

PUBLIC OFFERING STATEMENT FOR LUXITY TERRACES V CONDOMINIUM

This Public Offering Statement is being offered to contract purchasers of condominium units in the proposed Luxity Terraces IV Condominium (the “Condominium”), as required by the North Carolina Condominium Act (the “Act”). It contains a summary of the important features of the Condominium, and by law must be delivered to each purchaser of a Unit in the Condominium.

Under the condominium form of ownership, the owner of each condominium unit owns all of the space bounded by the undecorated interior surfaces of the exterior walls, ceilings, and floors of his or her particular unit (each a “Unit”). This space is owned in fee simple, and the owner has the exclusive right to possess it, subject to the easements set forth in the Declaration of Condominium for Luxity Terraces V Condominium, of record at Book 32821 Page 323, Mecklenburg County Register of Deeds (the “Declaration”; capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration). Additionally, each owner of a Unit (an “Owner” or “Unit Owner”) owns an undivided percentage interest, as a “tenant in common” with all other owners of condominium Units, in all of the common elements in the Condominium. These common elements (“Common Elements”) may include, but are not limited to, the land on which the Condominium buildings are located, the structural elements of the buildings, and exterior walkways, parking areas and landscaped areas. There are also limited common elements (“Limited Common Elements”) that are assigned specifically to each Unit. Limited Common Elements shall mean and refer to those portions of the Common Elements allocated by the Declaration or by the terms of Sections 47C-2-102(2) or (4) of the Act for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of any other Units, as more fully described in Section 7 of the Declaration, and as depicted on the Plans. These Limited Common Elements are reserved for the exclusive use of the owner(s) of the Units to which they are assigned.

The owner of each Unit has the right to use and enjoy all of the Common Elements located within the Condominium, and all of the Limited Common Elements allocated to such Owner’s Unit, subject to the rules and restrictions contained in the Declaration or imposed from time to time by Luxity Terraces V Condominium Association, Inc. (the “Association”). Each Unit Owner is automatically a member of the Association by virtue of such Owner’s ownership of a Unit, and must pay such Owner’s share of the cost of maintaining these Common Elements, and of managing the Association, all as set forth in the Declaration. The Declaration contains a summary of the important features of the proposed condominium project, and the current draft of that document is attached as an exhibit to this Public Offering Statement.

1. Name and address of the Declarant and the Condominium.

- a. Name of the Declarant: Luxity LLC, a North Carolina limited liability company.
- b. Principal Address of the Declarant: 2301 West Morehead Street, Suite A, Charlotte, NC 28208

c. Name of the Condominium: Luxity Terraces V Condominium

d. Mailing Address of the Condominium: 2301 West Morehead Street, Suite A, Charlotte, NC 28208

2. Allocated Interests.

Each Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Unit Owner of each Unit shall also own, as an appurtenance to the ownership of each said Unit, an allocated interest in the Common Elements. The percentage interest in the Common Elements of the Condominium allocated to each Unit (the “Allocated Interest”) will be allocated equally among all of the Units. The Allocated Interests to each Unit shown on Exhibit A are estimates only. The Allocated Interest shall be used to (i) determine each Unit Owner’s votes in the Association (as set forth in Section 4 below), (ii) allocate Common Expenses among the Units (as set forth in Section 8 below), and (iii) allocate among all Units the division of proceeds, if any, resulting from any casualty loss or eminent domain proceedings. The Allocated Interest in Common Elements appurtenant to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from such Unit, and the Allocated Interest in the Common Elements appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such Allocated Interest is not expressly mentioned nor described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit.

3. General Description of the Condominium.

(a) General. The land containing the buildings (the “Buildings”) which contain the Units and the Common Elements and other improvements is located entirely in Mecklenburg County, North Carolina, and is more particularly described in Exhibit B attached hereto and incorporated herein (the “Land”). The Land, the Units, the Buildings and the Common Elements (collectively the “Condominium Property”) are or will be subjected to the terms of the Act by the Declaration. The name of the Condominium is Luxity Terraces V Condominium.

(b) Buildings. There are two (2) separate Buildings located on the Land. Each Building consists of three (3) stories and contains two (2) Units. The location and the dimensions of the Buildings are more particularly described in the plans and specifications (the “Plans”) for the Units.

(c) Units. The location of the Units within the Buildings, their dimensions, and their floor and ceiling elevations, are shown on the Plans. The total number of Units within the Condominium as of the Effective Date of this Public Offering Statement is four (4). The maximum number of Units which may be created by the Declarant is four (4).

(d) Unit Boundaries.

(i) Upper Boundary. The upper boundary of each Unit shall consist of the horizontal plane of the top surface of the wallboard in the ceilings above the third story of a Unit.

(ii) Lower Boundary. The lower boundary of each Unit consists of the top surface of the undecorated sub-flooring material of the lower floor of a Unit. Each Unit contains two stories connected by an interior stairway, and the definitions of upper and lower boundaries set forth herein apply with respect to each story within the Unit; the horizontal structural elements dividing the stories of a given Unit are part of the Common Elements.

(iii) Vertical Boundaries. The vertical boundaries of each Unit consist of the vertical planes which include the back surface of the wallboard of all walls bounding the Unit, extended to intersections with each other, and with the upper and lower boundaries.

(iv). Doors, Windows, Glass Walls. Unit boundaries shall extend to and include the interior surface of doors, windows and storm windows, and glass walls, and their frames, sills and thresholds.

(v) As provided in N.C.G.S. §47C-2-102(1), 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 perimeter walls, floors and ceilings are part of the Unit. As provided in N.C.G.S. §47C-2-102(2), if any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be a Limited Common Element allocated to that Unit, and any portion thereof serving more than one Unit, or any portion of the Common Elements, shall be a Common Element.

(e) Construction of Condominium. The construction of the Buildings and the Units has not been completed.

4. **Voting Rights.**

The votes in the Association shall be allocated among the Units based on the allocated interests of each Unit compared to the aggregate allocated interest of all Units in the Condominium. The current voting interests for each Unit are shown on Exhibit A. If more Units are constructed before the recording of the Declaration, the allocated interests and voting interests of each Unit may decrease.

5. **Copies of Declaration, Bylaws and Other Documents.**

(a) Declaration of Condominium. A copy of the Declaration of Condominium for Luxity Terraces V (the "Declaration") are attached hereto and incorporated herein as Exhibit C.

(b) Association Documents. A copy of the Bylaws (the "Bylaws") of the Association is attached hereto as Exhibit D, and a copy of the Articles of Incorporation of the Association is attached as Exhibit E. In the event of a conflict between any of the terms and provisions of this

Public Offering Statement and the terms and provisions of the Declaration, Bylaws or Articles of Incorporation, the terms and provisions of the Declaration, Bylaws and the Articles of Incorporation shall govern.

(c) Contracts to be Signed at Closing. There will be no contracts or leases to be signed by the purchaser at closing.

(d) Contracts and Leases Subject to Cancellation by the Association. The Association is not anticipated to be a party to any contract or leases that may be subject to cancellation pursuant to N.C.G.S. §47C-3-105.

