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**DECLARATION OF CONDOMINIUM
FOR
THE TREMONT CONDOMINIUM**

Consisting of 24 pages,
Numbered 1 through 24
and
Exhibits A, B and C

**THIS DOCUMENT REGULATES OR PROHIBITS
THE DISPLAY OF POLITICAL SIGNS.**

Drawn by and mail to:
Moore & Van Allen PLLC (JCO)
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202

**DECLARATION OF CONDOMINIUM
FOR
THE TREMONT CONDOMINIUM**

THIS DECLARATION OF CONDOMINIUM (this "Declaration") is made effective this 17th day of September, 2008 by **TIDEWATER CORPORATE DEVELOPMENT, LLC**, a North Carolina limited liability company ("Declarant").

RECITALS:

A. Declarant is the owner of certain real property and the improvements located thereon at 301 East Tremont Avenue, in Charlotte, Mecklenburg County, North Carolina 28203, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"), and Declarant has developed the Property by constructing a three-story building and related amenities on the Property.

B. Declarant intends to subject the Property to this Declaration and the terms and conditions hereof.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, conveyed, encumbered, used, occupied, developed and improved subject to the following easements, restrictions, covenants, conditions, uses, limitations and obligations, all of which are declared to be in furtherance of a plan for the development of the Property into a condominium, and which shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall all inure to the benefit of each party that is an owner of any interest therein.

**ARTICLE I
DEFINITIONS**

Section 1. "Act" shall mean and refer to the North Carolina Condominium Act, Chapter 47C of the General Statutes of North Carolina.

Section 2. "Assessments" shall mean and refer collectively to (i) annual assessments levied by the Association ("Annual Assessments") to be used as provided in Section 4 of Article V below with respect to the operation of the Association and the Common Elements and Limited Common Elements; and (ii) special assessments for capital improvements to the Common Elements or Limited Common Elements levied by the Association ("Special Assessments").

Section 3. "Association" shall mean and refer to The Tremont Condominium Owners Association, Inc., its successors and assigns.

Section 4. “Building” shall mean and refer to the building containing forty-five (45) residential condominium Units and five (5) retail/commercial Units on the Property, as shown on the Plat and Plans.

Section 5. “Bylaws” shall mean and refer to the bylaws of the Association, a copy of which is attached hereto as Exhibit C and incorporated herein by this reference, and all amendments to such bylaws which may from time to time be adopted.

Section 6. “Common Elements” shall mean and refer to all portions of the Condominium other than the Units and the Limited Common Elements.

Section 7. “Common Expenses” shall mean and refer to any and all expenditures made by or financial liabilities of the Association, together with any allocations to reserves, pursuant to and in accordance with this Declaration, the Bylaws and N.C. Gen. Stat. § 47C-1-103(5).

Section 8. “Condominium” shall mean and refer to the Property, all portions of the Building and other improvements located therein, and all easement rights appurtenant thereto, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the Owners of those portions.

Section 9. “The Tremont Condominium” shall mean and refer to the condominium development of the Property.

Section 10. “Declarant” shall mean and refer to Tidewater Corporate Development, LLC, a North Carolina limited liability company, its successors and assigns.

Section 11. “Declaration” shall mean and refer to this Declaration of Condominium.

Section 12. “Executive Board” shall mean and refer to the body designated in this Declaration to act on behalf of the Association.

Section 13. “Limited Common Elements” shall mean and refer to all portions of the Condominium that are allocated by this Declaration for the exclusive use of one or more but fewer than all of the Units, as set forth in Article III herein.

Section 14. “Member” shall mean and refer to every person or entity that holds membership in the Association.

Section 15. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit, together with an undivided interest in the Common Elements and Limited Common Elements appertaining to such Unit as hereinafter set forth, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 16. “Period of Declarant Control” shall mean and refer to the period commencing on the date hereof and continuing until the earlier of: (i) one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the Units (including any Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant; or (ii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business.

Section 17. “Plat and Plans” shall mean and refer to the plat and plans recorded in Unit Ownership File No. 922 in the Mecklenburg County Register of Deeds.

Section 18. “Property” shall mean and refer to the parcel of real property, described on Exhibit A attached hereto, and all improvements located thereon and all rights and easements appurtenant thereto.

Section 19. “Rules and Regulations” shall mean and refer to those rules and regulations adopted by the Executive Board relating to the use of the Units and the Common Elements.

Section 20. “Special Declarant Rights” shall mean and refer to those rights of the Declarant as set forth in Article II, Section 7 of this Declaration.

Section 21. “Unit” shall mean and refer to a physical portion of the Condominium designated for separate ownership or occupancy. The boundaries of each Unit shall consist of the unfinished perimeter walls, floors and ceilings as shown on the Plat and Plans. All interior surfacing materials, including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the interior walls, floors or ceilings of each Unit shall be a part of that respective Unit. In addition, all spaces, interior partitions, fixtures, appliances, cabinets and other such facilities or improvements lying completely within the boundaries of a Unit and serving only such Unit shall be a part of such Unit.

ARTICLE II **GENERAL**

Section 1. Declarant hereby submits the Property to the provisions of the North Carolina Condominium Act (N.C. Gen. Stat. §§ 47-C, et seq.), as amended from time to time (the “Act”). The Property will be administered in accordance with the provisions of the Act, this Declaration and the Bylaws of the Association.

Section 2. The name of the Condominium shall be “The Tremont Condominium”.

Section 3. The real estate included in the Condominium is the Property, which is located in Mecklenburg County, North Carolina, and is described on Exhibit A attached hereto.

Section 4. Declarant does hereby establish within the Property forty-five (45) residential condominium units and five (5) retail/commercial units in the Building, and does hereby designate all such Units for separate ownership. Notwithstanding the foregoing,

Declarant reserves the right to subdivide any such Unit or combination of Units into two (2) or more Units, or to combine two (2) or more Units into one (1) Unit, or otherwise move or rearrange the boundaries of any Unit before such Unit is sold. Further, any subsequent Owner may combine two (2) or more Units into one (1) Unit, provided that such combination is in compliance with the Act. No subsequent Owner may subdivide any Unit into two (2) or more Units except, and only to the extent, such Unit was originally two (2) or more Units. Any such permitted subdivision by a subsequent Owner shall be in compliance with the Act and Article IV, Section 1 hereof. Reference is hereby made to the Plat and Plans for a separate description of the boundaries of each Unit, identified by number, said Plat and Plans being by this reference incorporated herein.

Section 5. Each Owner shall be a Member of the Association, and all Members shall vote on matters affecting the Association as a whole. With respect to such matters, the total number of votes shall be fifty (50), with the Owner of each Unit having one (1) vote. If an Owner combines two (2) or more Units into one (1) Unit, such Owner shall have two (2) votes. If an Owner subdivides one (1) Unit into two (2) Units, such Owner shall have one (1) vote for each Unit. Notwithstanding anything in this Declaration or the Bylaws of the Association, the Owners of the retail/commercial Units shall have ten (10) times the number of votes they otherwise would have for purposes of voting on the amount and scope of maintenance costs and expenses for the use of, or the transfer or encumbrance of, the first floor Common Elements and any and all Limited Common Elements allocated exclusively to the retail/commercial Units.

Section 6. The Limited Common Elements other than those specified in N.C. Gen. Stat. §§ 47C-2-102 (2) and (4), and as provided in N.C. Gen. Stat. § 47C-2-109(b)(7), are described under Article III of this Declaration.

Section 7. Declarant reserves the following Special Declarant Rights with respect to the Property:

(a) To design, construct, complete and exercise control over the course of development of any and all improvements indicated on the Plat and Plans;

(b) To construct and maintain any sales office, management office or model in one Unit, with the size and location of such Unit to be determined by Declarant in its sole discretion; provided, however, that Declarant may relocate such sales office, management office, or model from time to time; and to construct and maintain signs advertising the Condominium at such locations as are determined by Declarant;

(c) To use the easements set forth in Article IX, Sections 2 and 3 for the purpose of making improvements and repairs within the Condominium;

(d) To alter the size, configuration or style of any Unit, combine or merge two (2) or more Units, create additional Units or subdivide any Unit, as set forth in Article II, Section 4; and

(e) To appoint and remove any officer of the Association or any Executive Board members during the Period of Declarant Control; provided, however, (i) that not

later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than the Declarant; and (ii) that not later than sixty (60) days after conveyance of fifty percent (50%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Owners other than Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Owners other than the Declarant. Not later than the termination of the Period of Declarant Control, the Owners shall elect the Executive Board of at least three (3) members, a majority of whom must be Owners. Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the Period of Declarant Control, but in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Executive Board be approved by the Declarant before they become effective.

ARTICLE III COMMON ELEMENTS

Section 1. Except as provided in Section 2 of this Article III, all portions of the Condominium other than the Units shall be Common Elements.

Section 2. Any entryways and all exterior doors, windows, balconies and decks or other fixtures designed to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit. To the extent any utility line, pipe, chute, flue, duct, riser, chase, vent, wire, conduit, bearing wall, bearing column or any other fixture or improvement lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated exclusively to that Unit, and any portion thereof serving more than one Unit is a Limited Common Element allocated exclusively to such Units.

ARTICLE IV PROPERTY RIGHTS

Section 1. Ownership of a Unit shall vest fee simple title to such Unit in the Owner. In the event an Owner may own more than one (1) Unit and such Units are located contiguous to each other, such Owner may elect to combine the Units so long as such Owner obtains Declarant's consent and complies with the Act and with rules and regulations reasonably promulgated from time to time by the Declarant or the Association, as the case may be, with respect to construction-related matters (including, without limitation, hours of construction to prevent disruption to other Owners, compliance with engineering and structural matters, review and approval of the plans and specifications therefor by the Declarant and the Association, and such other construction-related matters). If an Owner should elect to combine contiguous Units into one (1) Unit under this Section 1, such Owner's percentage of ownership interest in the Common Elements for purposes of assessments shall equal the total of the percentage interests of each of the Units combined.

Section 2. Every Owner shall have the rights and privileges with respect to the easements appurtenant to the Property as are granted in this Declaration.

