and subject to the lien rights described in said Article.

A Unit Owner may add a storm door to his or her Unit. Said door shall be of solid glass with whit trim equal or equivalent to the door on Unit 3400-D. In order to maintain a uniform and pleasing appearance of the exterior of the buildings, each Unit Owner is required to keep the front porch light lit at all times. Each Unit Owner is responsible for the maintenance of the light.

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XVII.

**RIGHT OF ASSOCIATION TO ALTER AND IMPROVE
COMMON PROPERTY AND ASSESSMENT THEREFOR**

The Association shall have the right to make or cause to be made such alteration or improvements to the Common Property (including the right to grant and establish upon, over and across the Common Property such easements as are necessary or desirable for providing service or utilities to the Units and the Common Property) which do not materially 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 substantially benefitted thereby, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association, in the event not all Units are equally benefitted.

XVIII.

MAINTENANCE AND REPAIR BY OWNERS OF UNITS

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 its 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 utility fixtures and/or their connections required to provide water, light, power, telephone, sewer and sanitary service to his Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the exterior surfaces of any and all interior walls, ceiling and floors within 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 as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable. The Owner of a Unit who has exclusive use of any Limited Common Area shall maintain such at his own expense. All glass doors, window frames, panes and screens are a part of the respective Units and shall be maintained by the respective Unit Owners.

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XIX.

**MAINTENANCE & REPAIR OF COMMON PROPERTY
BY THE ASSOCIATION**

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all the Common Property, including those portions thereof which contribute to the support of the buildings, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Property for the furnishings of utility and other services to the Units and said Common Property 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 property, 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 his family, guests or invitees) shall be required to pay such portion of the cost as shall by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable.

XX.

INSURANCE, AUTHORITY TO PURCHASE

Insurance policies upon the Property (other than title insurance) shall be purchased by the Association in the name of the Managing Agent or Board of Directors of the Association, as Trustees for the Unit Owners and their respective mortgagees as their interest may appear, and shall provide for the issuance of certificated or mortgage endorsements to the holders of the 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 waiver of subrogation as that referred to above if the same is available.

XXI.

**INSURANCE COVERAGE TO BE MAINTAINED; USED AND
DISTRIBUTION OF INSURANCE & CONDOMINIUM PROCEEDS**

A. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium, meaning the Units and Common Property, to wit:

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(1) Casualty insurance covering the buildings and all improvements upon the land and all personal property included within the Property described in Exhibit A hereto or as it may be amended from time to time, excepted such personal property as may be owned by the Unit Owners, shall be procured in an amount equal to 100% of the current replacement cost (exclusive of excavation, foundation, streets and parking facilities) as determined annually by the insurance company affording such coverage. Such policy shall contain an Agreed Amount Endorsement or an Inflation Guard Endorsement, if available. By way of illustration and not of limitation, such casualty insurance shall cover fixtures, installations or additions, the Board of Directors of the Association shall annually set the standard allowance for such items as carpeting, bathroom and kitchen cabinets, wall covering, vinyl floor covering, ceramic tile, kitchen appliances, bookshelves, etc., which were included in the original Condominium plans and specifications. By way of illustration and not of limitation such casualty insurance shall not cover furniture, furnishings or other household or personal property owned by, used by, or in the care, custody or control of a Unit Owner (whether located within or without the Unit), or fixtures, installations or additions that are placed in an individual Unit by the Owner thereof at his expense. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(2) A comprehensive policy of public liability insurance insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles and liability for property of others, and, if available, may include coverage for water damage.

(3) The Board of Directors shall maintain fidelity coverage against dishonest acts by the Association's officers, directors, trustees and employees, and all other who are responsible for handling funds of the Association. If the Association employs a professional property management person or firm to manage the Association and to receive and disburse the monies of the Association, then such professional management person or firm shall have adequate fidelity coverage against dishonest acts and the existence of such coverage shall satisfy the requirement of this paragraph XXI.A.(3). If the Association elects to manage its own affairs and directly receive and disburse its own funds (or, if in addition to professional management, the officers or directors of the Association can and do directly receive or disburse the monies of the Association), then the Board of Directors shall provide the coverage set forth in this paragraph.

Any such fidelity bonds shall name the Association as an obligee; shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Association, including reserves; shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Association and to any institutional Lender who has given the notice required under Article XXIX of this Declaration.

(4) All liability insurance shall contain cross-liability endorsement to cover liabilities of the Unit Owners as group to a Unit Owner.

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(5) If any of the Units are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Association will maintain a "master" or "blanket" policy of flood insurance and provide for the premiums to be paid as a common expense. The policy should cover the buildings and any other insurable property located within the designated hazard area. The amount of insurance shall be at least equal to the lesser of 100% of the current replacement cost of all buildings and other insurable property located in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program.

B. Premiums upon insurance policies purchased by the Association shall be paid by the Association as Common Expenses to be assessed and collected from all of the Owners of Units.

C. All insurance policies purchased by the Association and all condemnation awards attributable to the Common Property shall be for the benefit of the Association and the Unit Owners and their mortgagees, as their respective interest may appear, and shall provide that all proceeds payable as a result of casualty losses and condemnation shall be paid to the Association. The Association shall hold such proceeds in trust for the benefit of the Association, the Unit Owners and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to Common Property in undivided shares for each Unit Owner and his mortgagee, if any, which shares as to each Unit are shown on Exhibit C attached hereto.

(2) Proceeds on account of damages to Units shall be held in the following undivided shares:

a. Partial destruction when the Units are to be restored - for the Owners of damaged Units in proportion to the costs of repairing the damage suffered by each damage Unit.

b. Total destruction of the Condominium or where the Condominium is not to be restored - for all Unit Owners, the share of each being set forth in Exhibit C.

D. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held for the mortgagee and the Unit Owner as their interest may appear.

E. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Unit Owners in the following manner:

(1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Unit Owners, all remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.

(2) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Unit Owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.

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XXII.

**RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE;
DAMAGE TO OR CONDEMNATION OF COMMON PROPERTY; DAMAGE TO
OR CONDEMNATION OF UNITS**

A. If any part of the Common Property shall be damaged by casualty or shall be condemned by public authority the determination of whether or not to reconstruct or repair the same shall be made as follows:

(1) Partial destruction shall be deemed to mean destruction or condemnation which renders less than two-third (2/3) of the Units untenable. In the event of partial destruction, the Common Property shall be reconstructed or repaired unless this declaration is terminated by the unanimous vote of all of the Unit Owners at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.

(2) Total destruction shall be deemed to mean destruction or condemnation which renders two-thirds (2/3) or more of the Units untenable. In the event of total destruction, the Common Property shall not be reconstructed or repaired if, at a meeting which shall be called within thirty (30)

days after such adjustment, Unit Owners who in the aggregate own three-fourths (3/4) or more of the Units vote against the reconstruction or repair.

(3) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications contained herein and on file with and approved by the County or Cumberland, North Carolina.

B. If the damage is only to those parts of one or more Units for which the responsibility for maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty or condemnation. In all other instances, the responsibility of reconstruction and repair after casualty or condemnation shall be that of the Association as follows:

(1) Immediately after the casualty or condemnation causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimated of the cost to replace the damaged property in condition as good as that before the casualty or condemnation. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems necessary or appropriate.

(2) When the damage is to both Common Property and Units or the Common Property only, the insurance or condemnation proceeds shall be payable to the Association and shall be applied first to the cost of repairing the Common Property and the balance to the Units.

C. Each Unit Owner shall be deemed to have delegated to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association and to negotiate with governmental authorities any condemnation claims.

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XXIII.

**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, it is the specific duty of the seller or his agent to obtain the statement described in paragraph XXIV.N. herein. Further, the purchaser of 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 and the recording information which shall be pertinent to identify the mortgage or mortgages. 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.

XXIV.

ASSESSMENTS: LIABILITY: LIEN AND ENFORCEMENT

The Association is 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 operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium 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 furtherance of this grant of authority to Association to make, levy and collect assessments to pay the costs and expenses for the operation, management of and capital improvements to the Condominium, the following provisions shall be operative and binding upon the Owners of all Units.

A. Unless specifically otherwise stated in this Declaration of Condominium, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Units as the undivided interest in Common Property appurtenant to each Unit bears to the total undivided interest in Common Property appurtenant to all Units as shown on Exhibit C attached hereto.