(e) Revisions to the Condominium Documents. Declarant reserves the right to make such changes in the Declaration, Articles of Incorporation, Bylaws and exhibits thereto as may be necessary to conform to applicable laws and governmental regulations, including, but not limited to, zoning ordinances and building codes, to meet requirements of lending institutions, including but not limited to the requirements of the Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("FHLMC") as they may exist from time to time, to expedite the sale of the Units in the Condominium and to establish or reconfigure the dimensions or design of the Common Elements. The dimensions, area, configuration and general appearance of any Unit depicted in marketing materials supplied by Declarant are approximations and may vary in completed dimension, area, configuration or general appearance from that initially depicted in such materials. The marketing materials do not contain the final working drawings for the Unit, and the final plans and specifications may vary from the marketing materials in certain respects. In the course of construction of the Units, certain minor changes, deviations, or omissions may be necessitated by governmental authorities having jurisdiction over the Unit, job conditions, design changes by the contractor or architect, or availability of materials, including but not limited to, the location of heating and air conditioning systems, water heaters, mechanical systems, plumbing, electrical and fire protection systems and sprinklers. All such changes, deviations, and omissions are hereby authorized by you, provided the changes do not materially affect the size or the value of your Unit. Declarant expressly reserves the right to make substitution of materials or products in the construction of the Units, provided such substitutions are substantially equal or superior to those shown in the marketing materials.

6. Current Balance Sheet, Projected Budget and Assessments.

(a) The Association has not yet been formed, but will be formed by Declarant prior to the first conveyance of a Unit, and hence no current balance sheet for the Association exists.

(b) The projected budget for the Association for the first year following the first conveyance of a Unit is attached hereto as Exhibit F. The budget includes, as required by the provisions of the Act: (i) an amount included for repair and replacement reserves, (ii) any other reserve amounts, and (iii) the projected Common Expense assessment by category or expenditures for the Association. The projected monthly Common Expense assessment (the "Regular Assessment") for each Unit, assuming the existence of eight (8) Units, is shown on Exhibit F. Except as otherwise provided in the Declaration, Bylaws or the Act, each Owner shall

be required to pay a Regular Assessment that bears the same proportion to the total Common Expenses as such Unit's allocated interest bears to the total allocated interest in the Condominium. The Association shall commence levying Regular Assessments as of the date of the first conveyance of a Unit to an Owner other than Declarant. After the Association levies a Regular Assessment, Regular Assessments shall be payable on a quarterly or monthly basis as determined by the Board of Directors.

(c) There are separate meters for the electricity for each Unit. Each Owner of a Unit shall be separately billed and shall be liable for the costs of all electricity provided to his or her Unit. There are separate meters for water and sanitary sewer service for each building. The monthly Common Expense assessment shall include all water and sanitary sewer services provided to his or her Unit.

(d) Although the Association shall provide for the maintenance and repair of the foundation, roof, exterior and interior load-bearing walls, the horizontal structural elements dividing the stories within and between Unit 928-A and Unit 928-B, and all other structural elements of the Building in which Unit 928-A and Unit 928-B are located, the costs associated with such repair and maintenance (including capital improvements and/or restorations, but excluding insurance which shall be a Common Expense of the Association) shall be borne solely by the Unit Owners of Unit 928-A and Unit 928-B, to which such Limited Common Elements have been allocated pursuant to the Declaration. The Association shall determine the costs associated with such maintenance and repair activities and assess each Unit to which such Limited Common Elements have been allocated based on the proportion of the respective allocated interests of Unit 928-A and Unit 928-B, relative to the aggregate allocated interest of Unit 928-A and Unit 928-B.

(e) Although the Association shall provide for the maintenance and repair of the foundation, roof, exterior and interior load-bearing walls, the horizontal structural elements dividing the stories within and between Unit 932-A and Unit 932-B, and all other structural elements of the Building in which Unit 932-A and Unit 932-B are located, the costs associated with such repair and maintenance (including capital improvements and/or restorations, but excluding insurance which shall be a Common Expense of the Association) shall be borne solely by the Unit Owners of Unit 932-A and Unit 932-B, to which such Limited Common Elements have been allocated pursuant to the Declaration. The Association shall determine the costs associated with such maintenance and repair activities and assess each Unit to which such Limited Common Elements have been allocated based on the proportion of the respective allocated interests of Unit 932-A and Unit 932-B, relative to the aggregate allocated interest of Unit 932-A and Unit 932-B.

(f) The projected budget has been prepared by Declarant and is based on a collection rate of one hundred percent (100%) with four (4) Units. There are no funds built in for inflation. Any increase due to inflation will be taken from the Capital Contribution reserve fund (as defined in Section 7 below) equally from all Unit Owners.

(g) Declarant at the present time does not provide any services and does not pay for any expenses which Declarant anticipates may become a subsequent Common Expense of the

Association, except for those matters disclosed above, all of which are reflected in the Association's proposed budget.

(h) In addition to the Regular Assessments, the Board of Directors may levy a special assessment ("Special Assessment") during any calendar year applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement comprising or to comprise a portion of the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of Unit Owners of Units to which three-fourths (3/4ths) of the allocated interest in the Common Elements are assigned, voting in person or by proxy at a meeting duly called for such purpose.

(i) In addition to the Regular Assessments and the Special Assessments, the Association shall have the power to levy assessments against a particular Unit ("Specific Assessments") to cover costs incurred in bringing the Unit or a Limited Common Element serving only that Unit into compliance with the Declaration, Bylaws or Rules and Regulations promulgated by the Association, or costs incurred as a consequence of the willful or negligent act or inaction of any Unit owner or the Unit Owner's family, employees, tenants, guests, or invitees; provided, the Association shall give the Unit Owner prior written notice and, if required by this Declaration or the Bylaws, an opportunity for a hearing before levying any Specific Assessment.

7. Capital Contribution Due from Purchaser at Closing.

In order to provide initial operating funds for the Association, each Unit shall be assessed an Capital Contribution at the time of first occupancy of the Unit pursuant to Section 17.f. of the Declaration. The Capital Contribution shall be due and payable at closing on sale of the Unit to the first Unit Owner who intends to occupy the Unit or lease the Unit for occupancy. The amount of the Capital Contribution shall be a pro-rated amount of two (2) months of the current year's base assessment. The Capital Contribution due from each Unit pursuant to the Declaration shall be in addition to all other assessments created hereunder, and shall not be credited against any other assessment. Except for the Capital Contribution, there will be no additional initial or special fees due from purchasers at closing.

8. Existing Lines or Encumbrances on the Condominium.

Each Unit will be conveyed subject to the lien of Mecklenburg County and the City of Charlotte taxes for the year of closing and subsequent years, which are not yet due and payable, standard title exceptions for general utility service and the easements and restrictions set forth in the Declaration, Bylaws and Articles of Incorporation that are referenced in Section 5 above.

9. Disclaimer of Declarant's Warranties.

THE UNITS SHALL BE CONVEYED TO PURCHASER AS IS, WITH ALL FAULTS AND WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED. EXCEPT FOR THE WARRANTIES EXPRESSLY PROVIDED IN DECLARANT'S WARRANTY DEED, DECLARANT HEREBY DISCLAIMS ANY AND ALL WARRANTIES OF ANY NATURE

WHATSOEVER WITH REGARD TO THE UNITS AND THE CONDOMINIUM PROPERTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, DECLARANT MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER REGARDING THE PAST, PRESENT OR FUTURE CONDITION OR USE OF ANY LANDS OR AREAS SURROUNDING THE CONDOMINIUM PROPERTY OR IN THE VICINITY OF THE CONDOMINIUM PROPERTY.