Section 3. Every Owner shall own an undivided interest in the Common Elements and Limited Common Elements, and every Owner shall have a right and easement of enjoyment in the Common Elements (other than Limited Common Elements designated for the exclusive use of other Units) and an unrestricted right of ingress and egress across the Common Elements (other than Limited Common Elements designated for the exclusive use of other Units) to his, her or its Unit. Such right and easement of enjoyment and of ingress and egress shall be appurtenant to and shall pass with the title to every Unit. The undivided interest of every Unit Owner in the Common Elements shall be in the percentage set forth in Exhibit B attached hereto and incorporated herein. Such interests have been allocated based upon square footage. In addition, the undivided interest in the Common Elements and the right and easement of enjoyment in such Common Elements are subject to the following:

(a) the Executive Board and Declarant shall have the right to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the Common Elements;

(b) the Declarant shall have the right to exercise the Special Declarant Rights as set forth in Article II, Section 7; and

(c) the Association shall have the right to dedicate or transfer, or encumber all or any part of the Common Elements subject to approval by the Owners as provided in the Act.

In the event of subdivision of any Unit, the percentage interest in the Common Elements allocated to each Unit created by the subdivision shall be established by Declarant (if such subdivision occurs during the Period of Declarant Control) or by the Executive Board (if such subdivision occurs after the Period of Declarant Control) based on the relative square footages of the Units created by such subdivision. Such allocations shall be rounded as necessary to cause the ownership of the Common Elements to at all times be vested one hundred percent in the Owners.

Section 4. Any Owner may delegate his, her or its right of enjoyment to the Common Elements to such Owner's tenants, invitees and licensees and the invitees and customers of such tenants, invitees and licensees.

Section 5. Every Owner of a Unit shall comply with the rules and regulations which shall be promulgated by the Declarant with respect to parking, as set forth in Article IX hereof.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. The Declarant, for each Unit owned by it, and each Owner by acceptance of a deed to a Unit, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association the Assessments, such Assessments to be established and collected as hereinafter provided.

Except as otherwise provided in this Declaration or in the Bylaws, the Owners of the retail/commercial Units shall contribute, as a group, 12.3301% of the Common Expenses incurred by the Association and the Owners of the residential Units shall contribute, as a group, the balance of the Common Expenses, that is 87.6699% of the Common Expenses incurred by the Association. The share of the Common Expenses allocable to the retail/commercial Units shall be divided among the retail/commercial Units in proportion to the percentage of undivided interest in the Common Elements allocated to the retail/commercial Units from time to time as set forth in Exhibit B attached hereto and the share of the Common Expenses allocable to the residential Units shall be divided among the residential Units in proportion to the percentage of undivided interest in the Common Elements allocated to the residential Units existing from time to time as set forth in Exhibit B attached hereto. Assessments for all Units shall begin as of the date of the first conveyance of a Unit to a party other than Declarant.

Annual Assessments shall be deemed levied upon the adoption of the budget by the Executive Board pursuant to the Bylaws; provided, however, the Executive Board may, in its sole discretion, bill such Assessments in monthly installments. Any installment of the Annual Assessment shall be due thirty (30) days after written notice of the installment amount is provided to each Owner. Notwithstanding the preceding provisions to the contrary, upon the expiration of the Period of Declarant Control, the amount of Assessments levied against any unsold Units owned by Declarant shall not exceed the lesser of (i) Assessments at the rate then charged by the Association, or (ii) the actual Common Expenses incurred by the Association in connection with the maintenance, repair and replacement of the Common Elements and Limited Common Elements for such unsold Units.

Any Common Expense or portion thereof for the operation, insuring, repair, maintenance or replacement of a Limited Common Element may be reasonably assessed by the Executive Board against the Unit or the Units benefited thereby in proportion to the relative benefit derived therefrom.

Section 2. Fees (including reasonable attorneys' fees), charges, late charges (as provided below), fines and interest thereon are also enforceable as Assessments. Each Assessment shall be the personal obligation of the person who was the Owner of such property at the time when the Assessment became due. No Owner may exempt himself, herself or itself from liability for Assessments by non-use or enjoyment of any portion of the Common Elements or by the abandonment or sale of a Unit. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by such successors.

Section 3. Any Assessment levied against a Unit remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when filed of record in the office of the Clerk of Superior Court of Mecklenburg County, North Carolina, and shall accrue interest at sixteen percent (16%) per annum from the due date of the installment pursuant to Section 1 of this Article V, unless a lesser rate is required under applicable law, in which event the lesser rate shall be applicable. In addition to any other remedies available to the Association by law for the collection of any past due Assessments, the Association may enforce the lien by bringing an action at law against the Owner personally, or by foreclosing the lien against the Unit.

The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Unit shall not affect the Assessment lien. However, the sale or transfer of any Unit pursuant to mortgage or tax foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. Such unpaid Assessments which became due prior to such sale or transfer shall be deemed Common Expenses collectible from all Owners, including the purchaser at foreclosure. No sale or transfer pursuant to mortgage or tax foreclosure shall relieve such Unit from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 4. The Annual Assessments levied by the Association shall be used for the operation of the Association and for the improvement, maintenance, operation, repair, replacement and additions of and to the Common Elements and Limited Common Elements, including, but not limited to, the payment of insurance and utility charges. In addition, the Association may use Annual Assessments for the purpose of doing any other things necessary or desirable, in the reasonable discretion of the Association, to keep the Common Elements, Limited Common Elements and amenities in a clean and good order and to provide for the health, welfare and safety of the Owners and occupants of the Units.

The Association may also levy a Special Assessment payable in a manner as specified by the Association for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements or Limited Common Elements, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of a majority of votes of the Members.

Section 5. The Executive Board shall establish Annual Assessments in accordance with the Bylaws of the Association.

Section 6. Both Annual and Special Assessments shall be fixed at a rate for all Units based upon the percentage of undivided interest in the Common Elements specified on Exhibit B attached hereto and may be collected on a monthly basis; provided, however, the amount of Assessments per Unit may vary in accordance with the terms of Section 1 of this Article V.

Section 7. The Annual Assessments provided for herein shall commence at a date established by the Association. Once such Annual Assessments are established, written notice of the Annual Assessment shall be sent to every Owner subject thereto. Other than the due date for

the initial installment of Annual Assessments, which shall be determined by Declarant, the due dates shall be established by the Executive Board.

ARTICLE VI MAINTENANCE

Section 1. The Association shall maintain, repair and replace the Common Elements and Limited Common Elements (provided, however, the Owners shall maintain, repair and replace, when necessary, their respective HVAC equipment, exterior doors and windows).

Section 2. In the event that the need for maintenance, repair or replacement of any Common Element or Limited Common Element (including those Limited Common Elements maintained by individual Owners) is caused through the willful or negligent act or omission of an Owner, or his, her or its family member, guest, invitee, licensee or tenant, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the Assessment to which such Unit is subject.

Section 3. Each Owner shall be responsible for the maintenance, repair and replacement of his, her or its own Unit; provided, however, that the maintenance, repair and restoration of all Common Elements and Limited Common Elements (other than those Limited Common Elements to be maintained by individual Owners pursuant to Section 1 of this Article VI) shall be maintained, repaired and replaced by the Association. Notwithstanding the foregoing, all Owners shall be responsible for keeping their respective balconies clean and free from garbage, waste and debris at all times. In addition, each Owner of a residential Unit shall maintain area rug(s) of suitable material, nap and thickness on any hardwood floors in the Unit to reduce noise generated by walking and other activities on the Unit's hardwood floors.

Section 4. Failure of an Owner to keep clean, maintain, repair or replace any portion of his, her or its Unit or any Limited Common Element for which such Owner is responsible under this Article VI, shall entitle the Association, after providing fifteen (15) days written notice (or such lesser time as is reasonable in the event of emergency) and the right to cure to the Owner, to enter upon the Unit and/or Limited Common Element, perform required maintenance, repairs or replacement and obtain reimbursement from the Owner for the applicable costs thereof, together with interest at the lesser of twelve percent (12%) per annum and the highest lawful rate, from the date of expenditure until paid. Such expenditure shall constitute an Assessment against the Unit as provided in Article V of this Declaration. If the Owner fails to reimburse the Association for the maintenance, repairs or replacement within ten (10) days after written request therefor, the Owner shall also be obligated to pay interest thereon at the lesser of sixteen percent (16%) per annum and the highest lawful rate, from the date of expenditure by the Association until paid.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. No structure or other improvement shall be commenced, erected or maintained upon the Condominium by an Owner, including, without limitation, any

improvements to the interior or exterior of any Unit, nor shall any exterior alteration, addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Declarant during the Period of Declarant Control, and the Executive Board thereafter. In no event shall any change be made to the plumbing, mechanical, electrical or fire protection systems within or outside of any Unit until and unless the plans and specifications showing the nature, kind, shape, height, materials and location of the change shall have been submitted to and approved in writing by the Declarant during the Period of Declarant Control and the Executive Board thereafter. Under no circumstances may an Owner alter or modify the exterior of the Building. Notwithstanding the foregoing, the Declarant, its successors and assigns (as Declarant) shall have the sole and exclusive right to establish guidelines for, approve and regulate signage for the Units, which guidelines may be included in the rules and regulations adopted by the Declarant.

Section 2. Notwithstanding the provisions of Section 1 of this Article VII to the contrary, an Owner of a commercial Unit may convert his, her or its Unit to a "live/work" Unit for residential purposes, provided that the plans and specifications therefor have been approved by Declarant during the Period of Declarant Control and by the Executive Board thereafter. Any such conversion shall comply with all building codes and any other governmental regulation applicable thereto.

Section 3. Notwithstanding the provisions of Section 1 of this Article VII, the Declarant, its successors and assigns (as Declarant) shall have the sole and exclusive right to review, establish guidelines for, approve, disapprove and regulate signage to be erected and maintained on or within any retail/commercial Unit by any Owner of a retail/commercial Unit for so long as Declarant owns any of the retail/commercial Units, and if Declarant shall cease to own any retail/commercial Unit, then the Owner(s) of the largest retail/commercial Unit(s) on a square footage basis shall assume and thereafter shall have the sole and exclusive right to review, establish guidelines for, approve, disapprove and regulate signage to be erected and maintained on or within any retail/commercial Unit by any Owner of a retail/commercial Unit. Notwithstanding the provisions of Section 8 of Article XII regarding amendments to this Declaration, any amendments to the provisions of this Section 3 shall require the written approval of all Owners of all retail/commercial Units, together with the consent of all their respective mortgagees, in addition to the minimum percentages of votes required by said Section 8.