B. Assessments provided for herein shall be payable in monthly installments as determined by the Board of Directors of the Association. Such assessments shall commence for each Unit on the first day of the first month following the recordation of this Declaration in the Cumberland County Registry. Provided that notwithstanding any provision to the contrary, the Declarant's obligation to pay assessments for unsold units in any phase shall commence on the first day of the month following the month in which a unit is closed.

C. In addition to the annual assessment authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common

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Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Unit Owners owning two-thirds (2/3) of the Common Areas and Facilities who are voting in person or by proxy at a meeting duly called for such purposes.

D. In order to insure that the Association will have sufficient monies available to meet operational needs during the initial months of the Condominium's existence, the Association has established a Working Capital Fund. At the time of the closing of the first sale of each Unit, the purchaser thereof shall pay into such Fund an amount equal to two-twelfths (2/12) of the current annual assessment established by the Association. No such payments made into the Working Capital Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of this Declaration and the By-Laws.

E. The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year (which shall correspond to the calendar year except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Unit). Such budget shall project all expenses for the forthcoming year which may be required for the Condominium, including a reasonable allowance for contingencies and anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors of the Association shall establish an Annual Budget in advance for each full fiscal year. (The budget for the initial partial year shall be calculated and pro-rated as prepared by Developer). Such budget shall project all expenses for the forthcoming year which may be required for the reasonable allowances for contingencies and reserves, and the budget shall take into account projected anticipated income which is to be applied in each year. The Board of Directors shall keep separate, in accordance with paragraph G hereof, items relating to operation and maintenance from items relating to capital improvements. Upon Association, copies of said Budget shall be delivered to each Owner of a Unit, and the assessment for said year shall be established based upon such Budget, although receipt of a copy by each Owner shall not affect the liability of any Owner for such assessment.

F. Until December 31st of the year in which the first Unit is conveyed to an Owner, the maximum annual assessment shall be from and after January 1st of the year immediately following the conveyance of the first Unit to an owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership of the Association. From and after January 1st, of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of the Unit Owners owning two-thirds (2/3) of the Common Areas and Facilities who are voting in person or by proxy, at a meeting duly called for such purpose.

G. The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, shall designate therein a sum to be collected and maintained as a reserve fund for replacement of the capital improvements to the Common Property (Capital Improvement Fund). This fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Property, as well as the replacement of portion of the Common Property. The amount to be allocated to the Capital Improvement Fund shall be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Property. The amount collected for the Capital Improvement Fund may be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to Common Property. Any interest earned on monies

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in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operation and maintenance. Each Unit Owner shall be deemed to own a portion of the Capital Improvement Fund equal to his proportionate interest in the Common Property as shown on Exhibit C and the Association shall annually notify each Unit Owner of the amount of his balance shall not be subject to withdrawal by a Unit Owner.

H. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties improved upon if by virtue of this Declaration of Condominium, the Articles of Incorporation and By-Laws of this Association. As monies for any assessment are paid unto the Association by any owner of a Unit, the same may be coming led with monies paid unto the Association by the other owners of Units. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Property, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to membership interest therein, except as an appurtenance to his Unit. When the Owner of a Unit shall cease to be a member of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit. When the Owner of a Unit shall cease to be a member of the Association by reason of his divestment of ownership of such Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association by reason of his divestment of ownership of such Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Condominium.

I. A late charge of six (6%) percent of the monthly assessment shall be due if payment is not received by the tenth (10th) date of the month. In addition, the payment of any assessment of installment thereof shall be in default if such assessment or installment is not paid to the Association during the month the payment is due. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law until such delinquent assessment or installment thereof, and all the interest due thereon plus accrued late charges, has been paid in full to the Association. All monies owing to the Association shall be due and payable at the main office of the Association in the State of North Carolina, which may be the office of the designated Managing Agent.

J. The Owner or Owners of each Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Unit while each such party is an Owner of a Unit. In the event that any Unit Owner is in default in payment of any assessment or installment thereof owed to the Association, such Unit Owner shall be personally liable, jointly and severally, for late charges and interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment of installment thereof and interest thereon, including attorneys fees for whatever services are performed, including lien, foreclosure, collection letter, and/or suit.

K. No Owner of a Unit may exempt himself from liability for any assessment levied against his or his Unit by waiver of the use or enjoyment of any of the Common Property, by abandonment of the Unit, or in any other manner.

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L. Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefor, and that such proper operation and management results in benefit to all of the Owners of Units, and that the payment of such common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Property, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each such Unit, which lien shall also secure late charges and interest which may be due on the amount of any delinquent assessments owing to the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in Common Property. The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust may be foreclosed in the State of North Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a receiver for said Unit. The lien granted to the Association shall further secure mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its liens, and the Association shall be further entitled to interest at the highest rate allowed by law on any such advances made for such whatever means, any interest in the ownership of any Unit, or who thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Unit expressly subject to such lien rights.

M. The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the Public records of Cumberland County, North Carolina, which claim shall state the address of the Unit encumbered thereby, the name of the record owner, the amount due and the dates when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been duly paid. Such claims of lien shall include assessments which are due and payable when the claim of lien is recorded, plus late charges and interest, costs, attorney fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

The lien provided for herein shall be subordinate to the lien of any first deed of trust and any person, firm or corporation acquiring title to any Unit and its appurtenant undivided interest in Common Property by virtue of any foreclosure of a first deed of trust or judicial sale relating to a first deed of trust, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Unit and its appurtenant undivided interest in Common Property subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. Any assessment or assessments as to which its party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Units as part of the Common Expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

N. Whenever any Unit may be leased, sold or mortgaged by the owner thereof, the Association, upon written request of the Unit Owner, as required by paragraph XXIII. hereof, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by an

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officer or designated agent of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be leased, sold or mortgaged at a time when payment of any assessment against the Owner of said Unit shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds shall be applied by the lessee or purchaser first to payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the Owner of any Unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the date of such voluntary conveyance, without prejudice to the rights of purchaser to recover from seller the amounts paid by Purchaser therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association.

XXV.

COMMON SURPLUS

"Common Surplus", meaning all funds and other assets of the Association (including excess of receipts of the Association, including but not limited to Assessments, rents, profits and revenues from whatever source) over the amount of the Common Expense, shall be owned by the Owners of all Units in the same proportion that the undivided interest in Common Property appurtenant to each Owner's Unit bears to the total of all undivided interest in Common Property appurtenant to all Units. Provided, however, that said Common Surplus shall be held by the Association in the manner prescribed in, and subject to, the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to the then Owners of Units in accordance with their percentage interest in Common Surplus as declared herein.

XXVI.

TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

A. The termination of the Condominium may be effected only by the unanimous agreement of all Unit Owners expressed in an instrument to that effect duly recorded; and provided that the

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holders of all liens affecting any of the Units consent thereto, or agree, in either case by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Unit Owner in the Property as provided in subparagraph C herein. The termination shall become effective when such agreement has been recorded in the Cumberland County Registry.

B. If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the Cumberland County Registry.

C. After termination of the condominium, the Unit Owners shall own the Property as tenants in common in undivided shares and the holders of mortgages and liens against the Unit or Units formerly owned by such Unit Owners shall have mortgages and liens upon the restrictive undivided shares of the Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Area and Facilities previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held before the Unit Owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a Common Expense.

D. The members of the Board of Directors, acting collectively as agent for all Unit Owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

XXVII.

AMENDMENT OF DECLARATION OF CONDOMINIUM

This Declaration of Condominium may be amended as follows:

A. An Amendment or Amendments to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to this Declaration of Condominium being proposed by said Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the Members of the Association for a date not sooner than twenty (20) days no later than sixty (60) days from receipt by him of the proposed Amendment or Amendments. It shall be the duty of the Secretary to give each member written or printed notice of such Special meeting, stating the time and place thereof, and reciting these proposed Amendment or Amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such a member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the

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Amendments of Amendments proposed must be approved by an affirmative vote of the members owning Units in the Condominium in order for such Amendment or Amendments to become effective. During the twenty-year period beginning with the date of this Declaration, an affirmative vote of the Unit Owners owning seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities shall be required to amend this Declaration. From and after the expiration of said twenty-year period, and affirmative vote of Unit Owners owning fifty-five percent (55%) of the undivided interest in the Common Areas and Facilities shall be required. The percentages recited herein shall apply to the members present, in person or by proxy, at any meeting where a quorum is duly constituted as defined in the By-Laws. Upon adoption such Amendment or Amendments of this Declaration of Condominium shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment or Amendments, so certified and executed with the same formalities as a deed, shall be recorded in the Cumberland County Registry, within ten (10) days from the date on which the same became effective. Thereafter, a copy of said Amendment or Amendments in the form in which the same were placed of record by the officers of the Association shall be made available to the Owners of all Units. At any meeting held to consider such Amendment or Amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