10. Purchaser's Right to Cancel.

Any prospective purchaser of a Unit in the Condominium must receive a Public Offering Statement before a contract for purchase is executed. No conveyance of title by deed can occur until seven (7) calendar days following the signing of a contract for purchase. The purchaser has the absolute right to cancel the contract to purchase during such seven (7) calendar day period without penalty, and to receive a full refund of any deposit paid if the purchaser cancels during that seven-day period. Under the Act, a purchaser electing to cancel a contract may do so by hand-delivering notice to the Declarant or by mailing notice by prepaid United States mail to Declarant at the Declarant's address specified in Section 1 of this Public Offering Statement.

11. Judgments and Pending Suits.

There are no known or recorded unsatisfied judgments or pending suits against the Declarant, the Association or pertaining in any way to the Condominium. There are no pending suits material to the Condominium of which the Declarant has actual knowledge.

12. Escrow Deposit.

Any escrow deposit or down payment made by a purchaser in connection with the purchase of a Unit will be held under Declarant's name in an escrow account with an insured bank or savings and loan institution, as required by the Act. The Declarant's address is 2301 West Morehead Street, Suite A, Charlotte, NC 28208. The escrow account is with Bank of the Ozarks whose address is 4200 Park Rd, Charlotte, NC 28209. Payments held in such escrow account shall be deemed to belong to the purchaser and not the Declarant. The deposit shall be held in such account until the seven (7) day period which the purchaser may cancel the purchase contract expires, or the date of cancellation by the purchaser thereunder, whichever occurs first. After the expiration of the seven (7) day cancellation period, Declarant shall have the right to transfer the deposit out of the escrow account and remit it to Declarant, without the prior written consent of the purchaser.

13. Restraints on Alienation.

(a) 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 Governing Documents and that any failure by the lessee to comply with all of the terms of such Governing Documents shall constitute a default under the lease. Any lease shall have an initial term of at least one (1) year, unless the prior written approval of the Board shall have been obtained. No Unit shall be used for hotel or other transient residential purposes. No Unit shall be leased to undergraduate

student(s). A true copy of each executed lease, together with such additional information as may be required by the Association, shall be given to the Association by the Unit Owner within ten (10) days of execution of the lease. "Governing Documents" shall mean, collectively, the Declaration, any applicable amendments thereto, the Articles of Incorporation, the Bylaws, and all applicable rules and regulations, as the same may be amended from time to time. The foregoing provisions shall not apply to any leases entered into by the Declarant or the Association.

(b) No Unit or any interest in a Unit may be subjected to a time share program, as that terms is defined in N.C.G.S. §93A-41(10).

14. Insurance Coverage.

(a) Property Insurance. The Association shall obtain and maintain at all times a policy of property insurance on the Buildings in an amount not less than one hundred percent (100%) of the replacement cost of the Buildings at the time such insurance is purchased and at the time of each renewal thereof (excluding the cost of foundations and footings, and the cost of any personal property supplied or installed by Owners), with a commercially reasonable deductible. The policy shall be issued by an insurance company properly licensed to do business in the State of North Carolina, with a general policyholder's rating of at least "A-" in the most recent edition of A.M. Best's Insurance Rating Service. The policy shall provide that each Owner is an insured person with respect to his or her Unit and his or her allocated interest in the Common Elements. The policy shall contain an inflation guard endorsement, if available, and a special condominium endorsement providing as follows: for waiver of subrogation against any Owner and any Owner's employees or agents; that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and their mortgagees; that no act or omission by any Owner will preclude recovery upon such policy; and that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. Each property insurance policy shall provide that adjustment of loss shall be made by the Association as insurance trustee. Each property insurance policy shall provide for the issuance of certificates or mortgagee endorsements to Owner's mortgagees.

(b) Liability Insurance. The Association shall obtain and maintain at all times a policy of commercial general liability insurance in such limits as the Board of Directors may, from time to time, determine, covering each member of the Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than \$1,000,000.00 per occurrence. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all insureds, including all Owners and Owners' mortgagees. The Board shall review such limits annually.

(c) Fidelity Coverage. The Association may obtain such fidelity coverage against dishonest acts on the part of all persons responsible for handling funds belonging to or administered by the Association as it may deem necessary. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Board, but in no event less than one-half the annual budgeted amount of Common Expenses, or the amount required by any mortgagee, whichever is greater.

(d) Other Insurance. The Association shall be authorized to obtain such other insurance coverage, including worker's compensation or employee liability insurance, as the Association shall determine from time to time desirable or necessary.

(e) Premiums. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association and charged as a Common Expense.

(f) Proceeds. All contracts of property insurance purchased by the Association shall be for the benefit of all of the Unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association or its authorized representative as insurance trustee under the Declaration. The sole duty of the Association or its authorized representative as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein and for the benefit of the Owner and their mortgagees in the following shares:

i. Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his mortgagee, if any, each Owner's share to be the same as such Owner's allocated interest.

ii. Proceeds on account of damage to Units shall be held in the following undivided shares:

(A) When the damage is to be restored, for the Owners of damaged Units in proportion to the costs of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association.

(B) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's allocated interest.

iii. In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Owner's mortgagee and the Owner as their respective interest may appear.

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

(A) If it is determined, as provided below, that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired: (1) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged

area to a condition compatible with the rest of the Condominium; (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of these Units and Units to which those Limited Common Elements were allocated or to their mortgagees, in proportion to their respective allocated interests; and (3) the remainder of the proceeds shall be distributed to all Owners or mortgagees, as their interests may appear, in proportion to their respective allocated interests.

(B) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair and reconstruction costs shall be distributed to the beneficial Owners and their mortgagees, if any, jointly.

15. Fees for Use of Common Elements.

Other than the assessments provided by Section 17 of the Declaration, there are no present and no known or anticipated future fees or charges to be paid by Unit Owners for the use of the Common Elements and other Condominium facilities.

16. Completion of Improvements.

There will be no improvements labeled “MUST BE BUILT” on any plat or plan of the Condominium prepared and recorded pursuant to Section 47C-2-109 of the Act. Accordingly, there will be no financial arrangements made or provided for the completion of such improvements.

17. Zoning and Land Use Requirements.

The land on which the Condominium will be situated is zoned “Urban Residential-1 district (UR-1)” under the terms of the City of Charlotte Ordinance. This zoning classification permits detached, duplex, attached dwellings and group homes for up to six (6) residents. In addition, the Condominium is subject to all use restrictions as set forth in the Declaration. The various covenants, restrictions, conditions and limitations as to the use and occupancy of the Condominium Property found in the Declaration shall run with the land and shall be binding upon each Owner and their respective grantees, lessees, invitees, guests, mortgagees, heirs, executors, devisees, administrators, successors and assigns.

18. Alienation of Common Elements.

Under the Act, portions of the Common Elements of the Condominium may be conveyed or alienated by the Association or subjected to a security interest only if persons entitled to cast at least eight percent (80%) of the votes allocated to Units, not owned by the Declarant, agree to the action.