ARTICLE VIII USE RESTRICTIONS

Section 1. The forty-five (45) residential Units within the Condominium are to be used solely for residential purposes. The retail/commercial units are to be used solely for general purpose retail, office and directly related uses except if a Unit has been converted to a "live/work" Unit in accordance with the provisions of Section 2 of Article VII hereof, then such Unit may also be used for residential purposes. A retail/commercial Unit utilized for any retail use which includes cooking or other food or beverage preparation and service must be properly

vented such that food and related odors are not permitted to enter into any residential Unit or areas providing access to any residential Unit, and such use shall comply with all building and health codes and related legal requirements required for such use.

Section 2. The retail/commercial Units and Common Elements shall not be used for any noxious or offensive uses as conclusively determined by Declarant during the Period of Declarant Control and thereafter by the Executive Board, such uses being defined as including, but not limited to, the following:

- (i) Employment or temporary labor office;
- (ii) Commercial storage of building or construction materials (except temporarily in connection with the repair, maintenance or construction by Declarant, the Association or Owners of Units as is permitted herein, or for the preparation, clean-up and restoration after any hurricane or storm);
- (iii) Smelting of iron, tin, zinc or other ores; refining of petroleum or of petroleum products;
- (iv) Community fairs, flea markets, pawn shops, military surplus stores, open air stalls, carnivals, or for the sale of drug paraphernalia;
- (v) Discotheque or dance hall;
- (vi) Video game parlor or other amusement use, gambling facility or operation or bingo hall (except for the sale of lottery tickets if such sale is legal in the State of North Carolina), including an off-track or sports betting parlor, the operation of table games, slot machines, video poker/black-jack/keno machines or similar devices, or as a bingo hall;
- (vi) Athletic events;
- (vii) Fortune telling;
- (viii) Motor vehicle, boat, mobile home, lawn care, power tool, appliance, farm, heavy construction equipment or implement sales, leasing, service, repair, storage and similar activities;
- (ix) Veterinary facility, animal raising facility or pet shop or taxidermy;
- (x) Storage or processing of scrap metal, glass, paper or rags;
- (xi) Any type of outdoor storage;
- (xii) Nude or semi-nude dance clubs;

(xiii) Massage parlors (excluding day spas, medical treatment and therapeutic facilities allowed by applicable zoning laws) or cinemas or bookstores selling or exhibiting material of a pornographic or adult nature;

(xv) Business or use which (a) creates strong, unusual or offensive odors, fumes, dust or vapors, (b) is a public or private nuisance, (c) emits noise or sounds which are objectionable due to intermittence, beat, frequency, shrillness or loudness, (d) creates unusual fire, explosive or other hazards, (e) has flashing lights or signs, strobe lights, search lights or loudspeakers, or (f) has phonographs, radios or video screens within any exterior portion;

(xvi) Auditorium or other similar place of public entertainment or general assembly;

(xvii) Bowling alley;

(xviii) Funeral parlor;

(xix) Industrial, warehouse (other than the storage of inventory, fixtures and equipment as part of a permitted business) or manufacturing use;

(xx) "Hi-fi", electronics, stereo, television or similar stores, provided, however, that such stores may be permitted with soundproofing reasonably satisfactory to the Declarant or the Executive Board, as provided hereunder, in its sole reasonable discretion;

(xxi) Laundromat or dry cleaners (except as a "drop off" site for off-site cleaning);

(xxii) Photography stores that develop film on-site (unless the proposed Owner has received assurances satisfactory to the Declarant or the Executive Board, as provided hereunder, in its reasonable discretion as to the prior storage and disposal of processing chemicals and other photographic waste materials);

(xxiii) any use which overloads the electrical, plumbing or mechanical systems of the Condominium or which exceeds the load-bearing capacity of the floors of the Condominium;

(xxiv) Any business or other use of the Property which would result in the escape, disposal or release of any amount of biologically active, toxic or hazardous wastes, materials or substances, or any other substance that is prohibited, limited or regulated by any governmental or quasi-governmental authority or that, even if not so regulated, could or does pose a hazard to health and safety of the occupants of the Building or surrounding property (collectively "Hazardous Substances") in violation of any applicable Environmental Laws (as hereinafter defined). No Unit or other portion of the Property shall be used for the storage or use of said Hazardous Substances in any

manner prohibited by law or otherwise inconsistent with commercially reasonable standards for the storage and use of such Hazardous Substances comparable to other first class office and retail buildings used for or containing laboratories using Hazardous Substances, nor shall any Owner allow to be brought into the Building or onto the Property any such Hazardous Substances except to use in the ordinary course of any Owner's business. All Units and other portions of the Property will, at all times, be kept and maintained so as to comply with all existing or hereafter enacted or issued statutes, laws, rules, ordinances, orders, permits and regulations of all state, federal, local and other governmental and regulatory authorities, agencies and bodies applicable to the Property, pertaining to environmental matters, or regulating, prohibiting or otherwise having to do with asbestos and all other toxic, radioactive, or hazardous wastes or materials including, but not limited to, (i) any asbestos or insulation or other material composed of or containing asbestos, or (ii) any hazardous, toxic or dangerous substance, material or waste defined as such in (or for the purposes of) the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Clean Water Act, 33 U.S.C. § 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 15 U.S.C. § 2601 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., any so-called state or local "Superfund" or "Superlien" laws, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous substance ("Environmental Laws").

Section 3. No outside radio or television antennas, including satellite dishes or receivers, shall be erected on any Unit, provided that a television antenna or satellite dish less than one meter in diameter may be installed upon approval thereof by Declarant, during the Period of Declarant Control, and thereafter, by the Executive Board. The location of any exterior television antenna, or satellite dish less than one meter in diameter, shall be subject to such approval, taking into account the appropriate standards set forth in the regulations of the Federal Communications Commission, and to the extent reasonably practical, the approving body (whether Declarant or the Executive Board) may require that such antenna or satellite dish be screened from public view. The method for installation of any such device and contractor installing same shall likewise be subject to such approval by Declarant, during the Period of Declarant Control, and thereafter, by the Executive Board.

Section 4. No signs or flags shall be permitted on or about the Units except as approved pursuant to Article VII herein. **THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.**

Section 5. All window coverings (i.e., curtains, blinds, draperies, shades, etc.) shall be approved by Declarant, during the Period of Declarant Control, and by the Executive Board thereafter, before they are installed in any Unit.

Section 6. The use of all parking spaces shall be subject to the rules and regulations adopted from time to time by the Declarant during the Period of Declarant Control and thereafter by the Executive Board including, but not limited to, the provisions of Article IX hereof.

Section 7. The outdoor balcony of any Unit shall not be utilized for the use or storage of any grills or other cooking devices or outdoor heaters, speakers, musical apparatus or other amplification devices, bicycles or other exercise equipment, hot tub or pool, the overnight storage of garbage, the drying of laundry or other similar visually or aurally offensive use. Dead plants or other vegetation shall be removed or replaced promptly. No exterior lighting, banners, flags, umbrellas or other decoration (holiday, seasonal or otherwise) or indoor-outdoor carpeting may be maintained on any balcony, provided an Owner shall be permitted to maintain outdoor or "patio" furniture on balconies, and plant life or vegetation of a mature growth not exceeding three feet (3') in height. Except for such "patio" furniture and permitted plant life or vegetation, any other use of the outdoor balcony shall be subject to the prior written approval of Declarant, during the Period of Declarant Control, and the Executive Board thereafter.

Section 8. Animals, livestock and poultry of any kind are prohibited within the Condominium, except that an Owner may keep small common household pets (excluding snakes, pigs, large birds or fish tanks in excess of one hundred (100) gallons) provided they are not kept or bred for commercial purposes, they are kept on leashes when outside of a Unit, that no savage or dangerous pets are kept in any Unit and such Owner must clean up after any pet that defecates in any common areas (including the Common Elements) of the Condominium. The Association may from time to time promulgate additional rules and regulations applicable to the keeping of pets in the Condominium.

Section 9. No Common Element, including any Limited Common Element, may be utilized for storage purposes by any Owner.

Section 10. Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the Declaration and the Bylaws and that any failure by lessee thereunder to comply with all of the terms of the Declaration and Bylaws shall constitute a default under the lease. No Unit may be leased for a period shorter than thirty (30) days.

Section 11. The area outside of the entrance to any Unit including, but not limited to, the door, door frame, stoop and other adjacent exterior areas, shall not be utilized for storage purposes or for any purpose other than entrance to the Unit. No exterior lighting, banners, flags, umbrellas, wreaths, mats, plants or other vegetation, signs or other decoration (holiday, seasonal or otherwise) may be placed on the external door to any Unit. No indoor-outdoor carpeting or furniture may be maintained outside the entrance to any Unit.

Section 12. No Owner shall permit loud or disturbing noises or allow any disturbance in a manner that unreasonably disturbs other Owners. Owners shall be responsible for the conduct of such Owner's family members, guests, pets and tenants. It shall be the responsibility of the Owner causing the disturbance to remedy the disturbance. In cases where a justifiable complaint exists and is confirmed by the Association, a fine may be imposed by the Association

In the event that a pet causes a disturbance, the Association shall be permitted to require the removal of the pet.

ARTICLE IX EASEMENTS AND PARKING

Section 1. All Units and Common Elements shall be subject to easements for the encroachment of improvements constructed on adjacent Units by the Declarant to the extent that such improvements actually encroach, including, but not limited to, such items as misaligned common wall foundation footings and walls, provided such encroachment does not interfere with the reasonable use of the Common Elements or Units so encroached upon.

Section 2. Declarant shall have a reasonable construction easement across the Common Elements for the purpose of constructing improvements in the Units. Declarant also shall have such easements through the Common Elements as may be reasonably necessary for the purpose of exercising Special Declarant Rights as provided herein or discharging Declarant's obligations under this Declaration.

Section 3. The Association and its representatives shall have a right of entry upon the Units and any Common Elements and Limited Common Elements to effect emergency repairs, and a reasonable right of entry upon the Units to effect other repairs, improvements, replacements or maintenance as necessary.

Section 4. Declarant shall have the following easements over and across the Property, including the Units, Common Elements and Limited Common Elements:

(a) Ingress and egress across, over and through the Common Elements and Limited Common Elements; and

(b) Access to the Common Elements, Limited Common Elements and Units for purposes of maintaining, repairing and replacing any utility lines that serve the Property.

Section 5. All easements granted herein (including, without limitation, those described in Exhibit A attached hereto) are appurtenant to and shall run with the land, and shall inure to the benefit of and be binding upon the Declarant, the Association, Owners, occupants, and mortgage holders, and any other person or entity having an interest in the Condominium.