B. Developer shall have the right to file an amendment to this Declaration at any time and from time to time prior to October 31, 1999, without the further consent of the Unit Owners, to incorporate in the Condominium (1) any or all of the additional land described in Exhibit A, Part II, and (2) any or all of the additional Units to be constructed on the land described in Exhibit A, Part II. Developer shall have the right to grant blanket easements for cable companies and utilities (including electric, water, sewer and telephone) over and upon the Common Areas until October 31, 1999. Said easements shall not materially prejudice the rights of any Owner in the use and enjoyment of his Unit. In the event that this Declaration is so amended, the terms "Condominium" and "Property" as used herein shall be deemed to mean and include the property described in Exhibit A, to the extent incorporated, and all improvements and structures now or hereafter placed by Developer thereon, all easements, rights and appurtenances thereto, and all articles of personal property provided by Developer and intended for use in connection therewith. Upon any such amendment that includes the land and additional Units, the undivided interest appurtenant to each Unit will change and shall be computed as set out in Article IV of this Declaration. The materials used in the construction of any additional Units in the additional Phases shall be of comparable quality to those used in the original 8 Units; the layout and architectural style of the additional Units shall be substantially the same as and compatible with the original Units, and the Units will be substantially completed prior to being incorporate into the Condominium. No amendment made by Developer in accordance with this paragraph shall divest an Owner of any portion of his dwelling Unit without the consent of such Owner and no such amendment shall materially alter the plan of development set forth herein without the consent of all Owners affected thereby. Each Unit Owner shall be deemed, by his acceptance of a deed to a Unit, to have consented to the powers of amendment herein reserved by Developer and to any amendments previously or thereafter executed by Developer pursuant thereto. Each Unit Owner and each Institutional Lender shall further be deemed by the Owner's acceptance of a deed to a Unit to have appointed Developer their respective Attorney-in-fact to give, execute and record the consent of said owner and said Institutional Lender to any and all amendments to this Declaration which Developer may wish to execute pursuant to the powers herein reserved.

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C. Except as expressly set forth in the Declaration, no alteration in the percentage of ownership in Common Property appurtenant to each Unit, or alteration of the basis for sharing Common Expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of basis of ownership of Common Surplus, shall be made without the prior written consent of all Owners of all Condominium Units and all of the Institutional Lenders holding first deeds of trust on the Units.

D. No material alteration, amendment or modification of this Declaration, the Articles of Incorporation or By-Laws of the Association shall become effective without the prior written consent of Institutional Lenders (as defined in Article XXIX) holding first mortgage loans on Units representing at least fifty-one percent (51%) of the votes in the Association being first had and obtained. Any change to the provisions of this Declaration, Articles of Incorporation or By-Laws that affects any of the following shall be deemed material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interests in the Common Area, or Limited Common Areas, or rights to their use; boundaries of any Unit; convertability of Units into Common Areas or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium, insurance or fidelity bonds, leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Owners' Association to establish self management; restoration or repair of the Condominium; any provisions that expressly benefit Institutional Lenders.

E. No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Developer shall be made without the written consent of said party being first had and obtained.

XXVIII.

REMEDIES IN EVENT OF DEFAULT

The owner of each Unit shall be governed by and shall comply with the provisions of this Declaration of Condominium, and the Articles of Incorporation and By-Laws of the Association, as any of the same are now constituted or as they may be amended from time to time. A default by the Owner of any Unit shall entitle the Association or the Owners of other Units to the following relief or give rise to the following procedures:

A. An action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof.

B. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of right of subrogation.

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C. In any proceeding arising because of an alleged default by a Unit Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such attorneys fees as may be determined by the Court, but in no event shall any Unit Owner be entitled to such attorneys' fees.

D. The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or the other above mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to the Association or the Owner of a Unit, pursuant to any terms, provisions, covenants or conditions of the Declaration of condominium or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

F. The failure of Developer to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration of Condominium or other above-mentioned document shall no constitute a waiver of the right of Developer to thereafter enforce such right, provisions, covenant or condition in the future.

G. The failure of an Institutional Lender or Institutional Lenders, as said term is herein defined, to enforce any right, provision, privilege, covenant, or condition which may be granted to it or them by this Declaration of Condominium or other above mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

XXIX

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS; RIGHTS RESERVED UNTO THE VETERANS ADMINISTRATION

A. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, insurance companies, other firm or entities customarily affording loans secured by first liens on residences, the Veterans' Administration, the Federal Housing Administration and eligible insurers and governmental guarantors. In addition to any other rights set forth in this Declaration, so long as any Institutional Lender shall hold any first mortgage upon any Unit, or shall be the Owner of any Unit, such Institutional Lender or shall have the following rights:

1. To approve the company or companies with whom casualty insurance is placed, and to be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

2. To examine, at reasonable times and upon reasonable notice, the books and records of the Association and to be furnished, upon request, at least one copy of the annual financial statement and report of the Association, prepared by a certified public accountant designated by the Association, such financial statement and report to be available by May 15 of each calendar year.

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3. To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering: (1) any proposed Amendment to this Declaration of Condominium, or the Articles of Incorporation and By-Laws of the Association; (2) the proposed termination or abandonment of the Condominium; (3) the effectuation of any decision to terminate professional management of the Association and assume self-management by the Association. Such notice shall state the nature of the Amendment or action being proposed.

4. To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Unit encumbered by a mortgage held by the Institutional Lender, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or to the place which it may designate in writing.

5. To be given notice of any condemnation loss or casualty loss which affects a material portion of the Common Areas or material portion of any Unit.

Whenever any Institutional Lender desires the provisions of this Article to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by Registered mail or Certified mail addressed to the Association and sent to its address stated herein, identifying the Unit upon which any such Institutional Lender holds any mortgage or identifying any Units owned by it together with sufficient pertinent facts to identify any mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

B. So long as Developer retains the right to appoint a majority of the Board of Directors of the Association as set forth in Article XXX hereof, the following actions will require the prior approval of the Veterans Administration: amendment of the Declaration, including amendments under Article XXVII.B. to add additional phases to the Condominium; and dedication of any Common Areas and Facilities.

XXX.

**RIGHT OF DEVELOPER TO REPRESENTATION
ON BOARD OF DIRECTORS OF THE ASSOCIATION**

For a period ending one hundred twenty (120) days after Developer ceases to own twenty-five percent (25%) or more of the Units in the completed Condominium Project (96 Units) or Phase I through the number of phases the developer is going to complete, but in any event, no longer than October 31, 1999, Developer shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association.

In the event of dissolution of Developer at a time when it is the Owner of a Unit, then the rights of the Developer shall pass to and may be exercised by its successors receiving ownership of any such Unit.

Whenever Developer shall be entitled to designate and select any person to serve on any Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Developer shall have the right

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to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another to act and serve the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by Developer need not be a resident in the Condominium.

XXXI.

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provision or covenants held to be partially invalid or enforceable.

XXXII.

LIBERAL CONSTRUCTION

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural and the masculine gender shall include the feminine or neuter. The Article headings are for convenience of reference only and shall not be considered terms of this Declaration.

XXXIII.

DECLARATION OF CONDOMINIUM BINDING
ON ASSIGNS, AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Property. This Declaration of Condominium shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become Owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

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XXXIV.

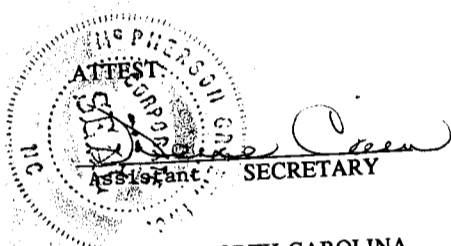
AGENT FOR SERVICE OF PROCESS

The following named individual is designated as the person to receive service of process for the Association: Murray O. Duggins, 3800 Raeford Road, Fayetteville, North Carolina 28304.

IN WITNESS WHEREOF, McPherson Green, Inc. has caused these presents to be executed in its name by its President, attested by its ^{Assistant} Secretary, and its Corporate Seal to be hereunto affixed this 27th day of February, 1995.

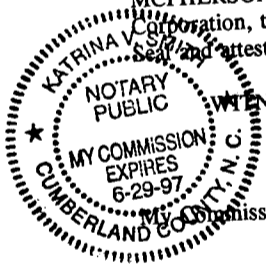
McPHERSON GREEN, INC.