19. Exhibits.

The following exhibits are attached to and are an integral part of this Public Offering:

- (a) Exhibit A -- Schedule of Units and Allocated Interests
- (b) Exhibit B -- Legal Description of the Land
- (c) Exhibit C -- Declaration
- (d) Exhibit D -- Bylaws of Association
- (e) Exhibit E -- Articles of Incorporation of Association
- (f) Exhibit F -- Projected Initial Annual Budget

DECLARANT

Luxity LLC

By: _____
Name: _____
Its: _____

EXHIBIT A

TABLE OF ALLOCATED INTERESTS

Allocated Interest:

The allocated interest in the Common Elements of each Unit is as follows:

Unit 1004-C	25.00%
Unit 1004-D	25.00%
Unit 1006-A	25.00%
Unit 1006-B	25.00%
 TOTAL:	 100.00%

EXHIBIT B

Description of the Land

Being all of Lot 16A and Lot 16B, Block 2, as shown on that minor subdivision plat of a Portion of Lot 16, Block 2 of A Part of Woodlawn Subdivision, as depicted in Map Book 62 Page 833, Mecklenburg County Register of Deeds.

EXHIBIT C

Recorded Declaration

For Registration Fredrick Smith
Register of Deeds
Mecklenburg County, NC
Electronically Recorded
2018 Jul 11 01:48 PM RE Excise Tax: \$ 0.00
Book: 32821 Page: 323 Fee: \$ 46.00
Instrument Number: 2018086433

Fredrick Smith

Prepared By and Return To:

Michael R. Ganley, Bagwell Holt Smith P.A., 111 Cloister Ct., Ste. 200, Chapel Hill, NC 27514 (MRG)

Declarant's Address: 2301 W. Morehead Ste. A, Charlotte NC 28208

**DECLARATION OF CONDOMINIUM FOR
LUXITY TERRACES V CONDOMINIUM**

This Declaration of Condominium (the "Declaration") is made July 10th, 2018, by LUXITY LLC, a North Carolina limited liability company, hereinafter collectively referred to as "Declarant." Declarant hereby states and declares as follows:

A. Declarant is the owner of that certain parcel of land located in the City of Charlotte, Mecklenburg County, North Carolina, and more particularly described in **Exhibit A** attached hereto and incorporated herein (the "Land"). The Land and all rights and privileges appurtenant thereto are hereinafter collectively referred to as the "Property."

B. Declarant desires and intends to convert the Property into a condominium pursuant to N.C.G.S. Chapter 47C (the "Act").

C. Declarant also desires and intends to subject the Property to certain covenants, conditions and restrictions to be binding upon all Owners of any interest in the Condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns.

THEREFORE, pursuant to N.C.G.S. §47C-2-101, Declarant hereby executes this Declaration to create Luxity Terraces V Condominium (the "Condominium"), and declares that henceforth the Condominium and all Units thereof shall be held and owned subject to the following terms, provisions, covenants, conditions and restrictions, which shall be binding upon all Owners of any Unit of the Condominium and their respective grantees, lessees, invitees, guests, mortgagees, heirs, executors, devisees, administrators, successors and assigns.

1. **Definitions.** The definitions set forth in N.C.G.S. §47C-1-103 shall apply to this Declaration and are incorporated herein, except that the terms listed below shall have the specific meanings stated:

- a. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for Luxury Terraces V Condominium Association, Inc., a North Carolina nonprofit corporation.
- b. "Association" shall mean and refer to Luxury Terraces V Condominium Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.
- c. "Board of Directors" or "Board" shall mean the executive board of the Association.
- d. "Bylaws" shall mean the Bylaws of the Association as they now or hereafter exist and as they may be amended from time to time.
- e. "Common Elements" shall mean all portions of the Condominium other than the Units, as depicted on the Plans.
- f. "Common Expenses" shall mean 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.G.S. §47C-1-103(5).
- g. "Declarant" shall mean, collectively, Luxury, LLC their successors, heirs and assigns.
- h. "Declarant Control Period" shall mean the period during which the Declarant shall control the Association, which period shall commence on the date hereof and continue until the earlier of (i) Declarant no longer holds a fee interest or contractual right in any portion, however small, of the land; or (ii) the date upon which Declarant voluntarily surrenders control of the Condominium to the Association. The Declarant Control Period may be re-established upon the Declarant's recording of a Supplemental Declaration where Declarant adds additional land or units owned by Declarant to this Declaration.
- i. "Declaration" shall mean this Declaration of Luxury Terraces V Condominium.
- j. "Governing Documents" shall mean, collectively, this Declaration, any applicable amendments thereto, the Articles of Incorporation, the Bylaws, and all applicable Rules and Regulations, as the same may be amended from time to time.
- k. "Limited Common Elements" shall mean those portions of the Common Elements allocated by this Declaration, or the terms of N.C.G.S. §47C-2-102(2) or (4), for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in Section 7 of this Declaration, and as depicted on the Plans.
- l. "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Unit but shall exclude those persons or entities having an interest in any Unit as merely security for the payment or performance of an obligation.
- m. "Plans" shall mean those plans and plats of record filed in the Mecklenburg County Register of Deeds, as amended and supplemented, to be designated in an amendment to this Declaration.
- n. "Rules and Regulations" shall mean the rules and regulations governing the use of the Units and the Common Elements which may be made and amended from time to time by the Board of Directors or the Association as provided for in Section 14 below.

o. "Unit" shall mean a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described pursuant to Section 5 below.

p. "Supplemental Declaration" shall mean any declaration of covenants, conditions and/or restrictions that Declarant may file at the Mecklenburg County Registry subsequently to filing this Declaration, which shall apply only to a particular area or areas within the Community. Such Supplemental Declaration may supplement, change, amend or supersede the terms and provisions of this Declaration as necessary to accommodate differences between the plan of the development for the subject property and the plan of the development for the rest of the Community, or such Supplemental Declaration may subjects additional land to this Declaration.

2. Submission of Property. Declarant hereby submits the Property to the provisions of the Act. The Property will be administered in accordance with the provisions of the Act, the Declaration, the Articles of Incorporation, the Bylaws, the Rules and Regulations and the other Governing Documents, as applicable.

3. Name. The name of the Condominium created by this Declaration shall be "Luxity Terraces V Condominium."

4. Maximum Number of Units. The maximum number of Units of the Condominium which the Declarant may create at any time is four (4). The number of presently existing Units is four (4).

5. Description of Units. The presently existing four (4) Units are contained in two (2) separate buildings located on the Land (each a "Building" and collectively the "Buildings"). Each Building contains two (2) Units as shown on the Plans. The location and dimensions of the Buildings are shown on the Plans. Each Unit consists of three (3) stories which are connected by an interior stairway. The location of the Units within the Buildings and their dimensions are shown on the Plans. The identifying number for each Unit is set forth in **Exhibit B** and on the Plans.

6. Boundaries of Units.

a. Upper Boundary. The upper boundary of each Unit shall consist of the horizontal plane of the top surface of the wallboard in the ceilings above the third story of a Unit.

b. Lower Boundary. The lower boundary of each Unit consists of the top surface of the undecorated sub-flooring material of the lower floor of a Unit. Each Unit contains three (3) stories, and the definitions of upper and lower boundaries set forth herein apply with respect to each story within the Unit; the horizontal structural elements dividing the stories of a given Unit are part of the Limited Common Elements.

c. Vertical Boundaries. The vertical boundaries of each Unit consist of the vertical planes which include the back surface of the wallboard of all walls bounding the Unit, extended to intersections with each other, and with the upper and lower boundaries.

d. Doors, Windows, Glass Walls. Unit boundaries shall extend to and include the interior surface of doors, windows and storm windows, and glass walls, and their frames, sills and thresholds.