Section 6. The Owners of Units and their visitors, and with respect to the Owners of retail/commercial Units, their tenants, subtenants, authorized occupants, employees, customers and invitees, are entitled to the non-exclusive use of the parking spaces in the garage parking area within The Tremont Condominium. The use of these spaces shall be on a non-reserved basis and shall be limited to automobiles, motorcycles, pickup trucks, panel trucks, utility vehicles and other types of light delivery vehicles. The non-exclusive right to use such parking spaces in the garage parking area as granted herein shall be appurtenant to and shall pass with title to each Unit. Owners of residential Units may not allow the parking spaces to be used by any

individual who does not reside in a Unit (either as an Owner or as a tenant) or who is not a guest of such Owner. In no event shall any Owner lease any parking space to third parties. No trailers or recreational, commercial or abandoned vehicles may be parked or stored in any of the parking spaces of the Condominium.

Declarant, during the Period of Declarant Control, and the Executive Board thereafter may establish, and change from time to time, rules and regulations regarding towing and parking violations consistent with the provisions of this Section 6. Declarant hereby reserves, on behalf of itself and at the expiration of the Period of Declarant Control, the Executive Board, the right to issue parking decals, register the license plates of the cars of Owners, their employees, lessees, licensees and business visitors, paint, number, label by signage or otherwise delineate parking spaces and levy fines for the violation of the provisions of this Section 6 and any additional parking rules and regulations promulgated by Declarant and/or the Executive Board from time to time.

ARTICLE X INSURANCE

Section 1. Declarant. Declarant shall have the right and authority to obtain and maintain such insurance as Declarant may from time to time reasonably deem advisable, provided that such insurance is of types and amounts reasonably customary for mixed use condominiums in Mecklenburg County, North Carolina, including, without limitation, coverages of the types and kinds specified in the Act and as set forth below, in such amounts as Declarant shall reasonably deem advisable:

(a) Fire and casualty insurance on all improvements and all fixtures on the Property, including the Building, Common Elements, Limited Common Elements and all personal property and supplies comprising a portion of the Common Elements and Limited Common Elements. All such policies shall provide that adjustment of loss shall be approved by Declarant.

(b) Public liability insurance on the Property in such limits as Declarant may, from time to time, determine to be customary for projects similar in construction, location and use to the Condominium, and customary for projects similar to the Condominium, covering Declarant, the managing agent, if any, and each Owner with respect to its liability arising out of the ownership, maintenance or repair of the Common Elements and Limited Common Elements and out of the activities of Declarant with respect to the Common Elements.

(c) Fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds, or the Assessments, in an amount determined by Declarant in its discretion. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Flood insurance on any Units or portions thereof which are determined to be within a flood zone according to the appropriate governmental entities.

(e) Such other insurance coverages, including worker's compensation, as Declarant shall determine from time to time to be desirable. Premiums upon such insurance policies purchased by Declarant shall be paid by Declarant and collected from the Owners as part of the Assessments pursuant to Article V hereof.

Section 2. Owners.

(a) Public Liability Insurance. Each Owner shall maintain or cause to be maintained in full force and effect comprehensive public liability insurance with a financially responsible insurance company or companies licensed to do business in the State of North Carolina insuring against claims on account of loss of life, bodily injury, or property damage that may arise from, or be occasioned by, the condition, use or occupancy of such Owner's Unit; and such insurance shall provide for a limit of not less than One Million Dollars (\$1,000,000.00) for personal or bodily injury or death to any one person, a limit of not less than One Million Dollars (\$1,000,000.00) for personal or bodily injury or death to any number of persons arising out of any one occurrence, and a limit of not less than One Million Dollars (\$1,000,000.00) in respect of any instance of property damage. Such insurance shall extend to the contractual obligation of the insured party arising out of the indemnification obligations set forth in this Declaration. Each Owner shall furnish to Declarant, and to any other Owner requesting the same, evidence that the insurance described above is in full force and effect. All policies of insurance carried by any Owner pursuant hereto shall name Declarant as an additional insured, and shall provide that the same may not be canceled (including, without limitation, a non-renewal) or amended without at least thirty (30) days prior written notice being given by the insurer to Declarant.

(b) Waiver of Subrogation. All such insurance shall include a waiver of subrogation by the insurer against the other Owners, including Declarant, so long as the same is obtainable without extra cost. If extra cost shall be chargeable therefore, each party shall advise the other thereof and the amount of the extra cost; and the other party, at its election, may pay the same but shall not be obligated to do so. Each Owner hereby waives any rights of recovery against any other Owner, its directors, officers, members, employees, agents, and tenants for any damage or consequential loss which is covered by or would be covered by the policies required to be carried by such Owner hereunder, to the extent of the proceeds payable under such policies.

(c) Changes in Owners' Coverages. Declarant shall have the right and authority from time to time as it may deem advisable, to amend the types of coverages and amounts required of the Owners hereunder; provided, however, that such coverages and amounts are reasonably customary for first class mixed use condominiums in Mecklenburg County, North Carolina, and are in accordance with the Act.

Section 3. Association. Upon the expiration of the Period of Declarant Control, the Association shall have the right and authority to obtain and maintain such insurance as is specified for Declarant hereinabove or as may otherwise be in compliance with the Act and to

allocate the expenses of such insurance to Owners as Common Expenses. The Association shall likewise have the right and authority to amend the types of coverages and amounts required of Owners as specified hereinabove.

ARTICLE XI RIGHTS OF MORTGAGE HOLDERS, INSURERS AND GUARANTORS

Section 1. In addition to any other rights granted herein to certain holders, insurers and guarantors of first mortgages on Units, any holder, insurer or guarantor of a mortgage or deed of trust on any Unit shall have the right to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage;
- (b) Any sixty (60) day delinquency in the payment of an Assessment or other charges owed by the Owner of any Unit on which it holds the mortgage;
- (c) A lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

Provided, however, that the notification rights granted above shall be available only to those mortgage holders, insurers or guarantors who have submitted a written request to the Association requesting such notification. Said written request shall include the name and address of the party making such request, and shall identify the Unit on which it has (or insures or guarantees) the mortgage. The failure of any mortgagee to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of an addition or amendment to this Declaration or the Bylaws wherever mortgagee approval is required shall constitute an implied approval by that mortgagee of the proposed addition or amendment.

Section 2. Wherever in this Declaration or in the Bylaws the approval or consent of a specified percentage of mortgagees is required, it shall mean the approval or consent of mortgagees holding mortgages on Units which have allocated to them that specified percentage of votes in the Association, as compared to the total votes in the Association allocated to all Units then subject to mortgages held by mortgagees.

Section 3. Any mortgagee, and any insurer or guarantor of a loan secured by a mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of this Declaration and the Bylaws, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one (1) copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year.

Section 4. Notwithstanding any other provision of this Declaration or the Bylaws, no amendment of any material provision of this Declaration or the Bylaws of the type described in this Section 4 shall be effective without notice to all mortgagees, as required by Section 1 of this Article XI, the vote of at least sixty-seven percent (67%) of the Owners (or any greater percentage required by the terms of this Declaration or the Bylaws), and the approval of at least fifty-one percent (51%) of the mortgagees (or any greater percentage required by the terms of this Declaration or the Bylaws). A change to any of the following items will be considered material:

- (a) Voting rights;
- (b) Increases in Assessments that raise the previously assessed amount by more than twenty-five percent (25%), Assessment liens, or the priority of Assessment liens;
- (c) Reductions in reserves for maintenance, repair, and replacement of the Common Elements;
- (d) Responsibility for maintenance and repairs of the Units, the Limited Common Elements, or the Common Elements;
- (e) Reallocation of interests in the Common Elements or the Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Owners of Units, then only those Owners and only the mortgagees holding mortgages on those Units need approve such reallocations;
- (f) Redefinition of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only the Owners of those Units and the mortgagees holding mortgages on those Units must approve such action subject to the approval rights of Declarant and the Association under Article II, Section 4 hereof;
- (g) Convertibility of Units into Common Elements, or Common Elements into Units;
- (h) The expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) The requirements for insurance and fidelity bonds;
- (j) The imposition of any restrictions on the leasing of Units;
- (k) The imposition of any restrictions on an Owner's right to sell or transfer his Unit;
- (l) The restoration or repair of the Property after casualty damage or partial condemnation in a manner other than that specified in this Declaration or the Bylaws;

(m) Any termination of the Condominium after occurrence of substantial destruction or condemnation; and

(n) Any provision that expressly benefits the mortgagees.

Section 5. Notwithstanding any other provision of this Declaration or the Bylaws, the Association may not change the period for collection of regularly budgeted Common Expenses to other than monthly without the consent of all mortgagees. Any representative of a mortgagee may attend and address any meeting that an Owner may attend.

Section 6. The provisions of this Article XI are for the benefit of all mortgagees and their successors, and may be enforced by any of them by any available means.

Section 7. This Article XI establishes certain standards and covenants for the benefit of mortgagees. This Article XI is supplemental to, and not in substitution for, any other provisions of this Declaration or the Bylaws, but in the event of any conflict between the provisions of this Declaration or the Bylaws and the provisions of this Article XI, the provisions of this Article XI shall control.

ARTICLE XII GENERAL PROVISIONS

Section 1. All powers granted to the Association by this Declaration or the Bylaws shall be exercisable by the Executive Board, except as expressly provided in this Declaration, the Bylaws or the Act.

Section 2. The Association and Declarant may adopt and enforce reasonable rules and regulations not in conflict with this Declaration and supplementary thereto, as more fully provided in the Bylaws.

Section 3. The Association and Declarant shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws and articles of incorporation of the Association. Failure by the Association to enforce any covenant or restrictions herein shall in no event be deemed a waiver of the right to do so thereafter.

Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within ninety (90) days, any Unit Owner, the Declarant or other holder of an interest in the Condominium, may undertake the enforcement of the provisions of this Declaration at his, her or its own expense.

Section 4. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. The covenants and restrictions of this Declaration shall run with and bind the land perpetually.

Section 6. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of each calendar year, except that the first fiscal year shall begin on the date of incorporation.

Section 7. The consents of Lender attached hereto are incorporated by reference as if fully set forth herein.