BY: Murray O. Duggins
MURRAY O. DUGGINS, PRESIDENT



STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Katrina V. Smith a Notary Public, do hereby certify that Alice Cain personally appeared before me this day and acknowledged that (s)he is Assistant Secretary of MCPHERSON GREEN, INC., a Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its Corporate Seal and attested by himself/herself as Assistant Secretary.



WITNESS my hand and notarial seal this 27th day of February, 1995.

Katrina V. Smith
Notary Public

My Commission Expires: 6/29/97

The foregoing Certificate(s) of Katrina V. Smith

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By George E. Tatum REGISTER OF DEEDS FOR CUMBERLAND COUNTY,
Deputy/Assistant - Register of Deeds

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EXHIBIT "A" TO DECLARATION OF CONDOMINIUM FOR MCPHERSON GREEN
CONDOMINIUM AND FOR MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

NORTH CAROLINA
CUMBERLAND COUNTY
CROSS CREEK TOWNSHIP

BEGINNING at a point in the western margin of Old McPherson Church Road, said point being also the northeast corner of the tract of which this is a part as recorded in Book 1117, Page 641, Cumberland County Registry, thence with the Western margin of Old McPherson Church Road South 09 degrees 44 minutes West 266.11 feet to an iron pipe in the northern right of way margin of the A & R Railroad; thence with the northern margin of the A & R Railroad North 69 degrees 31 minutes 22 seconds West 503.99 feet to a point; thence a new line North 20 degrees 04 minutes 22 seconds West 277.48 feet to a point; thence South 74 degrees 04 minutes 51 seconds East 636.79 feet to the place and point of BEGINNING, and containing 3.15 acres and being the same property as conveyed by deed recorded in Book 3147, Page 356, Cumberland County Registry, North Carolina.

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EXHIBIT "B"
TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM
AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

SEE CONDOMINIUM PLAT BOOK 4, AT PAGES 191
THROUGH 194. CUMBERLAND COUNTY REGISTRY, NORTH CAROLINA.

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EXHIBIT "C"
TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM
AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PERCENTAGE INTEREST OF COMMON AREA, COMMON EXPENSES AND VOTES IN
MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PHASES I THROUGH II.

	Unit	Address on Lainey Lane	Square Footage	Percent Interest	Total % Interest
Phase I	1-1(Plan C)	3401 A	1167	.0839	
	2-1(Plan D)	3401 B	1143	.0822	
	8-2(Plan A)	3401 C	1167	.0839	
	7-2(Plan B)	3401 D	1143	.0822	
	3-1(Plan D)	3411 A	1143	.0822	
	4-1(Plan C)	3411 B	1167	.0839	
	6-2(Plan B)	3411 C	1143	.0822	
	5-2(Plan A)	3411 D	1167	.0839	.6644
Phase II	2-1(Plan C)	3400 A	1167	.0839	
	1-1(Plan C)	3400 B	1167	.0839	
	3-2(Plan A)	3400 C	1167	.0839	
	4-2(Plan A)	3400 D	1167	.0839	.3356
Total			13,908		<u>100.0000</u>

Plan A - 4 Rooms and 2 Baths; 1167 Square Feet

Plan B - 4 Rooms and 2 Baths; 1143 Square Feet

Plan C - 4 Rooms and 2 Baths; 1167 Square Feet

Plan D - 4 Rooms and 2 Baths; 1143 Square Feet

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STATE OF
NORTH
CAROLINA



EXHIBIT "D" TO DECLARATION OF
CONDOMINIUM FOR MCPHERSON GREEN
CONDOMINIUM AND FOR MCPHERSON GREEN
CONDOMINIUM ASSOCIATION, INC.

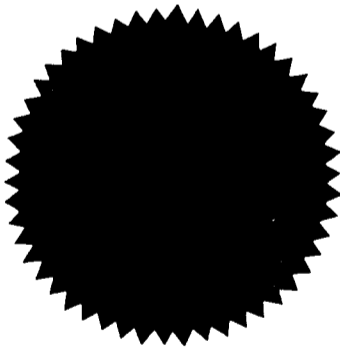
Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, Secretary of State of the State of
North Carolina, do hereby certify the following and hereto
attached to be a true copy of

ARTICLES OF INCORPORATION
OF
MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

the original of which was filed in this office on the 3rd day of
March, 1995.



IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my official seal at the City of
Raleigh, this 3rd day of March, 1995.

Rufus L. Edmisten

Secretary of State

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0363566

ARTICLES OF INCORPORATION

FILED
9:00 AM

95 065 9008

OF

MAY 13 1993

MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC. EFFECTIVE
RUFUS L. EDMISTEN
SECRETARY OF STATE

In accordance with the requirements of Chapter 55 A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is McPherson Green Condominium Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 3800 Raeford Road, Cumberland County, Fayetteville, North Carolina.

ARTICLE III

Murray O. Duggins is the initial Registered Agent of the Association.

ARTICLE IV

The Association does not contemplate pecuniary gain or profit to its members and no part of the Associations's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objectives of the Association shall be to administer the operation and management of McPherson Green Condominium (hereinafter called the "Condominium"), a condominium to be established in accordance with the laws of the State of North Carolina upon the property situated in the City of Fayetteville, Cumberland County, North Carolina, and more particularly described in Exhibit A of the Declaration of Condominium and incorporated herein by reference; to undertake the performance of the acts and duties incident to the administration of the operation and management of the Condominium in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and that may be contained in the Declaration of Condominium that shall be recorded in the Cumberland County Registry, at the time the property, and the improvements now or hereafter situated thereon, are submitted to a Plan of Condominium Ownership; and to own, operate, lease, sell, trade or

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otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the Condominium.

ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to non-profit corporations under the laws of the State of North Carolina, and all of the powers and privileges that may be granted to the Corporation under any other applicable laws of the State of North Carolina, including the Unit Ownership Act.

2. The Corporation shall have all of the powers reasonably necessary to implement the purposes of the Corporation, including but not limited to the following:

a) To make and establish reasonable rules and regulations governing the use of units and common property in the Condominium as those terms may be defined in the Declaration of Condominium to be recorded;

b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in the Declaration of Condominium and in the By-Laws of the Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purpose of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration of Condominium;

c) To maintain, repair, replace, operate and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvements of the Condominium property, and to make and enter into any and all contracts necessary or desirable to accomplish said purpose;

d) To contract for management of the Condominium and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Corporation;

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e) To exercise, undertake and accomplish all of the rights, duties, and obligations which may have been granted to or imposed upon the Corporation pursuant to the Declaration of Condominium aforementioned.

ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all units in the Condominium shall be members of the Corporation, and no other person or entity shall be entitled to membership, except as provided in item (5) of this Article VI.

2. Membership shall be established by the acquisition of fee title to a unit in the Condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more units, so long as such party shall retain title to or a fee ownership interest in any unit.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his unit. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expanded, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium and in the By-Laws which may hereafter be adopted.

4. On all matters which the membership shall be entitled to vote, each unit shall have a vote equal to its appurtenant undivided interest in the common area as set forth in the appropriate Column of Exhibit C of the Declaration of Condominium. The vote of each unit may be cast or exercised by the owner or owners of each unit in such manner as may be provided in the By-Laws hereafter adopted by the Corporation. Should any member own more than one unit, such member shall be entitled to exercise or cast the votes associated with each unit owned in the manner provided by said By-Laws.

5. Until such time as the property described in Exhibit A of the Declaration of Condominium and any improvements constructed thereon are submitted to a Plan of Condominium Ownership by the recordation of the Declaration, the membership of the Corporation shall be comprised of the (3) individuals named in Article XI

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hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

The Corporation shall have perpetual existence.

ARTICLE VIII

The affairs of the Corporation shall be managed by the president of the Corporation, assisted by the vice president, secretary and treasurer and, if any, the assistant secretaries and assistant treasurers, subject to the direction of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a director or officer of the Corporation, as the case may be.

ARTICLE IX

The number of members of the first Board of Directors of the Corporation shall be three (3). The number of members of succeeding Board of Directors shall be as provided by the By-Laws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the annual meeting of the membership as provided by the By-Laws of the Corporation. Notwithstanding the foregoing, for a period ending one hundred twenty (120) days after McPherson Green, Inc., a North Carolina corporation, ceases to own twenty-five percent (25%) or more of the total number of units designated for development by McPherson Green, Inc., but in any event no longer than May 30, 1999, McPherson Green, Inc. shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation, and such person or persons so designated and selected need not be a resident of the Condominium.