As provided in N.C.G.S. §47C-2-102(1), 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 perimeter walls, floors and ceilings are part of the Unit. As provided in N.C.G.S. §47C-2-102(2), if any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lies partially

within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be a Limited Common Element allocated to that Unit, as provided in Section 7 below, and any portion thereof serving more than one Unit, or any portion of the Common Elements, shall be a Common Element.

7. Limited Common Elements. The Limited Common Elements shall be composed of the following:

a. Those portions of any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially outside the designated boundaries of a Unit, but serving exclusively that Unit, which shall be Limited Common Elements allocated exclusively to that Unit.

b. Any shutters, awnings, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside that Unit's boundaries, which shall be Limited Common Elements allocated exclusively to that Unit.

c. Any portions of the heating, ventilating, and air conditioning systems, including fans, compressors, return air grills and thermostats, whether located inside or located outside the designated boundaries of a Unit, which shall be Limited Common Elements allocated exclusively to the Unit that they serve.

d. The foundation, roof, exterior and interior load-bearing walls, the horizontal structural elements dividing the stories within and between the "A" and "B" units, and all other structural elements of the Building, shall be Limited Common Elements.

e. INTENTIONALLY DELETED.

f. Each Unit has a separate roof-top terrace located above the third story of the Unit (each a "Roof Top Terrace" and collectively the "Roof Top Terrace Areas"). Any Roof Top Terrace shall be a Limited Common Element allocated exclusively to the Unit that it serves.

g. INTENTIONALLY DELETED.

h. Each Unit has a separate exterior balcony accessible from the second story of the Unit. Any exterior balcony shall be a Limited Common Element allocated exclusively to the Unit that it serves.

i. INTENTIONALLY DELETED

j. The Units each have a separate porch, accessible from the second story of the Units. The porches shall be a Limited Common Element allocated exclusively to the Units they serve.

Notwithstanding any other provisions of this Declaration, or any provision of the Bylaws or the Act, the obligation of the maintenance, repair or replacement of any portions of the heating, ventilating and air conditioning systems that are Limited Common Elements shall be the sole responsibility of the Owners of the Units to which such Limited Common Elements are allocated. References in this Declaration to "Common Elements" shall include Limited Common Elements unless the context clearly indicates otherwise. The allocation of use of the Limited Common Elements to the Units as provided for in this Declaration shall not be altered without the unanimous consent of the Owners whose Units are affected.

8. Party Walls. The walls connecting adjacent Units are “party walls” and to the extent not inconsistent with the provision of this Section 8, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The costs of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use as determined by the Board. Notwithstanding any other provision of this Section 8, an Owner who by his or her negligent or willful act causes a party wall to be exposed to the elements and/or causes damage to another Unit, shall bear the entire cost of protecting the Unit against such elements or damage as applicable. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Unit and shall pass to such Owner’s successors in title. If any Owner desires to sell his or her Unit, such Owner may, in order to assure a prospective purchaser that no adjoining Owner has a claim for such contribution may request a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining Owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

9. Parking.

a. Parking. Parking on the Land shall be permitted only in the designated Unit’s garage. The garage assigned to a particular Unit shall be a Limited Common Element allocated exclusively to the Unit that the garage serves. There shall be no parking of vehicles at any other location on the Property.

b. Rules and Regulations. Parking shall be subject to any reasonable rules and regulations that may be imposed by the Association, pursuant to Section 14 below.

10. Special Declarant Rights. The Declarant reserves the following special declarant rights, which shall apply to all of the Property and which must be exercised within five (5) years of the date of recording of this Declaration:

- a. to complete all improvements shown on the Plans;
- b. to construct and maintain any sales office, management office, or model or guest rooms in any of the Units or on any of the Common Elements;
- c. to maintain signs advertising the Condominium on the Common Elements or within any Units owned by Declarant;
- d. to use easements through the Common Elements for the purpose of making improvements to the Property;
- e. to amend this Declaration as necessary to exercise the Special Declarant Rights reserved pursuant to this Section 10; and
- f. to appoint or remove any officer or member of the Board of Directors of the Association, subject to the limitations stated in N.C.G.S. §47C-3-103(d) and (e), which are incorporated herein.

11. Allocated Interests. The undivided interests in the Common Elements, the Common Expenses liability and votes in the Association (collectively, “the allocated interests”) are to be allocated among all Units as stated in **Exhibit B** attached hereto and incorporated herein.

12. Luxity Terraces V Condominium Association, Inc.. Every Unit Owner shall be a member of the Association. Ownership of a fee interest in a Unit shall be the sole qualification for membership, and membership shall be appurtenant to and shall not be separated from such ownership. The basic purposes and duties of the Association shall be to manage the Condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, this Declaration, any Bylaws promulgated by the

Association and any Rules and Regulations promulgated by the Association or its Board of Directors; and to promote and to protect the enjoyment and beneficial use and ownership of the Units. The Association shall have all of the powers stated in N.C.G.S. §47C-3-102, the terms and provisions of which are incorporated herein. The Association shall also have the power to enforce in its own name the terms and provisions of this Declaration, any Bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association or its Board of Directors. In addition, the Association shall have the power to:

- a. Adopt and amend the Bylaws and any Rules and Regulations;
- b. Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Unit Owners;
- c. Hire and terminate managing agents and other employees, agents, and independent contractors;
- d. Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the Condominium;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- g. Cause additional improvements to be made as a part of the Common Elements;
- h. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to G.S. 47C-3-112;
- i. Grant easements, leases, licenses, and concessions through or over the Common Elements;
- j. Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Unit Owners;
- k. 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 privileges or services provided by the Association (except the right 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) per instance, for violations of this Declaration, the Bylaws or the Rules and Regulations of the Association.
- l. Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates or statements of unpaid assessments;
- m. Provide for the indemnification of and maintain liability insurance for its officers, members of the Board, directors, employees and agents;
- n. Exercise all other powers that may be exercised in North Carolina by a nonprofit corporation; and
- o. Exercise any other powers necessary and proper for the governance and operation of the Association.

13. Restrictions on Use. All Units shall be subject to the following restrictions on use:

a. Residential Use. All Units shall be used for residential purposes only, subject to and consistent with the Declaration, the Bylaws and all Rules and Regulations. No commercial activities shall be conducted in or from any Unit, except home occupations that do not involve physical access or visitation to the Unit by any member of the general public and that do not involve any increased use whatsoever by any person of

any of the Common Elements of the Condominium or any general services provided to the Condominium (such as trash removal).

b. Number of Occupants. The maximum number of occupants of any one Unit shall be that number which is the product of the number of bedrooms in a Unit, as originally designed, times two (2), regardless of the age of any of the occupants.

c. Nuisance. No obnoxious, offensive, loud or unlawful activities shall be conducted within any Unit, or on or about the Common Elements. Each Unit Owner shall refrain from any use of his or her Unit or the Common Elements which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other Unit Owner or occupant, or endanger the health and safety of any other Unit Owner or occupant. Each Unit Owner shall not do, suffer, or permit to be done, anything in his or her Unit which (i) could change the Common Elements or otherwise impair the structural integrity, safety or mechanical systems of the Condominium, (ii) would require any alteration of or addition to any of the Common Elements to maintain compliance with any applicable law or regulation, or (iii) would cause the insurance rates for the insurance carried by the Association, or for the insurance carried by any other Unit Owner on his or her Unit, to increase above the commercially reasonable rates.