Section 8. Except as is otherwise specifically authorized herein, this Declaration may be amended only by the vote of not less than sixty-seven percent (67%) of the Owners of Units, and not less than fifty-one percent (51%) of the mortgagees, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws. Except to the extent expressly permitted by the other provisions of this Declaration, any amendment which amends or alters the percentage of ownership interests in the Common Elements of any Unit, increases the number of Units, changes the boundaries of any Unit, changes the use to which any Unit is restricted, or modifies the terms of this Section 8, shall require the written approval of all Owners, together with the consent of all their respective mortgagees. No amendment to the Declaration shall be effective until executed on behalf of the Association by any officer designated for that purpose and recorded in the office of the Register of Deeds of Mecklenburg County, North Carolina. During the Period of Declarant Control, no amendment to this Declaration shall be effective without the written consent of Declarant.

Section 9. The Condominium may be terminated and the Property removed from the provisions of the Act only by the vote of not less than eighty percent (80%) of the Owners of Units, and not less than eighty percent (80%) of the mortgagees, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws, and as evidenced by execution of a termination agreement, or ratification thereof, by the requisite number of Owners and mortgagees. The termination shall comply with the requirements of N.C. Gen. Stat. § 47C-2-118, and must be recorded in the Office of the Register of Deeds for Mecklenburg County before it becomes effective. Following the recordation of the termination agreement, the interests of the Owners and mortgagees in the Property shall be as provided in N.C. Gen. Stat. § 47C-2-118.

(Signature Page Follows.)

IN WITNESS WHEREOF, Declarant has caused its name to be signed hereto.

TIDEWATER CORPORATE DEVELOPMENT, LLC, a North Carolina limited liability company

By: Grant C. Schoonmaker
Name: Grant C. Schoonmaker
Title: PRESIDENT

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Staci Williams, a Notary Public of Mecklenburg County and State of North Carolina, do hereby certify that Grant C. Schoonmaker (the "Signatory"), the Manager of **TIDEWATER CORPORATE DEVELOPMENT, LLC**, a North Carolina limited liability company, personally appeared before me this day and by authority duly given, acknowledged the due execution of the foregoing instrument on behalf of the Corporation.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

(I have personal knowledge of the identity of the Signatory); or
 (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:

(check one of the following)

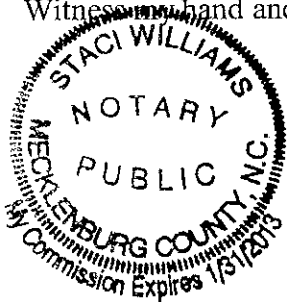
a driver's license or

in the form of _____); or

(a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this 17th day of September, 2008.



Staci Williams
Notary Public

Print Name: Staci Williams
(Note: Notary Public must sign exactly as on notary seal)

My Commission Expires: 1/31/2013

[NOTARY SEAL]
(MUST BE FULLY LEGIBLE)

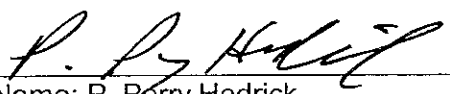
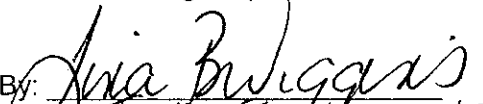
CONSENT OF LENDER AND TRUSTEE

Regions Bank ("Lender"), the holder of that Deed of Trust, Security Agreement and Assignment of Leases (Acquisition/Development Loan), recorded in Book 21174, Page 785, Mecklenburg County Registry, (the "Deed of Trust"), and P. Perry Hedrick, in his capacity as trustee under the Deed of Trust, join in this "Declaration of Condominium for The Tremont Condominium" (the "Declaration") for the sole purpose of subordinating the Deed of Trust to the provisions of the Declaration (including, without limitation, any easements reserved therein). Notwithstanding the preceding to the contrary: (i) the lien of the Deed of Trust (as that instrument may be subsequently, modified, or renewed) shall nevertheless remain superior to any and all liens for assessments now or subsequently created under the Declaration; (ii) the Deed of Trust shall be deemed a "first mortgage" (as described in the Declaration); and (iii) Lender shall, without further notice, be entitled to all "notification rights" (as described in the Declaration) which shall be sent to Lender at the address noted in the Deed of Trust.

As an inducement to Regions Bank to join in and consent to the Declaration, the Declarant, by its signature to the Declaration and as "Borrower" under the Deed of Trust, amends the Deed of Trust by adding the following to that instrument:

1.8. Declarant Rights. *As further security for the payment and performance of the Obligations, Borrower assigns to Lender all of Borrower's rights as the "Declarant" under any restrictive covenants, condominium declaration, or the like encumbering the Land (collectively, the "Declarant Rights"). Notwithstanding that this assignment is intended as an absolute, present assignment, unless and until an Event of Default occurs under the Loan Documents, Borrower shall be entitled to exercise all of the Declarant Rights. After the Indebtedness has been fully paid and performed, this assignment shall terminate. Upon an Event of Default which is not timely cured as provided in the Loan Documents, and without any further notice to Borrower, Lender, at its option, may exercise any and all of the Declarant Rights as Borrower is or may be authorized and empowered to exercise; provided, however, nothing shall be deemed to impose upon Lender any liability for the performance of any obligation of Borrower. The rights of Lender under this assignment shall be operative, at the option of Lender, from and after the time of any Event of Default by Borrower under any of the provisions of the Loan Documents. In the event of a foreclosure or sale under the power of sale contained in the Security Instrument, a deed in lieu of foreclosure, or other acquisition of title to the Property by Lender, all of Borrower's Declarant Rights shall, at Lender's election, pass to the purchaser or to Lender, as the case may be, as to that portion of the Land foreclosed/deeded. Borrower irrevocably appoints Lender as Borrower's attorney-in-fact to assign any such Declarant Rights to any such purchaser, without accounting to Borrower in any manner whatsoever.*

IN WITNESS WHEREOF, Lender, by its authorized officer, and the Trustee have executed this instrument this September 17, 2008.

 Name: P. Perry Hedrick Title: Trustee	Regions Bank, a state banking corporation  By: <u>TINA B. WIGGINS</u> Name: <u>TINA B. WIGGINS</u> Title: <u>VICE PRESIDENT</u>
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STATE OF North Carolina
COUNTY OF Mecklenburg

I, Christina Few, a Notary Public of the aforesaid County and State, do hereby certify that Tim B Wiggins, the Vice-President of REGIONS BANK, a state banking corporation, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of the state banking corporation.

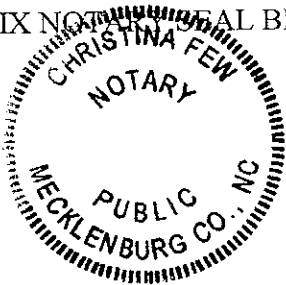
WITNESS my hand and official seal, this the 17 day of September, 2008.

Christina Few

Notary Public

My Commission Expires: 11/20/12

[AFFIX NOTARY SEAL BELOW]



STATE OF North Carolina
COUNTY OF Mecklenburg

I, Christina Few, a Notary Public of the aforesaid County and State, do hereby certify that P. Perry Hedrick, Trustee, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal, this the 17 day of September, 2008.

Christina Few

Notary Public

My Commission Expires: 11/20/12

[AFFIX NOTARY SEAL BELOW]

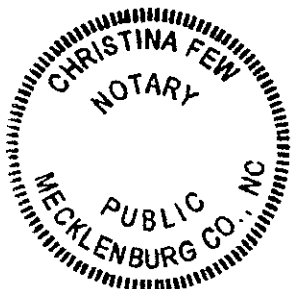


EXHIBIT A

Legal Description of Property

Lying and being in the City of Charlotte, Mecklenburg County, North Carolina, and being more particularly described as follows:

BEGINNING at an iron pin located at the intersection of the northeasterly right of way of East Tremont Avenue (60 foot public right-of-way) and the northeasterly right of way of Cleveland Avenue (60 foot public right of way), and running thence with the northeasterly right of way of Cleveland Avenue N43°, 23', 02"E 202.56 feet to an iron pin located in the southwesterly margin of the property owned, now or formerly, by Robert Elie Hamrick and Ray H. Hamrick (together, "Hamrick") as the same is described in deed recorded in Deed Book 4012, Page 950 in the Mecklenburg County Public Registry; thence with the southwesterly margin of the Hamrick property (passing an existing iron pin at 4.42 feet) S45°, 54', 20"E 200.00 feet to an existing iron pin located in the common corner of the property owned, now or formerly, by Hamrick, David R. Opper and Amy Sherman Opper as the same is described in deed recorded in Deed Book 11713, Page 728, aforesaid Registry and the property of Betsy S. Bullard ("Bullard") as the same is described in deed recorded in Deed Book 6325, Page 022, aforesaid Registry; thence with the northwesterly margin of the Bullard property, S44°, 30', 50"W 50.79 feet to an existing iron pin located in the common corner of the property owned, now or formerly, by Bullard, Valerie S. Matthews and David A. Matthews as the same is described in deed recorded in Deed Book 10277, Page 253, aforesaid Registry and the property of John D. Scott and Sue M. Scott (together, "Scott") as the same is described in deed recorded in Deed Book 9710, Page 489, aforesaid Registry; thence with the northerly and westerly margins of the Scott property, two (2) calls and distances as follows: (1) N45°, 38', 04"W 50.24 feet to an existing iron pin located in the northernmost corner of the Scott property and (2) S42°, 54', 22"W 149.88 feet to an iron pin located in the northeasterly right of way of East Tremont Avenue (60 foot public right of way); thence with the northeasterly right of way of East Tremont Avenue N46°, 43', 46"W 150.00 feet to the POINT AND PLACE OF BEGINNING, containing 0.749 acres (32,637 square feet) as shown on a survey by Scott Alan Tierney, NCPLS (GeoScience Group, Inc.), dated August 18, 2008, project number CH050175.SU, reference to which survey is hereby made for a more particular description of the property.