ARTICLE X

The Board of Directors shall elect a president, vice-president, secretary and treasurer, and as many assistant secretaries and assistant treasurers as the Board of Directors may determine. The president shall be elected from among the membership of the Board of Directors, but no other officer need by

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a director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of president and vice-president shall not be held by the same person and the offices of president and secretary or assistant secretary shall not be held by the same person.

ARTICLE XI

The names and post office addresses of the initial member of the Board of Directors who, subject to the provisions of these Articles of Incorporation, the By-Laws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the membership (or until their successors are elected and qualified) are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
Murray O. Duggins	3800 Raeford Road Cumberland County Fayetteville, NC 28304
Barbara Ceria	3800 Raeford Road Cumberland County Fayetteville, NC 28304
James B. Smith	3800 Raeford Road Cumberland County Fayetteville, NC 28304

ARTICLE XII

An amendment or amendments to these Articles of Incorporation shall require the written consent of the Owners of seventy-five percent (75%) of the units, in accordance with the quorum requirements stated in the Declaration of Condominium and the By-Laws.

Material amendments to these Articles of Incorporation must be approved by the additional parties named in Article XXVII(1)(d) of the Declaration of Condominium.

No amendment to these Articles of Incorporation that shall abridge, amend or alter the right of McPherson Green, Inc. to designate and select members of each Board of Directors of the Corporation, as provided in Article IX hereof, may be adopted or become effective without the prior written consent of McPherson Green, Inc.

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ARTICLE XIII

The Association may be dissolved only by the unanimous agreement of all unit owners, as stated in paragraph XXVI(a) of the Declaration of Condominium. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to similar purposes.

The name and address of the Incorporator is:

<u>NAMES</u>	<u>ADDRESSES</u>
H. Terry Hutchens	Post Office Box 2505 Cumberland County Fayetteville, NC 28302

IN TESTIMONY WHEREOF, I have hereunto set my hand, this 1st
day of March, 1995.


H. TERRY HUTCHENS (SEAL)
INCORPORATOR

EXHIBIT "E" TO DECLARATION OF CONDOMINIUM FOR MCPHERSON GREEN
CONDOMINIUM AND FOR MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

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BY-LAWS

OF

MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

A non-profit corporation organized
under the laws of the State of North Carolina

1. IDENTITY

These are the By-Laws of McPherson Green Condominium Association, Inc., a non-profit corporation organized under the laws of the State of North Carolina, the Articles of Incorporation of which shall be filed in the Office of the Secretary of State of North Carolina. McPherson Green Condominium Association, Inc., hereinafter called the "Association" has been organized for the purpose of administering the operation and management of McPherson Green Condominium, a condominium established or to be established in accordance with the laws of the State of North Carolina upon the property situated, lying and being in the City of Fayetteville, Cumberland County, North Carolina, and described in the Declaration of Condominium.

a) The provisions of these By-Laws are applicable to McPherson Green Condominium and are expressly subject to the terms, provisions and conditions of the Articles of Incorporation and the formal Declaration of Condominium that shall be recorded in the Cumberland County Registry at the time the property and the improvements now or hereafter situated thereon are submitted to the plan of condominium ownership. The terms and provisions of the Articles of Incorporation and Declaration of Condominium control any provisions in these By-Laws that are inconsistent or in conflict with the terms and provisions of the Articles of Incorporation or the Declaration of Condominium.

b) All present or future owners, tenants, future tenants or their employees, or any other person that might occupy McPherson Green Condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in the Articles of Incorporation and Declaration of Condominium.

c) The office of the Association shall be at 3800 Raeford Road, Fayetteville, North Carolina, 28303, or such other place as the Board of Directors shall designate from time to time.

d) The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first unit.

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2. MEMBERSHIP, VOTING, QUORUM, PROXIES

a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in Article VI of the Articles of Incorporation of the Association, the provisions of which are incorporated herein by reference. Where used in these By-Laws, the words "member" and "owner" are interchangeable.

b) A quorum at members' meetings shall consist of the presence of persons entitled to cast at least 10% of the votes of the entire membership. The joining of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c) The vote of the owners of a unit owned by more than one person or by a corporation or other entity shall be cast by one person named in a certificate signed by all of the owners of the unit and filed with the secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of the owners shall not be considered in determining the requirement for a quorum, or for any other purpose.

d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.

e) The approval or disapproval of a unit owner with regard to any matter, whether or not the subject of an Association meeting, shall be expressed by the same person who would cast the vote of such owner if in an Association meeting.

f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Condominium, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP

a) The annual meeting of members shall be held at such time and place during the month of November of each year, as may be designated in the notice of meeting, for the purpose of informing the membership of the names of the individuals appointed to the new Board of Directors, of informing the membership of the status of the budget for the coming year and for such other purposes as the Board of Directors may determine. The first annual meeting shall be held in November, 1995.

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b) Special meetings of members may be held whenever called by the president or vice-president or by a majority of the Board of Directors. Special meetings must be called by such officers upon receipt of a written request from members of the Association owning a majority of the units.

c) Notice of all meetings of members, regular or special, shall be given by the president, vice-president or secretary of the Association, or other officer of the Association to each member, unless waived in writing. The notice shall be written or printed and shall state the time, place and purpose for which the meeting is called. The notice shall be given to each member not less than ten (10) days and not more than sixty (60) days prior to the date set for the meeting. The notice shall be mailed or presented personally to each member. If mailed, the notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association (Register of Owners). Proof of such mailing may be given by written statement or affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice and, when filed in the records of the Association, whether before or after the holding of the meeting, the waiver shall be deemed equivalent to the giving of notice to the member. If any meeting cannot be conducted because a quorum has not attended (wherever a latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws of the Declaration of Condominium), the members who are present, either in person or by proxy, may adjourn the meeting from them to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

d) The order of business at annual meetings of members and, as far as practical, at any other meetings of members, shall be:

- i) Roll call and certification of proxies;
- ii) Proof of notice of meeting or waiver of notice;
- iii) Disposal of any unapproved minutes;
- iv) Reports of Officers;
- v) Reports of Committees;
- vi) Election of Directors;
- vii) Unfinished business;
- viii) New business; and
- ix) Adjournment.

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4. BOARD OF DIRECTORS

a) The first Board of Directors of the Association elected after the expiration of the term of the original directors named in the Articles shall consist of five (5) persons. At least a majority of the first elected Board of Directors shall be members or employees of a corporate or partnership member of the Association. Notwithstanding the foregoing, for a period ending one hundred twenty (120) days after McPherson Green, Inc., a North Carolina corporation, (hereinafter called "Developer"), ceases to own twenty-five percent (25%) or more of the units in the Condominium (96 Units), but in any event, no longer than May 30, 1999, Developer shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association. Any director designated by and selected by Developer need not be a resident in the Condominium.

b) Election of directors shall be conducted in the following manner:

i) Developer shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors that it shall be entitled to designate and select in accordance with the provisions of these By-Laws. Developer by written instrument presented to the meeting at which said election is held shall designate the person it chooses as directors and those individuals so designated and selected by Developer shall be for all purposes directors of the Association, and shall perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

ii) All members of the Board of Directors whom Developer shall not be entitled to designate and select under the terms and provisions of these By-Laws shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom Developer shall be entitled to designate and select.

iii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining directors, except that the Developer shall fill any vacancy of a directorship held by a person previously designated a director by the Developer by delivering a written instrument to any officer of the Association. The successor director shall fill the vacated directorship for the unexpired term of the directorship vacated.

iv) At the first annual meeting of the members held after the property identified has been submitted to the plan of condominium ownership and the Declaration of Condominium has been recorded in the Cumberland County Registry, North Carolina, the term of office of the three (3) directors receiving the highest plurality of votes shall be established at two (2) years, and the terms of office of

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the other two (2) directors shall be established at one (1) year. Thereafter, as many directors of the Association shall be elected at the annual meeting as there are directors whose terms have expired. The terms of office of directors so elected at the annual meeting of the members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law. If at the time of the first Annual Meeting Developer owns twenty-five percent (25%) or more units in the Condominium, then Developer shall have the right to designate and select two (2) directors whose terms of office shall be established at two (2) years, and one (1) director whose term of office shall be established at one (1) year. The remaining two (2) directors shall be those who receive the highest plurality of votes at the annual meeting. The terms of the two (2) directors so elected shall be for two (2) years.