d. Prohibition on Use of Common Elements. The Common Elements (other than the Storage Sheds and Roof Top Terrace Areas designated as Limited Common Elements and any other storage areas, if any, designated by the Association) shall not be used for the storage of personal property of any kind. Stairs, entrances, yards, driveways and parking areas shall not be obstructed in any way, or used for other than their intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either in his or her Unit or upon the Common Elements which despoils the appearance of the Property.

e. Garbage. Trash, garbage and other waste shall be kept in sanitary containers within each Unit, and the Owner of each Unit shall be responsible for placing such garbage in a roll-out container, and rolling the container out to the designated trash pick-up area on a regular basis. Once the garbage has been picked-up, the Owner shall be responsible for rolling the container away from the designated trash pick-up area and back to his or her Unit within forty-eight (48) hours after the garbage has been picked-up. No trash or garbage shall be kept or stored on the balconies, porches or elsewhere in the Common Elements except in the areas designated by the Association for the storage of trash and refuse. All trash and garbage shall be bagged and tied before being deposited in the roll-out containers.

f. Leases of Units. 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 Governing Documents and that any failure by the lessee to comply with all of the terms of such Governing Documents shall constitute a default under the lease. Any lease shall have an initial term of at least thirty (30) days unless the prior written approve of the Board shall have been obtained. No Unit shall be used for hotel or other transient residential purposes. Any lease of a Unit shall be in writing and shall provide, among other things, that the terms of the lease shall be subject in all respects to the Governing Documents and that any failure by the lessee to comply with all of the terms of such Governing Documents shall constitute a default under the lease. A true copy of each executed lease, together with such additional information as may be required by the Association, shall be given to the Association by the Unit Owner within ten (10) days of execution of the lease. The foregoing provisions shall not apply to any leases entered into by the Declarant or the Association.

g. No Timeshares. No Unit or any interest in a Unit may be subjected to a time share program, as that terms is defined in N.C.G.S. §93A-41(10).

h. Animals. Dogs, cats or other usual and common domesticated household pets shall be allowed to be kept within any Unit, subject to the provisions of this Declaration. No non-domesticated pet or animal of any kind shall be kept in any Unit or on any portion of the Property. Pets shall not be kept or maintained for commercial purposes of breeding. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) on the Property. Notwithstanding anything to the contrary herein, rottweilers, pit bulls, chows and other aggressive breeds of dog shall not be allowed within any Unit or on any portion of the Property. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside a Unit. Owners shall clean up behind any pet while walking such pet on the Property. Pets shall be registered, licensed, and inoculated as required by law. Each Owner shall hold the Association harmless from any claim resulting from any action of his or her pet, and shall repair at his or her expense any damage to the Common Elements caused by his or her pet. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Governing Documents, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days' written notice.

i. Windows. All exterior windows of a Unit shall be appropriately shaded with interior coverings, at the expense of the Owner of the Unit. All window coverings or dressings within a Unit shall appear white or off-white from the exterior. Upon request by a Unit Owner, the Association may allow a particular exterior window to remain unshaded, in the Association's sole discretion.

j. Architectural Control. No building, landscaping, fence, wall or other structure (other than a satellite dish or antenna permitted by Section 13(l) below) shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration to either the Unit or the Common Elements 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 as to harmony of external design and location in relation to surrounding structures and topography by the Association.

k. Signs. No commercial signs of any kind shall be displayed to public view from any Unit or on any Common Elements. This provision shall not apply to marketing or informational signs placed on any part of the Property by Declarant until the last Unit owned by Declarant is sold, provided those signs comply with applicable governmental regulations.

l. Satellite Dishes and Antennas. No exterior satellite dish in excess of one meter may be placed on the exterior of any Unit or in the Common Elements without the prior written approval of the Board of Directors, which may be withheld in its sole discretion. The location of any exterior television antenna, or satellite dish less than one meter in diameter, shall be subject to the reasonable prior approval of the Board of Directors, taking into account the appropriate standards set forth in the regulations of the Federal Communications Commission, and to the extent reasonably practical, the Board of Directors may require that such antenna or satellite dish be screened from public view. Prior to installing the antenna or satellite dish, the Owner shall furnish to the Board of Directors a copy of his or her installation plans. The Association shall have the right to perform any portion of the installation work at the expense of the Owner, or to require that any portion of the work be performed by contractors designated by the Board of Directors. In particular, any roof penetration that is required to install any antenna or satellite dish shall be performed only by the roofing contractor designated by the Board of Directors. The Owner shall also be responsible for any damage caused by the removal of the antenna or satellite dish, including the sealing or conduits or other roof penetrations. Again, the Association shall have the right to require that any part of the removal work, including the sealing of roof penetrations, be performed by the roofing contractor designated by the Executive Board, at the Owner's expense. Any Owner installing an antenna or satellite dish under this Section 13(l) shall indemnify, defend and hold the Association harmless from and against any loss, damage, claim or other liability resulting from the installation,

maintenance, repair, use and/or removal of the antenna or satellite dish, including any damage to the roof of the Building or other property damage caused by roof leaks.

m. Roof Top Terraces, Balconies, Decks and Porches. All Roof Top Terraces, balconies, decks and porches shall be kept in a clean, neat and orderly condition at all times, and shall not be used for overnight storage of garbage, or for the drying of laundry. In particular, no towels or banners shall be hung on the Roof Top Terraces, balconies, deck or porch railings, and any dead plants shall be removed promptly. No indoor-outdoor carpeting, hot tub or other pool shall be installed on any Roof Top Terraces, balconies, deck or porch. If permitted by applicable building codes and zoning ordinances, an Owner may use or store a cooking grill on the Roof Top Terrace, but such Owner shall be responsible for complying with all applicable laws, ordinances, and regulations in connection with such storage and use.

n. Compliance with Laws. All governmental laws, codes, regulations and ordinances applicable to a Unit shall be observed.

o. Subdivision of Units. No Unit may be subdivided.

p. Heating of Units. Each Unit shall be heated during the winter months sufficiently to prevent freezing or bursting of pipes and/or excessive heat loss by adjacent Units.

q. Dirt and Debris. No Unit Owner shall sweep or throw any debris, dirt or other substance from any window or balcony, patio or terrace or permit any occupant, employee, tenant, invitee or guest to engage in such activities.

s. Flags. No flags of any kind shall be displayed to public view from any Unit or on any Common Elements. This provision shall not apply to the display of the flag of the United States or the North Carolina state flag to public view from within an individually owned Unit, provided that no such flag is larger than 4' x 6'.

14. Rules and Regulations. In addition to the use restrictions set forth Section 13 above, which may be modified or rescinded only by an amendment to this Declaration, reasonable Rules and Regulations governing the use of the Units and the Common Elements may be made and amended from time to time by the Board of Directors or the Association. Copies of such Rules and Regulations and amendments thereto shall be posted prominently prior to their effective date, and shall be furnished by the Association to all Owners upon request.