EXHIBIT B

Percentage of Undivided Interests in the Common Elements

The following is a schedule of the number and types of units available at the Condominium, the condominium square footage of each type of unit, and the undivided percentage interest in the common elements allocated to each unit:

RESIDENTIAL UNITS:

<u>Unit</u>	<u>Square Footage</u>	<u>% Interest per Unit</u>
Residence 101	1018 sf	1.9108%
Residence 102	1018 sf	1.9108%
Residence 103	1018 sf	1.9108%
Residence 104	711 sf	1.3346%
Residence 105	711 sf	1.3346%
Residence 106	1100 sf	2.0647%
Residence 107	1018 sf	1.9108%
Residence 108	1018 sf	1.9108%
Residence 201	1018 sf	1.9108%
Residence 202	1018 sf	1.9108%
Residence 203	1018 sf	1.9108%
Residence 204	1344 sf	2.5226%
Residence 205	1188 sf	2.2299%
Residence 206	711 sf	1.3346%
Residence 207	711 sf	1.3346%
Residence 208	1100 sf	2.0647%
Residence 209	1018 sf	1.9108%
Residence 210	1018 sf	1.9108%
Residence 211	1018 sf	1.9108%
Residence 212	1439 sf	2.7009%
Residence 213	1018 sf	1.9108%
Residence 214	1018 sf	1.9108%
Residence 215	1018 sf	1.9108%
Residence 216	1274 sf	2.3913%
Residence 301	1210 sf	2.2712%
Residence 302	1210 sf	2.2712%
Residence 303	1210 sf	2.2712%
Residence 304	1812 sf	3.4012%
Residence 305	794 sf	1.4904%
Residence 306	1045 sf	1.9615%
Residence 307	904 sf	1.6968%
Residence 308	1370 sf	2.5715%
Residence 309	1370 sf	2.5715%
Residence 310	741 sf	1.3909%

Residence 311	741 sf	1.3909%
Residence 312	741 sf	1.3909%
Residence 313	741 sf	1.3909%
Residence 314	741 sf	1.3909%
Residence 315	741 sf	1.3909%
Residence 316	1308 sf	2.4551%
Residence 317	1210 sf	2.2712%
Residence 318	741 sf	1.3909%
Residence 319	1210 sf	2.2712%
Residence 320	741 sf	1.3909%
<u>Residence 321</u>	<u>1585 sf</u>	<u>2.9750%</u>
Residential Totals	46,707 sf	87.6699%

**RETAIL/COMMERCIAL
UNITS:**

Commercial Space A	2155 sf	4.0450%
Commercial Space B	1439 sf	2.7010%
Commercial Space C	1222 sf	2.2937%
Commercial Space D	768 sf	1.4415%
<u>Commercial Space E</u>	<u>985 sf</u>	<u>1.8489%</u>
Commercial Totals	6,569 sf	12.3301%

Residential and Commercial Totals	53,276 sf	100%
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NOTE: The 87.6699 % interest in the common elements allocated to the residential units as a group will be allocated among the residential units based on the relative square footages of the residential units as set forth above. The 12.3301% interest in the common elements allocated to the commercial units as a group will be allocated among the commercial units based on the relative square footages of the commercial units as set forth above.

EXHIBIT C

**BYLAWS OF
THE TREMONT CONDOMINIUM
OWNERS ASSOCIATION, INC.**

ARTICLE I.
Identity

These are the Bylaws of THE TREMONT CONDOMINIUM OWNERS ASSOCIATION, INC., a North Carolina nonprofit corporation (the "Association"), the Articles of Incorporation (the "Articles") of which have been filed in the office of the North Carolina Secretary of State.

For purposes of these Bylaws, terms specifically defined in the Declaration of Condominium for The Tremont Condominium (the "Declaration") shall have the same meaning herein.

ARTICLE II.
Qualifications and Responsibilities
of Members

2.1. Members. Each Owner shall be a member of the Association, and shall remain a member until he ceases to be an Owner.

2.2. More Than One Owner. When there is more than one Owner of a Unit, all such persons shall be members of the Association.

2.3. Registration. It shall be the duty of each Owner to register his name and address with the Secretary of the Association. If an Owner does not so register, the Association shall be under no obligation to recognize his membership.

2.4. Prohibition of Assignment. The interest of a member in the Association's assets cannot be transferred or encumbered except as an appurtenance to his Unit.

ARTICLE III.
Members' Meetings and Voting

3.1. Place. Meetings of the members shall be held at the office of the Association, or such other place within Mecklenburg County, North Carolina as may be designated from time to time by the Executive Board.

3.2. Annual Meeting. The members shall meet at least once each year as specified in the notice of such meeting given pursuant to Section 3.4. At each annual meeting the members shall elect members of the Executive Board (the "Directors") and may transact any

other business properly coming before them. Pursuant to the provisions of N.C. Gen. Stat. §47C-3-108(c), unless otherwise provided herein, meetings of the Association and the Executive Board shall be conducted in accordance with the most recent edition of Robert's Rules of Order, Newly Revised.

3.3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Executive Board, and shall be called and held within thirty (30) days after a written request therefor signed by members of the Association entitled to cast at least twenty percent (20%) of the total votes in the Association is delivered to any officer or Director of the Association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

3.4. Notices. Notice of all meetings of the members, stating the time and place and accompanied by a complete agenda, shall be given by the President or Secretary to each member. The notice shall be in writing, and shall be hand delivered or sent by United States mail to the members at their respective addresses, and to other addresses as any member may have designated in writing to the Secretary, not less than ten (10) nor more than sixty (60) days in advance of any meeting. If applicable, the notice shall also state the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a Director or officer.

3.5. Quorum; Adjournment if no Quorum. A quorum shall consist of members present, in person or by proxy, entitled to cast at least twenty percent (20%) of the total votes in the Association. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present.

3.6. Votes; Association Shall Not Vote. The total votes in the Association are allocated to the Units by the Declaration. The vote allocated to a Unit may be cast by the Owner of that Unit. When there is more than one Owner of a Unit, the vote for that Unit shall be cast as they shall determine except that no vote shall be split. When there is more than one Owner of a Unit and only one of the multiple Owners is present at a meeting of the Association, he shall be entitled to cast the vote allocated to that Unit. If more than one of the multiple Owners is present, the vote allocated to that Unit shall be cast in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the vote allocated to that Unit without protest being made promptly by any of the other Owners to the person presiding over the meeting. The Association shall not be entitled to cast the votes allocated to any Unit owned by it.

3.7. Manner of Casting Votes. Votes may be cast in person or by proxy. A proxy must be in writing, be dated, be signed by all Owners of the Unit, be given only to another member, and be filed with the Secretary before the meeting. A proxy may not be revoked except by written notice of revocation signed by all Owners who signed the proxy to be revoked, which notice must be delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless an earlier termination is specified in the proxy.

3.8. Required Votes. All questions shall be decided by a majority of the votes cast on the question, unless the provisions of applicable law, the Declaration or these Bylaws require a greater vote.

3.9. Action by Members Without Meeting. Any action that may be taken at a meeting of the members may be taken without a meeting if (i) a written ballot is delivered to all members entitled to vote on such action, the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve such action at a meeting at which the same total number of votes were cast; or (ii) such action is taken in any other manner permitted by law.

3.10. Prohibition of Cumulative Voting. There shall be no cumulative voting.

ARTICLE IV. Directors

4.1. First Executive Board. The first Executive Board shall consist of the two (2) persons whose names are set forth in the Articles.

4.2. Number and Qualifications of Directors. The Executive Board shall consist of no less than one (1) natural person. Each Director shall be an Owner or the individual nominee of an Owner which is not a natural person.

4.3. Election of Directors. At the first annual meeting of the members, and at each subsequent annual meeting, the members shall elect the Directors by a majority of the votes cast, subject to any applicable Special Declarant Rights. Pursuant to the provisions of N.C. Gen. Stat. § 47C-3-103(g), the Association shall publish the names and addresses of all Executive Board members within thirty (30) days of their election.

4.4. Term. The terms of the Directors shall be one (1) year. Subject to any applicable Special Declarant Rights, once elected, a Director shall hold office until his successor has been duly elected and has qualified.

4.5. Removal. Subject to any applicable Special Declarant Rights, any Director (other than a Director appointed by the Declarant) may be removed, with or without cause, by a vote of the Owners entitled to cast at least sixty-seven percent (67%) of the votes of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, and a successor may then be elected by the members to serve for the balance of the removed Director's term.

4.6 Vacancies. Subject to any applicable Special Declarant Rights, any vacancy in the Executive Board arising by death or resignation of a Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and a Director so elected shall

serve for the unexpired term of his predecessor in office. The Declarant may replace any Director which it appointed.

4.7. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or other appropriate means, at least seventy-two (72) hours prior to the meeting. At regular intervals, the Executive Board meeting shall provide Owners an opportunity to attend a portion of an Executive Board meeting and to speak to the Executive Board about their issues and concerns. The Executive Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.

4.8. Special Meetings. Special meetings of the Executive Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after a written request therefor signed by one (1) Director is delivered to any other Director, the President or the Secretary. Not less than seventy-two (72) hours' notice of such special meeting shall be given personally or by mail, telephone, or other appropriate means to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.9. Quorum; Adjournment if No Quorum. A majority of the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Executive Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall be conclusive proof of his attendance at that meeting for the purpose of determining a quorum.

4.10. Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Executive Board unless the act of a greater number is required by the provisions of applicable law, the Declaration or these Bylaws.

4.11. Executive Board Action Without Meeting. Any action that may be taken at a meeting of the Executive Board may be taken without a meeting if such action is authorized in a writing, setting forth the action taken, signed by all Directors.

4.12. Compensation of Directors Restricted. Directors shall receive no compensation for their services, but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

4.13. Powers and Duties of Executive Board. All of the powers and duties of the Association shall be exercised by the Executive Board, including those existing under the common law, applicable statutes, the Declaration, the Articles, and these Bylaws, as each

may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Declaration, the Articles, and these Bylaws, and shall include, but not be limited to, the following:

(a) To prepare and provide to members an annual report containing at least the following:

(i) A statement of any capital expenditures in excess of ten percent (10%) of the current budget or Fifteen Thousand Dollars (\$15,000.00), whichever is greater, anticipated by the Association during the forthcoming year.

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Executive Board.

(iii) A statement of the financial condition of the Association for the last fiscal year including, without limitation, a balance sheet and a statement of receipts and expenditures.

(iv) A statement of the status of any pending suits or judgments in which the Association is a party.

(v) A statement of the insurance coverage provided by the Association.

(vi) A statement of any past due and unpaid assessments payable to the Association, identifying the Owner and the amount of the unpaid assessment.

(b) To adopt and amend budgets and to determine, and collect, assessments to pay the common expenses.

(c) To regulate the use of, and to maintain, insure, repair, replace, modify and improve the Common Elements.

(d) To adopt and amend rules and regulations and to establish reasonable penalties for violations.

(e) To enforce the provisions of the Declaration, the Articles, these Bylaws, and rules and regulations by all legal means.