v) In the election of directors, there shall be appurtenant to each unit a total vote equal to the number of directors to be elected multiplied by the unit's appurtenant undivided interest in the common area as set forth in the appropriate column of Exhibit C of the Declaration; provided, however, that no member or owner of one (1) unit may cast a vote greater than the unit's appurtenant undivided interest in the common area for any one person nominated as a director, it being the intent hereof that voting for directors shall be noncumulative. Notwithstanding the fact that Developer may be entitled to designate and select a majority of the members of the Board of Directors, it shall still be entitled to cast the vote for each unit owned by it in the elections of other directors; provided, however, that the other directors elected are persons other than officers, directors, stockholders, partners and employees of Developer, or wives or relatives of any of said persons.

vi) In the event that the Developer, in accordance with the rights herein established, selects any person to serve on the Board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person with another person to serve on the Board of Directors. Replacements of any person designated by Developer to serve on any Board of any person designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person to be replaced and the name of the person designated as successor to the person so removed. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

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c) The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present.

d) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

e) Special meetings of the directors may be called by the president, and must be called by the secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of a meeting shall be given to each director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

f) Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

g) A quorum at a directors' meeting of the Board of Directors shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, or these By-Laws, or the Declaration of Condominium. If any meeting of the Board of Directors cannot be organized because a quorum has not attended, or because the greater percentage of the directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or Declaration of Condominium, the directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The joining of a director in the action of a meeting by signing and concurring with the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

h) The presiding officer of meetings shall be the Chairman of the Board, if such an officer has been elected; and if none, then the president of the Association shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

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i) Directors' fees, if any, shall be determined by the members.

j) All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these By-Laws and the Declaration of Condominium. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

i) To make, determine, levy and collect assessments, including interest and late charges thereon and the percentage rates thereof, against members and members' units to defray the costs of the Condominium, as provided for in Article XXIV of the Declaration of Condominium, which Article is herein incorporated by reference, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

ii) To maintain, repair, replace, operate and manage the common areas and facilities wherever the same is required to be done and accomplished by the Association for the benefit of its members; and further to approve any expenditure made or to be made for those purposes;

iii) To reconstruct any part of the common property after casualty in accordance with Article XXII of the Declaration of Condominium, and to make further improvement to the common property, real and personal, and to make and to enter into any and all contracts, necessary or desirable to accomplish said purposes;

iv) To make, amend, and enforce regulations governing the use of the common property and units so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium;

v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including units in the Condominium as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration of Condominium, provided that the acquisition of real property other than units shall require the approval of the Association;

vi) To acquire and to enter into leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interest in lands or facilities including, but not limited to, swimming pools, tennis and other recreational facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of units;

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vii) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors of membership of the Association;

viii) To enforce by legal means or proceedings the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Condominium and the regulations hereinafter promulgated governing the use of the common property in the Condominium;

ix) To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than units and the appurtenances thereto, and to assess the same against the members and their respective units subject to such liens;

x) To purchase insurance for the protection of the members and the Association against casualty and liability in accordance with Articles XX and XXI of the Declaration of Condominium;

xi) To pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate units; and

xii) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the Condominium including the common property.

k) As stated in paragraph 4(a) hereof, the initial Board of Directors of the Association shall be comprised of the three (3) persons designated in the Articles of Incorporation, which said persons shall serve until their successors are elected at the first Annual Meeting of the members of the Association called after the property identified herein has been submitted to the plan of condominium ownership and the Declaration of Condominium has been recorded in the Cumberland County Registry. Should any member of the initial Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of the director who is unable to serve.

l) The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by a Board of Directors duly elected by the membership, so long as such undertakings and contracts are within the scope of the powers and duties that may be exercised by the Board of Directors in accordance with all applicable condominium documents and provided further that any undertaking or contract entered into by the Association at a time the Developer has the right to appoint a majority of the Board of Directors shall contain a provision reserving the right of the Association to terminate such

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undertaking or contract upon not more than ninety (90) days written notice to the other party/parties thereto.

m) Any one or more of the members of the Board of Directors may be removed either with or without cause, at any time by a vote of the members owning a majority of the units in the Condominium, at any special meeting called for such purpose, or at the annual meeting; provided, however, that only the Developer shall have the right to remove a director appointed by it.

5. OFFICERS

a) The executive officers of the Association shall be a president (who shall be a director), a vice-president, a treasurer, and a secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the directors at any meeting. Any person may hold two or more offices, except that the president shall not also be vice-president, secretary or an assistant secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

b) The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of the president of any association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. He shall preside at all meetings of the unit members and the Board of Directors.

c) The vice-president shall, in the absence or disability of the president, exercise the powers and perform the duties of president. He shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

d) The secretary shall keep the minutes of all proceedings of the Board of Directors and the members. He shall provide all notices to the members and directors, and any other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Board of Directors or the president. The assistant secretary shall perform the duties of secretary when the secretary is absent.

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e) The treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, and supervise the keeping of the assessment rolls and accounts of the members. He shall keep the books of the Association in accordance with good accounting practices. He shall perform all other duties incident to the office of treasurer.

f) The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association or preclude the Board of Directors contracting with a director for the management of the Condominium.

g) All officers shall serve at the pleasure of the Board of Directors and any officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. Such account shall designate the name and address of the unit owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments are due, the amounts paid upon the account and the balance due upon assessments.

b) The Board of Directors shall adopt a budget for each calendar year that shall contain estimates of the costs of performing the functions of the Association, including, but not limited to the following:

i) Common Expense Budget. This budget shall be subject to the limitations in the Declaration and may include the estimated amounts necessary for maintenance and operation of capital improvements to the common property including landscaping, street and walkways, office expenses, utility services, casualty insurance, liability insurance, administration and reserves (one for operations and one for capital improvements and replacements), management fees and costs of maintaining leaseholds, memberships and other possessory or use interests in lands or facilities whether or not contiguous to the lands of the Condominium that would provide enjoyment, recreation or other use or benefit to the unit owners; and

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ii) Proposed Assessments. Copies of the proposed budget and proposed assessments shall be transmitted to each member prior to January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment. Delivery of a copy of such budget or amended budget shall not be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto. Once the annual budget has been approved at the meeting of the unit members, each unit owner shall be notified by mail of the amount of the monthly assessment for the following year.

c) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors.

d) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member not later than May 15 of the year following the year for which the report is made.

e) Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for association funds. The amount of such bonds shall be determined as set forth in the Declaration. The premiums on such bonds shall be paid by the Association.

7. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, these By-Laws or with the North Carolina General Statutes.

8. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the directors, or by members of the Association owning a majority of the aggregate interest in the common areas and facilities in McPherson Green Condominium, whether meeting as members or by instrument in writing signed by them.

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b) Upon any amendment or amendments to these By-Laws being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the president of the Association, or other officer of the Association in the absence of the president, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the secretary to give to each member written or printed notice of the call of a special meeting of the members.

c) In order for such amendment or amendments to become effective, the amendment(s) must be approved by an affirmative vote of a majority of the entire membership of the Board of Directors and by an affirmative vote of the members owning in the aggregate not less than seventy percent (70%) of the interests in the common areas and facilities in the Condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the president and secretary of the Association, and a copy thereof placed in the official corporate records of the Association and mailed to each member.

d) Upon the approval and proper recording of any amendment or amendments, the same shall become binding upon all unit owners.

e) At any meeting held to consider any amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented by proxy, provided such written vote is delivered to the secretary of the Association at or prior to such meeting.

f) Notwithstanding the foregoing provisions of this Article 8, no amendment to these By-Laws which shall abridge, amend or alter the right of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of the Developer.

g) Notwithstanding the foregoing provision of Article 8, no material alteration, amendment or modification of these By-Laws shall become effective without the prior written consent of institutional lenders (as defined in Article XXIX of the Declaration) holding first mortgage loans on units representing at least fifty-one (51%) percent of the votes in the Association being obtained. Any change to the provisions of these By-Laws that affects any of the following shall be deemed material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interest in the common areas of limited common areas, or rights to their use; boundaries of any unit; convertibility of units into common areas or vice versa; expansion

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or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium; insurance or fidelity bonds; leasing of units; imposition of any restrictions on a unit owners's right to sell or transfer his or her unit; a decision by the owner's association to establish self management; restoration or repair of the Condominium; any provisions that expressly benefit institutional lenders.

h) So long as Developer retains the right to appoint a majority of the Board of Directors of the Association as set forth in Article XXX of the Declaration and Article 4 of these By-Laws, any amendment to these By-Laws shall require the prior approval of the Veterans Administration.