15. Easements and Property Rights.

a. Access by the Association. The Association, or any person authorized by it, shall have the right of access to each Unit and to the Limited Common Elements to the extent necessary for performance by the Association of its obligations of maintenance, repair, or replacement of the Property.

b. Encroachment Easements. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if such encroachment shall occur hereafter as a result of settling or shifting of any Building, there shall exist a valid easement for the encroachment and for the maintenance of the same for so long as such Building shall stand. If any Building, any Unit or any portion of the Common Elements is partially or totally destroyed by fire or other casualty or as a result of condemnation or eminent domain proceedings, and subsequently is re-built, any encroachment of parts of the Common Elements upon any Unit, or of parts of any

Unit upon the Common Elements, due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Buildings shall stand.

c. Easements Over Common Elements. Each Owner shall have an easement in common with the Owners of all other Units for ingress and egress through, and use and enjoyment of, all of the Common Elements (other than the Limited Common Elements). The Common Elements (other than the Limited Common Elements) shall be subject to easements of use and enjoyment and ingress and egress by all persons lawfully using or entitled to the same, including without limitation officers, employees and agents of public utility companies in the performance of their duties. In addition, Declarant shall have an easement over the Common Elements (other than the Limited Common Elements) as may be reasonably necessary to complete the construction of the existing Buildings and the other improvements within the Property, or to make any repairs that may be required during any applicable warranty period.

d. Easement to Facilitate Sales or Leasing of Units. Declarant, and its authorized agents, representatives and employees, shall have the right, exercisable in Declarant's sole discretion, to use as management offices and/or sales and/or rental offices and/or model units any and all unsold Units, and any Units leased by Declarant from other Owners who may agree to lease their Units to Declarant for such purposes. Such Units shall not be deemed a part of the Common Elements. Declarant shall have the absolute right for itself, its successors and its invitees and prospective purchasers, to use and enter, without being subject to any charge or fee therefor, any and all such Units and the Common Elements, for management, sales and/or rental purposes and/or for any other lawful purpose or purposes, including placing thereon "for sale" or "for rent" signs and other promotional materials.

e. Grant of Easements by Declarant and the Association. Declarant and the Association, at any time, may grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines; pipes; ducts; sewer lines; and water lines; gas mains; telephone and television or cable television wires, cables and equipment; electrical conduits; and wires over, under, along and on any portion of the Common Elements (other than the Limited Common Elements); and each Owner hereby grants to Declarant or the Association, as applicable, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner such instruments as may be necessary to effectuate the foregoing.

f. Emergency Access. In case of any emergency originating in or threatening any Unit or the Common Elements, regardless of whether the Owner is present at the time of such emergency, the Association, or any other person authorized by it, shall have the right to enter any Unit or its Limited Common Elements for the purpose of remedying or abating the cause of such emergency and making any other necessary repairs not performed by the Owners, and such right of entry shall be immediate.

g. Partitioning. The interests in the Common Elements allocated to each Unit shall not be conveyed, devised, encumbered, partitioned or otherwise dealt with separately from said Unit, and the interests in the Common Elements allocated to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such interests are not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon the Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit's allocated interest in the Common Elements unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the identifying number assigned thereto on the Plans and herein without limitation or exception shall be deemed and construed to affect the entire Unit and its allocated interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its allocated interest in the Common

Elements by more than one person or entity as tenants in common, joint tenants, tenants by the entireties or any other form permitted by law.

h. Nature of Interest in Unit. Every Unit, together with its allocated interest in the Common Elements, shall for all purposes be and it is hereby declared to be and to constitute a separate parcel of real property. The Owner of each Unit shall be entitled to the exclusive fee simple ownership and possession of his or her Unit subject only to the covenants, conditions, restrictions, easements, uses, limitations, obligations, rules and regulations set forth in this Declaration, the Governing Documents, the Plans or other Rules and Regulations adopted by the Board or the Association.

16. Maintenance and Repair.

a. General. All areas within the Property and all areas covered by easements or licenses owned or held by the Association shall be maintained to the standards stated in this Declaration and any amendment thereto, the Bylaws, and Rules and Regulations of the Association. The Association and the individual Unit Owners shall be responsible for such maintenance, as provided in this Section 16.

b. Association Maintenance Responsibility. Except as provided in this subsection (b) and subsection (c) below, the Association shall be responsible for the maintenance and repair of all Common Elements and the Limited Common Elements described in Section 7(d) and Section 7(e) above, and assess the Units for the costs thereof, pursuant to N.C.G.S. §§47C-3-107 and 113, the terms and provisions of which are incorporated herein, and as otherwise provided by this Declaration. In the event that the need for maintenance or repair by the Association pursuant to this subsection is caused through the willful or negligent act or inaction of any Unit Owner or the Unit Owner's family, tenants, guests, or invitees, the cost of such maintenance and repair shall be assessed against the Unit(s) of such Unit Owner(s) as a Specific Assessment pursuant to Section 17(c) below, and may be collected by the Association as provided in Section 17(j) below.

c. Unit Owner's Responsibility. The Owner of each Unit is responsible for maintaining and repairing his or her Unit as well as the Limited Common Elements appurtenant thereto. Each Owner shall keep his or her respective Unit and its appurtenant Limited Common Elements in a clean, neat and orderly condition and in a good state of maintenance and repair. Notwithstanding anything to the contrary herein, the Owner of each Unit shall not be responsible for maintaining and repairing the Limited Common Elements described in Section 7(d) and Section 7(e) above; the responsibility for maintaining and repairing the Limited Common Elements described in Section 7(d) and Section 7(e) above shall belong to the Association as provided in subsection (b) above. In the event that the Association determines that any Unit Owner has failed to perform any of the duties or responsibilities set forth in this subsection (c), then the Association may give such Unit Owner written notice of such failure and such Unit Owner must within ten (10) days after receiving such notice perform the care and maintenance required or otherwise perform the duties and responsibilities of such Unit Owner. Should any such Unit Owner fail to fulfill this duty and responsibility within such period, then the Association, acting through its authorized agent or agents, shall have the right and power to perform such care and maintenance. The Unit Owner on whose behalf such work is performed shall be liable for the cost of such work together with interest on the amounts expended by the Association in performing such work computed at the rate of twelve percent (12.00%) per annum from the date(s) such amounts are expended until repaid to the Association and for all costs and expenses incurred in seeking the compliance of such Unit Owner with his or her duties and responsibilities hereunder, and such Unit Owner shall reimburse the Association on demand for such costs and expenses (including interest as above provided). If such Unit Owner shall fail to reimburse the Association within thirty (30) days after the Association has mailed to Unit Owner a statement for such costs and expenses, the Association may charge a Specific Assessment for such amounts against the Unit of such Unit Owner, and proceed to collect such Specific Assessment as provided in Section 17(c) below.