(f) To hire and terminate managing agents and to delegate to such agents such powers and duties as the Executive Board shall determine, except such as are specifically required by the Declaration, the Articles, these Bylaws, or applicable law to be done by the Executive Board or the members.

(g) To hire and terminate agents, independent contractors, attorneys and other professionals.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Owners on matters affecting the Property, the Common Elements, or more than one Unit.

(i) To establish from time to time reserve accounts for any purpose.

(j) To buy Units in foreclosure of a lien for assessments, or at any other time or for any other reason, and to sell, lease, mortgage, and otherwise deal in real property from time to time owned by the Association.

(k) To impose and receive payments, fees and charges for utilities which are not separately metered to each Unit.

(l) To grant leases, licenses, concessions and easements through and over the Common Elements.

(m) To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of amendments to the Declaration or statements of unpaid assessments.

(n) To provide for indemnification of the Association's officers and Directors, to maintain Officers' and Directors' liability insurance, and to maintain such property and liability insurance and fidelity bonds as it shall deem advisable from time to time, and in any event in amounts sufficient to satisfy requirements of any applicable federal or state lending agency.

(o) To impose charges for late payment of assessments not to exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid and, after notice and an opportunity to be heard, suspend the privileges or services provided by the Association (except the rights of access to Units) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer, and levy reasonable fines not to exceed one hundred dollars (\$100.00) for violations of the Declaration, these Bylaws, or the rules and regulations.

(p) To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than the Units, and to assess the same against the Owners in the manner herein provided.

ARTICLE V.

Officers

5.1. Designation of Officers. The officers of this Association shall be a "President", a "Vice President", a "Secretary" and a "Treasurer" (collectively, the "Officers"). Each officer shall be an Owner or the individual nominee of an Owner which is not a natural person. A person may hold one or more of such offices at one time, except that the President and the Vice President shall not at the same time hold another office in the Association. The Executive Board may elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

5.2. Election of Officers. Subject to any applicable Special Declarant Rights, officers of the Association shall be elected by the Executive Board. Election shall be held annually at the first meeting of the Executive Board held after the annual meeting of the members, except that the first Executive Board shall elect officers as soon as practicable after filing of the Declaration. Pursuant to the provisions of N.C. Gen. Stat. § 47C-3-103(g), the Association shall publish the names and addresses of all Officers within thirty (30) days of their election.

5.3. Term. Each officer shall serve until his successor has been duly elected and has qualified, subject to any applicable Special Declarant Rights.

5.4. Removal. Subject to any applicable Special Declarant Rights, any officer may be removed, with or without cause, and without notice, by the Executive Board.

5.5. Vacancy. Subject to any applicable Special Declarant Rights, any vacancy in any office shall be filled by the Executive Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

5.6. Powers and Duties of Officers.

(a) President. The President shall be the chief executive officer of the Association; shall have all of the powers and duties incident to the office of a president of a corporation, including, but not limited to, the duty to preside at all meetings of the Executive Board and of the members, and the general supervision of officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Executive Board are carried into effect.

(b) Vice President. The Vice President shall perform such duties of the President as shall be assigned to him by the President, and in the absence of the President, shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Executive Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the Association, except those kept by the Treasurer; shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the Executive Board or the President.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the Association, including funds, securities, and evidences of indebtedness; shall keep the books of the Association in accordance with generally accepted accounting principles, and, upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Executive Board for examination and approval; shall deposit all moneys and other valuable effects in insured depositories designated by the Executive Board; shall disburse funds of the Association as directed by the Executive Board; and shall perform all other duties incident to the office of a treasurer of a corporation.

5.7. Execution of Agreements, etc. All agreements, deeds, mortgages, deeds of trust, contracts or other instruments shall be executed by the President or the Vice President, and attested by the Secretary or assistant secretary. The Secretary shall prepare, certify and record amendments to the Declaration on behalf of the Association, which amendments shall be executed in accordance with the foregoing provision.

5.8. Compensation of Officers Restricted. No officer shall be compensated for his services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

5.9 Books and Records. The books and records of the Association shall be available for inspection by any Owner or its mortgagee upon reasonable prior notice. All financial and other records, including records of meetings of the Association and the Executive Board, shall be made reasonably available for examination by any Owner and the Owner's authorized agents as required by the Bylaws and by Chapter 55 of the North Carolina General Statutes. Pursuant to the provisions of N.C. Gen. Stat. § 47C-3-118, unless otherwise provided herein, the Association shall keep accurate records of all cash receipts and expenditures and all assets and liabilities. In addition to any specific information that is required herein to be assembled and reported to the Owners at specified times, the Association shall make an annual income and expense statement and balance sheet available to all Owners at no charge and within seventy-five (75) days after the close of the fiscal year to which the information relates. A more extensive compilation, review, or audit of the Associations' books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Executive Board or by the affirmative vote of the majority of the Owners present and voting in person or by proxy at any annual meeting or special meeting duly called for that purpose. The Association, upon written request, shall furnish an Owner or the Owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board, and every Owner. In addition to the limitations of Article 8 of Chapter 55A of the North Carolina General Statutes, no financial payments, including payments made in the form of goods and services, may be made to any Officer or member of the Executive Board or to a business, business associate, or relative of an Officer or member of the Executive Board, except as expressly provided herein or in payments for services or expenses paid on behalf of the Association which are approved in advance by the Executive Board.

ARTICLE VI.
Indemnification of Directors and Officers

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by N.C. Gen. Stat. §§ 55A-17.1, -17.2, and -17.3, as now enacted or hereafter amended.

ARTICLE VII.
Fiscal Management

7.1. Depository. The Executive Board shall designate an insured depository for the funds of the Association, and may change such depository to another insured depository. Withdrawal of funds from such depository shall be only by checks signed by a person or persons authorized by the Executive Board.

7.2. Fidelity Bonds. Fidelity bonds shall be maintained by the Association, in an amount determined by the Executive Board, covering each Director and officer of the Association, any employee or agent of the Association, and any other person handling or responsible for handling funds of the Association.

7.3. Payment Vouchers. Payment vouchers shall be approved by the Executive Board, provided that the Executive Board may delegate such authority to any officer or managing agent of the Association.

7.4. Annual Statement. The Association shall make an annual income and expense statement and balance sheet available to all Owners at no charge and within seventy-five (75) days after the close of the fiscal year to which the information relates.

7.5. Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE VIII.
Assessments

8.1. Obligation of Members to Pay Assessments; Amount of Levy. Each Owner shall be personally and severally liable for the common expenses that are levied against his Unit while an Owner. Each Unit shall be assessed in accordance with the Declaration, as amended.

8.2. Allocation of Common Surplus. Any common surplus, including funds in reserve accounts, may be allocated to each Unit in accordance with its percentage of common expenses. If allocated, the surplus shall be owned by the Owner of that Unit and may be paid to the Owner or credited against assessment obligations.

8.3. Preparation of Budget and Levying of Assessment. Beginning with the fiscal year in which the Period of Declarant Control ends, the Executive Board shall prepare and

adopt a budget, including estimates of the amount necessary to pay the common expenses, together with amounts considered necessary by the Executive Board for reserves. Within thirty (30) days after adoption of each annual budget, the Executive Board shall provide each member with a copy, and shall give each member notice of the assessment made against that member's Unit based upon such budget and of the interest to be charged on delinquent payments. The budget is ratified unless a majority of all members rejects the budget at a duly held meeting of members, in which event the last ratified budget shall continue in effect until such time as the members ratify a subsequent budget proposed by the Executive Board. The assessment shall be deemed levied upon the adoption of the budget by the Executive Board, subject to the disapproval of the budget by the members.

8.4. Lien For Assessments; Attorneys' Fees.

(a) Any assessment which remains unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when a claim of lien is filed of record in the Office of the Clerk of Superior Court of Mecklenburg County in the manner provided herein. A claim of lien shall set forth the name and address of the Association, the name of the record owner of the Unit at the time the claim of lien is filed, a description of the Unit, and the amount of the lien claimed. Unless the Declaration otherwise provides, fees, charges, late charges and other charges imposed pursuant to the provisions of N.C. Gen. Stat. §§ 47C-3-102, 47C-3-107, 47C-3-107.1, and 47C-3-115 are enforceable as assessments under this Section 8.4(a). Except as provided herein, the Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. The Association may not foreclose an Association assessment lien under Article 2A of Chapter 45 of the North Carolina General Statutes if the debt securing the lien consists solely of fines imposed by the Association, interest on unpaid fines, or attorneys' fees incurred by the Association solely associated with fines imposed by the Association. The Association may enforce the lien by judicial foreclosure as provided in Article 29A or Chapter 1 of the North Carolina General Statutes. Such lien shall be prior to all other liens and encumbrances on the Unit except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Unit) recorded in the Mecklenburg County, North Carolina, real estate records before the filing of the lien for assessments in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments or charges against the Unit.

(b) If the Owner of a Unit does not contest the collection of a debt and enforcement of a lien after the expiration of the fifteen (15) day period following notice as required in this Section 8.4(b), then reasonable attorneys' fees assessed by the Association shall not exceed one thousand two hundred dollars (\$1,200.00), not including costs or expenses incurred. The collection of debt and enforcement of a lien remain uncontested as long as the Owner does not dispute, contest, or raise any objection, defense, offset, or counterclaim as to the amount or validity of the debt and lien asserted or the Association's right to collect the debt and enforce the lien as provided in this Section 8.4(b). The attorneys' fee limitation in this Section 8.4(b) shall not apply to judicial foreclosures or proceedings authorized under Section 8.4(a) or N.C. Gen. Stat. § 47F-4-117. The Owner may not be required to pay attorneys' fees and court costs until the Owner is notified in

writing of the Association's intent to seek payment of attorneys' fees and court costs. The notice must be sent by first-class mail to the property address and, if different, to the mailing address for the Owner in the Association's records. The notice shall set out the outstanding balance due as of the date of the notice and state that the Owner has fifteen (15) days from the mailing of the notice by first-class mail to pay the outstanding balance without the attorneys' fees and court costs. If the Owner pays the outstanding balance within this period, then the Owner shall have no obligation to pay attorney's fees and court costs. The notice shall also inform the Owner of the opportunity to contact a representative of the Association to discuss a payment schedule for the outstanding balance as provided in this Section 8.4(b) and shall provide the name and telephone number of the representative. The Association, acting through its Executive Board and in the Executive Board's sole discretion, may agree to allow payment of an outstanding balance in installments. Neither the Association nor the Owner is obligated to offer or accept any proposed installment schedule. Reasonable administrative fees and costs for accepting and processing installments may be added to the outstanding balance and included in an installment schedule only after the Owner has been given notice as required in this Section 8.4(b).