9. AVAILABILITY OF DOCUMENTS AND RECORDS

The Board of Directors shall cause to be maintained at the office of the Association a file containing current copies of the Declaration of Condominium, the Articles of Incorporation, these By-Laws, any rules and regulations applicable to the Condominium, and other books, records and financial statements of the Association. Such file and the documents and information contained therein shall be available for inspection, upon request, during normal business hours, to all unit owners, institutional lenders (as defined in Article XXIX of the Declaration) and prospective purchasers, all of whom may also, upon request and payment of a reasonable charge determined by the Board of Directors, obtain copies thereof.

10. RULES OF CONDUCT

a) No resident of the Condominium shall post any advertisements or poster of any kind in or on the common property except as authorized by the Association.

b) Residents shall minimize noises and shall exercise care when using musical instruments, radios, television sets and amplifiers that may disturb other residents. Residents who keep domestic animals shall abide by the sanitary regulations of Cumberland County and any other governmental agency having jurisdiction.

c) No garbage or trash shall be thrown or deposited outside the disposal installations provided for such purposes.

d) No unit owner shall cause any improvements or alteration to be made to the exterior of the Condominium (including painting or other decoration, the installation of electrical wiring, television or radio antennae, or any other objects or devices 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 prior written permission of the Board of

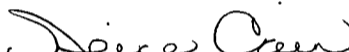
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Directors or a duly appointed architectural control committee. No unit owner shall cause any object to be fixed to the common property or to any limited common area (including the location or construction of fences or the planting or growing of flowers, trees, shrubs or other vegetation) or in any manner change the appearance of the common property or limited common area without the prior written permission of the Board of Directors or a duly appointed architectural control committee.

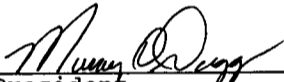
11. COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47C of the General Statutes of the State of North Carolina, and Chapter 27 of the Code of Ordinances of the City of Fayetteville, North Carolina, both of which are incorporated by reference as if fully set forth herein. In the event of a conflict between the two, the provisions of Chapter 47C, NCGS, shall prevail. In the event that any of these By-Laws conflict with the provisions of the statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing were adopted as the By-laws of McPherson Green Condominium Association, Inc., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors on March 3, 1995.


SECRETARY - Assistant

APPROVED:


President

BK 4283 PG 0838

EXPLANATION STATEMENT TO CORRECT OBVIOUS MINOR ERROR(S)
MADE IN AN INSTRUMENT AS ORIGINALLY RECORDEDRE: BOOK 4283
PAGE 0293

RECORDED IN THE CUMBERLAND COUNTY REGISTRY

NAMES OF ALL PARTIES TO THE ORIGINAL INSTRUMENT:

GRANTOR: MCPHERSON GREEN, INC.

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

I/We, the undersigned, hereby certify that the following corrections are made in the above named recorded instrument in accordance with the provisions of G.S. 47-36.1 ratified June 30, 1986.

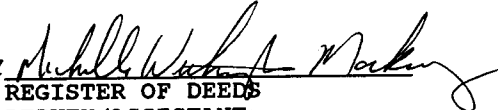
DESCRIPTION OF CORRECTION(S): Declaration is being re-recorded to include Exhibits D and E as set forth in Article X.

This, the 3rd day of March, 1995.

 (SEAL)
H. TERRY HUTCHENS

This explanation statement together with the attached instrument duly re-recorded at 4:33 o'clock P M this the 3 day of MARCH, 1995 in the Book and Page shown on the first page hereof.

GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND COUNTY, N.C.

BY 
REGISTER OF DEEDS
DEPUTY/ASSISTANT

Mail: Hutchens

BK 4394 PG 0619

RECEIVED

51309

112307

95 OCT 27 AM 8:06

AMENDMENT
TO DECLARATION OF
MCPHERSON GREEN CONDOMINIUM AND FOR
MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND CO., N.C.


McPherson Green, Inc., Developer and Declarant, hereby amends the declaration of Condominium of McPherson Green recorded in book 4283, and page 0293, and re-recorded in book 4283, page 788, Cumberland County Registry, in accordance with Article XXVII by adding and amending said Declaration as set out below:


1. Additional units are being added to the condominium property and shall be known as Phase III & IV. The legal description for said Phases are set out on Exhibit A attached hereto.
2. The units of said Phases, the common area and the limited common areas of said Phases are recorded as set out in Exhibit B.
3. The percentage of ownership of each unit of the Phases shall now be as is set out on Exhibit C attached hereto.
4. All terms and conditions of the original Declaration are incorporated into and are a part of this Supplemental Declaration.
5. The Site Plan and Plans are recorded as set out in Exhibit B attached hereto.

IN WITNESS WHEREOF, McPherson Green, Inc. has caused these presents to be executed in its name by its Vice President, attested by its Assistant Secretary, and its Corporate Seal to be hereunto affixed, this 26th day of October, 1995.

McPherson Green, Inc.

BY: 
James Smith, Vice President




Assistant Secretary - Alice Cain

16.00

NORTH CAROLINA, CUMBERLAND COUNTY

I, Katrina V. Smith, a Notary Public in and for said County and State, do hereby certify that James Smith appeared before me this day, who, being sworn, deposes and says: that he is the Vice President of MCPHERSON GREEN, INC., and that Alice Cain, is the Assistant Secretary: that the seal affixed to the foregoing instrument, in writing, is the Corporate Seal of said Corporation; that said instrument was signed and sealed by him and attested by the said Assistant Secretary, in behalf of said Corporation, all by its authority duly granted. And the said Vice President acknowledged the said instrument to be the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this 26th day of October, 1995.

My Commission Expires: 6-29-97 Katrina V. Smith
NOTARY PUBLIC

The foregoing Certificate of Katrina V. Smith

is certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

George E. Satum REGISTER OF DEED FOR CUMBERLAND COUNTY,
by Cheryl C. Hudson, Deputy, REGISTER OF DEEDS.

EXHIBIT A

McPherson Green Condominiums (Phase Three and Four)

Beginning at a stake on the northern right-of way margin of A & R Railroad right-of-way, said stake being the southwest corner of Phase One and Two of "McPherson Green Condominiums" as recorded in Condominium Book 4, Page 191 Cumberland County Registry, thence with the northern right-of-way margin of A & R Railroad right-of-way North 69 degrees 31 minutes 22 seconds West 208.21 feet to a concrete monument on the eastern right-of-way margin of the All American Freeway; thence with the Eastern right-of-way margin of said freeway North 20 degrees 04 minutes 23 seconds West 154.96 feet to a stake; thence leaving the eastern right-of-way margin of said freeway a new line north 69 degrees 55 minutes 37 seconds East 48.85 feet to a stake; thence another new line South 20 degrees 04 minutes 23 seconds East 67.76 feet to a stake; thence another new line South 83 degrees 02 minutes 31 seconds East 69.25 feet to a stake; thence another new line south 71 degrees 30 minutes 05 seconds East 49.98 feet to a stake; thence another new line North 15 degrees 55 minutes 09 seconds East 116.71 feet to a stake in the Northern line of the McPherson Green, Inc. Property; thence with said line South 74 degrees 04 minutes 51 seconds East 217.33 feet to a stake, said stake being the northwest corner of Phase One and Two of "McPherson Green Condominiums" as recorded in Condominium Book 4, Page 191, Cumberland County Registry; thence a western line of Phase One and Two south 15 Degrees 55 minutes 09 seconds West 126.74 feet to a stake; thence with another line of Phase One and Two North 71 degrees 28 minutes 35 seconds West 107.00 feet to a stake; thence with another line of Phase One and Two South 20 degrees 28 minutes 38 seconds West 119.45 feet to the point and place of beginning. Containing 1.30 acres and being Phase Three and Four of McPherson Green Condominiums.

BK4394 PG0622

EXHIBIT "B"
TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM
AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

SEE CONDOMINIUM PLAT BOOK 5, AT PAGES 7
THROUGH -. CUMBERLAND COUNTY REGISTRY, NORTH CAROLINA.

EXHIBIT "C"

TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PERCENTAGE INTEREST OF COMMON AREA, COMMON EXPENSES AND VOTES IN MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PHASES I THROUGH IV.