8.5. Payment of Assessments. Assessments shall be payable at the times and in the amounts specified by the Executive Board. Payments shall be made to the Association, or as the Executive Board may from time to time otherwise direct.

8.6. Funds and Reserves. All sums collected by the Association from assessments shall be accounted for as follows:

(a) Reserve Fund for Repairs and Replacements. To this fund shall be credited all sums collected for the purpose of effecting repairs and replacements of structural elements and mechanical equipment maintained by the Association.

(b) Working Capital and Operating Reserve Fund. To this fund shall be credited all sums collected to provide a reserve for liquidity. The fund may be used to meet deficiencies from time to time as a result of delinquent payments of assessments and other contingencies.

(c) General Maintenance Fund. To this fund shall be credited collections of assessments for all common expenses for the current year as well as common profits and surplus from the previous year, and not to be credited to either of the above reserve funds.

The above funds shall be established by the Executive Board and shall be funded by regular installments rather than by extraordinary special assessments. The reserve funds described above shall be maintained in such amounts as deemed necessary or desirable by the Executive Board and required by applicable law. To the extent maintained, funds shall be held in such accounts and with such insured depositories as the Executive Board, in its discretion, selects.

8.7. Special Assessments. In addition to the assessments levied pursuant to Section 8.3 hereof, the Executive Board, in its discretion, but subject to the requirements of

Article V of the Declaration, may levy special assessments at such other and additional times as in its judgment are required for the discharge of the Association's responsibilities.

8.8. Common Expenses Benefiting Less Than All Units. The Association may assess any item of common expenses benefiting less than all of the Units against the Units benefited in the proportion that their common expense liabilities bear to each other.

8.9. Failure To Prepare Budget And Levy Annual Assessment; Deficiencies in Procedure. The failure or delay of the Executive Board in preparing any budget shall not constitute a waiver or release of the members' obligation to pay assessments whenever the same shall be determined and levied by due action. Until a new assessment is levied pursuant to Section 8.3 hereof, each member shall continue to pay the existing assessment in the same amount and at the same periodic times as levied. Non-material deficiencies or inadequacies in the procedure followed by the Executive Board in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

8.10. Assessment Roll; Certificate. All assessments shall be set forth upon a roll of the Units, which shall be available in the office of the Association for inspection at all reasonable times by members, mortgagees and their duly authorized representatives. Such roll shall include, for each Unit, the name and address of the owning member or members, all assessments levied, and the amount of all assessments unpaid. The Association, upon written request, shall furnish to any such party a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and shall be binding upon the Association and all Owners. A reasonable fee may be charged by the Executive Board for such statement.

8.11. Interest on Delinquent Assessments. Assessments paid before they become delinquent shall not bear interest, but all delinquent sums shall bear interest at the rate set forth in the notice levying the assessment, not exceeding any applicable maximum legal rate of interest, from the date delinquent until paid. If no interest rate is set forth in such notice, such interest rate shall be the maximum allowed by the Declaration. All payments upon account shall be applied first to interest and then to the assessment, or installment thereof, longest delinquent. All such interest shall constitute a lien with the same priority as the assessment on which such interest accrues.

8.12 Common Expenses. Common expenses shall mean and include, without limitation, the following: real estate taxes and other governmental assessments or charges against the property of the Association; premiums for any and all insurance maintained by the Association, including any deductible or coinsurance amount not covered by insurance; utility charges not collected from Owners; legal and accounting fees; costs and expenses incurred in connection with any litigation or administrative proceeding pursuant to Section 4.13(h) hereof; deficits remaining from any prior assessment period; the cost, including fees and interest, incurred in connection with any borrowing done by the Association; the cost of all fidelity bonds; costs imposed upon the Association or any part of the Common Elements or the Property by, or incurred by the Association as a result of the performance,

enforcement or amendment of, any agreement or easement to which the Association is a party or to which the Common Elements or Property, or any part of either thereof, is or may be subject; amounts determined necessary for reserve funds; and indemnity payments made by the Association pursuant to Article VI hereof.

8.13 Procedures for Fines and Suspension of Condominium Privileges and Services.

Pursuant to the provisions of N.C. Gen. Stat. § 47C-3-107.1 and unless a specific procedure for the imposition of fines or suspension is provided for in the Declaration, a hearing shall be held before the Executive Board or an adjudicatory panel appointed by the Executive Board to determine if any Owner should be fined or if condominium privileges or services should be suspended pursuant to the powers granted to the Association in N.C. Gen. Stat. § 47C-3-102(11). Any adjudicatory panel appointed by the Executive Board shall be composed of members of the Association who are not Officers of the Association or members of the Executive Board. The Owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further hearing, for each day more than five (5) days after the decision that the violation occurs. Such fines shall be assessments secured by liens under N.C. Gen. Stat. § 47C-3-10116. If it is decided that a suspension of condominium privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured. An Owner may appeal a decision of an adjudicatory panel to the full executive board by delivering written notice of appeal to the executive board within fifteen (15) days after the date of the decision. The Executive Board may affirm, vacate, or modify the prior decision of the adjudicatory body.

ARTICLE IX.

Compliance, Enforcement, Fines and Penalties

9.1. Default and Remedies. A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Declaration, these Bylaws, the Articles, or the rules and regulations, as the same may be amended from time to time, by any person or entity subject thereto, shall give to any person or entity adversely affected by such default or failure a claim for appropriate relief.

9.2. Notice of Default and Failure to Cure. In the event of any default or failure to act by an Owner, the Executive Board shall serve upon or mail to the defaulting Owner, and to each first mortgagee of that Owner's Unit when required under Article XI of the Declaration, a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting Owner may cure the default specified, or serve upon or mail a written notice to the Executive Board requesting a hearing. If a hearing is so requested, the Executive Board shall thereafter serve upon or mail to the defaulting Owner, and to each such first mortgagee which was entitled to notice of the default as above provided, a notice specifying the time and place for such hearing. At the hearing, the Executive Board shall take such evidence and hear such testimony as it deems necessary or desirable. The Executive Board

shall not exercise any remedies to obtain relief from the default until the hearing is over and the Executive Board has made its determination and served upon or mailed the same to the defaulting Owner and each such first mortgagee. The hearing may be continued from time to time as determined by the Executive Board. Upon taking such evidence and hearing such testimony, the Executive Board at the hearing or at such later time shall determine, in writing, and at its sole option, to waive the default in whole or in part, to extend the time within which the default may be cured, to proceed immediately to levy a fine or penalty, or to exercise any one or more of the remedies available to the Executive Board due to such default. The Executive Board shall serve upon or mail to the defaulting Owner, and to each such first mortgagee which was entitled to notice of the default as above provided, a copy of its decision. If the defaulting Owner (i) does not cure the default or request a hearing within the time limit specified in the original notice of default given pursuant to this Section, or (ii) so requests a hearing, but fails to cure the default (to the extent not waived by the Executive Board) within the extended time, if any, granted by the Executive Board after hearing, then the Executive Board shall serve upon or mail to the defaulting member, and to each such first mortgagee which was entitled to notice of the default as above provided, a written notice of such member's failure to effect a cure, and the Executive Board may then proceed to take such action as it deems necessary to obtain relief.

9.3. Remedy of Abatement in Addition to Other Remedies. In the event a member fails to effect the cure specified by the Executive Board within the time period set out in (i) or (ii) of Section 9.2 hereof, whichever is applicable, and where the default is a structure, thing, or condition existing in or on the Property, the Executive Board, or its duly authorized representative, shall have the right to enter upon any portion of the Property and summarily to abate and remove, at the defaulting member's expense (and levy an assessment therefor), the structure, thing, or condition constituting the default. The Executive Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

9.4. Non-waiver of Covenants. The failure of the Association or of any member to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration, these Bylaws, the Articles, the rules and regulations or applicable law as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of enforcement in the future, irrespective of the number of violations or breaches that may have occurred.

9.5. Liens for Assessments. Liens for assessments shall be enforced pursuant to Article VIII hereof and not pursuant to this Article IX.

ARTICLE X. Amendment

An amendment to these Bylaws shall be made and approved by majority vote of the members at a duly held meeting and, where required by applicable law, by the subsequent written approval of a majority of holders of a mortgage or deed of trust on any Unit.

ARTICLE XI.
General Provisions

11.1. Rules and Regulations.

(a) By the Executive Board. The Executive Board, including the first Executive Board, may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation, and use of the Common Elements so as to promote the common use and enjoyment thereof by Owners and for the protection and preservation thereof. In addition, the Executive Board may adopt such rules and regulations as it deems reasonable and necessary with respect to the Property to provide for the common good and enjoyment of all Owners including, without limitation, the right to adopt such rules and regulations with reference to tenants and leases. In no event shall any rules or regulations be inconsistent or materially more restrictive than the provisions contained in the Declaration and these Bylaws with respect to leases or tenants.

(b) By the Association. Any such rule or regulation adopted by the Executive Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted, by members at an annual or special meeting of the members. Any such act of the members shall control over any contrary rule or regulation then or thereafter adopted by the Executive Board.

(c) Uniform Application. All rules and regulations shall be equally and uniformly applicable to all Owners and occupants, except to the extent that the Executive Board may promulgate rules and regulations applicable only to a particular class, location or type of Unit, including without limitation retail/commercial Units.

(d) Copies Furnished. Copies of all such rules and regulations and any amendments thereto shall be furnished to all members, and a copy shall be posted or otherwise made available to members at the office of the Association.

(e) Rules Hereby Established.

(i) Any lease shall contain a covenant by the lessee to abide by the terms and conditions of the Declaration and these Bylaws and a failure by the lessee to so abide shall be a default thereunder.

11.2. Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, the Articles, or any statutes of the State of North Carolina applicable thereto. The person presiding at a meeting shall have the authority to appoint a parliamentarian.

11.3. Conflict; Severability. These Bylaws are established in compliance with the Declaration. In the case of any conflict between the provisions of these Bylaws and the Declaration as amended, the Declaration shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or

circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

11.4. Waiver of Notice. Whenever any notice is required to be given to any member or Director under the provisions of the Nonprofit Corporation Act, the Declaration, the Articles of the corporation or these Bylaws, a waiver thereof in writing signed by the person, persons or entity entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

11.5 Governing Law. These Bylaws shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.