	Unit	Address on Lainey Lane	Square Footage	Percent Interest	Total % Interest
Phase I	1(Plan C)	3401 A	1167	3.60	
	1(Plan D)	3401 B	1143	3.53	
	2(Plan A)	3401 C	1167	3.60	
	2(Plan B)	3401 D	1143	3.53	
	1(Plan D)	3411 A	1143	3.53	
	1(Plan C)	3411 B	1167	3.60	
	2(Plan B)	3411 C	1143	3.53	
	2(Plan A)	3411 D	1167	3.60	28.52
Phase II	1(Plan C)	3400 A	1167	3.60	
	1(Plan C)	3400 B	1167	3.60	
	2(Plan A)	3400 C	1167	3.60	
	2(Plan A)	3400 D	1167	3.60	14.40
Phase III	1(Plan C)	3420 A	1167	3.60	
	2(Plan D)	3420 B	1143	3.53	
	3(Plan D)	3410 A	1143	3.53	
	4(Plan C)	3410 B	1167	3.60	
	5(Plan A)	3420 C	1167	3.60	
	6(Plan B)	3420 D	1143	3.53	
	7(Plan B)	3410 C	1143	3.53	
	8(Plan A)	3410 D	1167	3.60	28.52
Phase IV	1(Plan C)	3421 A	1167	3.60	
	2(Plan D)	3421 B	1143	3.53	
	3(Plan D)	3431 A	1143	3.53	
	4(Plan C)	3431 B	1167	3.60	
	5(Plan A)	3421 C	1167	3.60	
	6(Plan B)	3421 D	1143	3.53	
	7(Plan B)	3431 C	1143	3.53	
	8(Plan A)	3431 D	1167	3.60	28.52
Total			32,388	100.00	100.00

Plan A - 4 Rooms and 2 Baths; 1167 Square Feet

Plan B - 4 Rooms and 2 Baths; 1143 Square Feet

Plan C - 4 Rooms and 2 Baths; 1167 Square Feet

Plan D - 4 Rooms and 2 Baths; 1143 Square Feet

PREPARED BY AND RETURN TO H. TERRY HUTCHENS

BK 4464 PG 0026

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AMENDMENT
TO DECLARATION OF
MCPHERSON GREEN CONDOMINIUM AND FOR
MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

161

McPherson Green, Inc., Developer and Declarant, hereby amends the declaration of Condominium of McPherson Green recorded in book 4283, and page 0293, and re-recorded in book 4283, page 788, Cumberland County Registry, in accordance with Article XXVII by adding and amending said Declaration as set out below:

1. Additional units are being added to the condominium property and shall be known as Phase V. The legal description for said Phase is set out on Exhibit A attached hereto.
2. The units of said Phase, the common area and the limited common areas of said Phase are recorded as set out in Exhibit B.
3. The percentage of ownership of each unit of the Phase shall now be as is set out on Exhibit C attached hereto.
4. All terms and conditions of the original Declaration are incorporated into and are a part of this Supplemental Declaration.
5. The Site Plan is recorded as set out in Exhibit B attached hereto.

IN WITNESS WHEREOF, McPherson Green, Inc. has caused these presents to be executed in its name by its Vice President, attested by its Assistant Secretary, and its Corporate Seal to be hereunto affixed, this 21st day of March, 1996.

McPherson Green, Inc.

BY: James P. Smith
James Smith, Vice President

Alice Cain
Assistant Secretary - Alice Cain

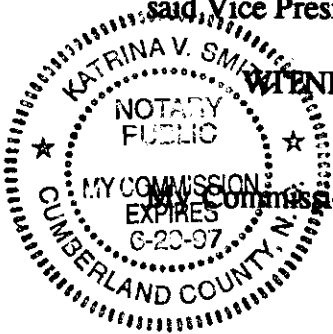
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NORTH CAROLINA, CUMBERLAND COUNTY

I, KATRINA V. SMITH, a Notary Public in and for said County and State, do hereby certify that James Smith appeared before me this day, who, being sworn, deposes and says: that he is the Vice President of MCPHERSON GREEN, INC., and that Alice Cain, is the Assistant Secretary: that the seal affixed to the foregoing instrument, in writing, is the Corporate Seal of said Corporation; that said instrument was signed and sealed by him and attested by the said Assistant Secretary, in behalf of said Corporation, all by its authority duly granted. And the said Vice President acknowledged the said instrument to be the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this 21st day of March, 1996.



Katrina V. Smith
NOTARY PUBLIC

The foregoing Certificate of _____

is certified to be correct. This instrument and this certificate are duly registered at the date and

The foregoing Certificate(s) of Katrina V. Smith

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By George E. Tatum REGISTER OF DEEDS FOR CUMBERLAND COUNTY,
Pamela H. Gore Deputy/Assistant - Register of Deeds

BK 4464 PG 0028

EXHIBIT "A"
TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM
AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

NORTH CAROLINA
CUMBERLAND COUNTY
CROSS CREEK TOWNSHIP

BEGINNING at an iron stake on the eastern right of way margin of the All American Freeway, said iron stake being the northwest corner of the McPherson Green, Inc. Property; thence with the northern line of said property South 74 degrees 04 minutes 51 seconds East 269.68 feet to a stake, said stake being a corner of Phase Three and Four of "McPherson Green Condominiums" as recorded in Condominium Book 5, Page 7, Cumberland County Registry; thence with the lines of Phase Three and Four South 15 degrees 55 minutes 09 seconds West 116.71 feet to a stake; thence North 71 degrees 30 minutes 05 seconds West 49.98 feet to a stake; thence North 83 degrees 02 minutes 31 seconds West 69.25 feet to a stake; thence North 20 degrees 04 minutes 23 seconds West 67.76 feet to a stake; thence South 69 degrees 55 minutes 37 seconds West 48.85 feet to a stake on the eastern right of way margin of the All American Freeway; thence with the eastern right of way margin of the All American Freeway North 20 degrees 04 minutes 23 seconds West 122.52 feet to the point and place of beginning. Containing 0.57 acres more or less and being Phase Five of McPherson Green Condominiums.

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EXHIBIT "B"
TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM
AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

SEE CONDOMINIUM PLAT BOOK 05, AT PAGES 24
THROUGH . CUMBERLAND COUNTY REGISTRY, NORTH CAROLINA.

EXHIBIT "C"

TO DECLARATION OF CONDOMINIUM FOR McPHERSON GREEN CONDOMINIUM AND FOR McPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PERCENTAGE INTEREST OF COMMON AREA, COMMON EXPENSES AND VOTES IN MCPHERSON GREEN CONDOMINIUM ASSOCIATION, INC.

PHASES I THROUGH V.

	Unit	Address on Lainey Lane	Square Footage	Percent Interest	Total % Interest
Phase I	1(Plan C)	3401 A	1167	3.15	
	1(Plan D)	3401 B	1143	3.10	
	2(Plan A)	3401 C	1167	3.15	
	2(Plan B)	3401 D	1143	3.10	
	1(Plan D)	3411 A	1143	3.10	
	1(Plan C)	3411 B	1167	3.15	
	2(Plan B)	3411 C	1143	3.10	
	2(Plan A)	3411 D	1167	3.15	25.00
Phase II	1(Plan C)	3400 A	1167	3.15	
	1(Plan C)	3400 B	1167	3.15	
	2(Plan A)	3400 C	1167	3.15	
	2(Plan A)	3400 D	1167	3.15	12.60
Phase III	1(Plan C)	3420 A	1167	3.15	
	2(Plan D)	3420 B	1143	3.10	
	3(Plan D)	3410 A	1143	3.10	
	4(Plan C)	3410 B	1167	3.15	
	5(Plan A)	3420 C	1167	3.15	
	6(Plan B)	3420 D	1143	3.10	
	7(Plan B)	3410 C	1143	3.10	
	8(Plan A)	3410 D	1167	3.15	25.00
Phase IV	1(Plan C)	3421 A	1167	3.15	
	2(Plan D)	3421 B	1143	3.10	
	3(Plan D)	3431 A	1143	3.10	
	4(Plan C)	3431 B	1167	3.15	
	5(Plan A)	3421 C	1167	3.15	
	6(Plan B)	3421 D	1143	3.10	
	7(Plan B)	3431 C	1143	3.10	
	8(Plan A)	3431 D	1167	3.15	25.00
Phase V	1(Plan C)	3430 A	1167	3.15	
	2(Plan C)	3430 B	1167	3.15	
	3(Plan A)	3430 C	1167	3.15	
	4(Plan A)	3430 D	1167	3.15	22.60
Total			37,056	100.00	100.00

Plan A - 4 Rooms and 2 Baths; 1167 Square Feet

Plan B - 4 Rooms and 2 Baths; 1143 Square Feet

Plan C - 4 Rooms and 2 Baths; 1167 Square Feet

Plan D - 4 Rooms and 2 Baths; 1143 Square Feet

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