17. Assessments. The Association shall have and is hereby granted the authority and the power to assess the Units and collect assessments as set forth in the Act, and as follows:

a. Regular Assessments. The Association shall establish an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements and the payment of the Common Expenses. The Association shall charge each Unit on a quarterly or monthly basis (as determined by the Board of Directors) a Regular Assessment as its share of the Common Expenses and its contribution to the reserve fund.

b. Special Assessments. In addition to the Regular Assessments authorized in subsection (a) above, the Association may charge each Unit, in any fiscal year of the Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement upon and to any part of the Common Elements, including fixtures and personal property related thereto; provided that any such Special Assessment must be approved by the affirmative vote of at least two-thirds (2/3) of all Units existing at the time of the vote, cast in person or by proxy at a meeting duly held in accordance with the Bylaws. If authorized by the Association, Special Assessments may be paid by Unit Owners in monthly or quarterly installments, as determined by the Board of Directors.

c. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit to cover costs incurred in bringing the Unit or a Limited Common Element serving only that Unit into compliance with the Declaration, Bylaws or Rules and Regulations promulgated by the Association, or costs incurred as a consequence of the willful or negligent act or inaction of any Unit Owner or the Unit Owner's family, employees, tenants, guests, or invitees; provided, the Association shall give the Unit Owner prior written notice and, if required by this Declaration or the Bylaws, an opportunity for a hearing before levying any Specific Assessment under this subsection.

d. Rates of Regular and Special Assessments. Regular and Special Assessments shall be assessed against all Units pursuant to their allocated interests as provided in Section 11 above.

e. Commencement of Regular and Special Assessments. Assessments for all Units shall begin as of the date of the first conveyance of a Unit to an Owner other than Declarant. With respect to Units owned by Declarant, Declarant's obligations to pay assessments for Common Expenses may be satisfied in the form of cash payments to the Association or "in kind" contributions of services that would otherwise be included within Common Expenses, or any combination of the foregoing.

f. Initial Assessments. In order to provide initial operating funds for the Association, each Unit shall be assessed an Initial Assessment at the time of first occupancy of the Unit. The Initial Assessment shall be due and payable at closing on sale of the Unit to the first Unit Owner who intends to occupy the Unit or lease the Unit for occupancy. The amount of the Initial Assessment shall be an amount equal to two (2) months' Regular Assessments for each Unit. The Initial Assessment due from each Unit pursuant to this subsection shall be in addition to all other assessments created hereunder, and shall not be credited against any other assessment.

g. Maintenance of Limited Common Elements. Any expense associated with the maintenance, repair or replacement of Limited Common Elements described in Section 7(d) and Section 7(e) above shall be assessed against all of the Units served by those Limited Common Elements pursuant to their allocated interests.

h. Assessments for Fines. After notice and an opportunity to be heard, the Association may assess individual Units for any fines owed to the Association by the Owner(s) of the Unit for violations of this Declaration, the Bylaws or Rules and Regulations promulgated by the Association. Any such fine shall not exceed One Hundred Dollars (\$100.00) per occurrence, plus One Hundred Dollars (\$100.00) per day for each day that the violation continues after five (5) days after the date of the decision by the Association to impose the fine.

i. Certificates of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association stating whether all assessments against a specified Unit have been paid. A properly executed certificate of the Association as to the status of assessments against a Unit shall be binding upon the Association as of the date of its issuance.

j. Payment and Collection of Assessments. Each of the applicable assessments described above, together with interest thereon and the costs of collection thereof, including reasonable attorney's fees, and together with late fees, if any, shall be a lien upon each Unit and the personal obligation of all of the Owners of such Unit. Assessments shall be paid in such manner and on such dates as the Board of Directors may establish, which may include discounts for early payment, reasonable late fees for late payment and special requirements for Unit Owners with a history of late payment. No Unit Owner may exempt himself or herself from liability for assessments by non-use of Common Elements, abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Unit Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association. Any assessment against any Unit which remains unpaid for a period of thirty (30) days after delivery of a request for payment thereof shall be past due, and interest shall accrue on any unpaid amount from the date that it became past due at the rate of twelve percent (12.00%) per annum. The Association shall have the power to take whatever action is necessary, at law or in equity, to collect any past due assessment, together with interest, late fees and costs of collection, including reasonable attorney's fees. When an assessment becomes past due, the lien created hereunder may be filed by the Association against the delinquent Unit Owner in the office of the Clerk of Superior Court of Mecklenburg County. The lien may be foreclosed by the Association in like manner as a mortgage on real estate under power of sale pursuant to Article 2A of Chapter 45 of the North Carolina General Statutes.

k. Subordination of Lien to First Mortgages. The lien created by subsection (i) above shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the lien of any assessment, except that the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of any assessment against the Unit that first became due prior to such sale or transfer.

18. Insurance.

a. Property Insurance. The Association shall obtain and maintain at all times a policy of property insurance on the Buildings in an amount not less than one hundred percent (100%) of the replacement cost of the Buildings at the time such insurance is purchased and at the time of each renewal thereof (excluding the cost of foundations and footings, and the cost of any personal property supplied or installed by Owners), with a commercially reasonable deductible. The policy shall be issued by an insurance company properly licensed to do business in the State of North Carolina, with a general policyholder's rating of at least "A-" in the most recent edition of A.M. Best's Insurance Rating Service. The policy shall provide that each Owner is an insured person with respect to his or her Unit and his or her allocated interest in the Common Elements. The policy shall

contain an inflation guard endorsement, if available, and a special condominium endorsement providing as follows: for waiver of subrogation against any Owner and any Owner's employees or agents; that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and their mortgagees; that no act or omission by any Owner will preclude recovery upon such policy; and that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. Each property insurance policy shall provide that adjustment of loss shall be made by the Association as insurance trustee. Each property insurance policy shall provide for the issuance of certificates or mortgagee endorsements to Owner's mortgagees.

b. Liability Insurance. The Association shall obtain and maintain at all times a policy of commercial general liability insurance in such limits as the Board of Directors may, from time to time, determine, covering each member of the Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than \$1,000,000.00 per occurrence. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all insureds, including all Owners and Owners' mortgagees. The Board shall review such limits annually.

c. Fidelity Coverage. The Association may obtain such fidelity coverage against dishonest acts on the part of all persons responsible for handling funds belonging to or administered by the Association as it may deem necessary. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Board, but in no event less than one-half the annual budgeted amount of Common Expenses, or the amount required by any mortgagee, whichever is greater.

d. Other Insurance. The Association shall be authorized to obtain such other insurance coverage, including worker's compensation or employee liability insurance, as the Association shall determine from time to time desirable or necessary.

e. Premiums. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association and charged as a Common Expense.

f. Proceeds. All contracts of property insurance purchased by the Association shall be for the benefit of all of the Unit Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association or its authorized representative as insurance trustee under this Declaration. The sole duty of the Association or its authorized representative as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein and for the benefit of the Owner and their mortgagees in the following shares:

(i) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his or her mortgagee, if any, each Owner's share to be the same as such Owner's allocated interest.

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

(A) When the damage is to be restored, for the Owners of damaged Units in proportion to the costs of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association.

(B) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's allocated interest.

(iii) In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Owner's mortgagee and the Owner as their respective interest may appear.

(iv) Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:

(A) If it is determined, as provided in Section 19 below, that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired: (1) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium; (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of these Units and Units to which those Limited Common Elements were allocated or to their mortgagees, in proportion to their respective allocated interests; and (3) the remainder of the proceeds shall be distributed to all Owners or mortgagees, as their interests may appear, in proportion to their respective allocated interests.

(B) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair and reconstruction costs shall be distributed to the beneficial Owners and their mortgagees, if any, jointly.

19. Duty to Repair or Reconstruct.

a. Reconstruction and Repair. In the event of damage to or destruction of any Building as a result of fire or other casualty, the Association shall arrange for the prompt restoration and replacement of the damaged or destroyed Building unless (i) the Condominium is terminated in accordance with the provisions of Section 23(d) below; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) of Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units to which are assigned Limited Common Elements not to be rebuilt. Unless one of the preceding three conditions occurs, the Association shall arrange for the prompt repair and restoration of the damaged or destroyed Building, not including any decoration or covering for walls, ceilings, or floors or furniture, furnishings, fixtures or equipment, and the Association shall disburse the proceeds of all insurance policies to contractors engaged in such repair and restoration in appropriate progress payments and in accordance with the provisions of Section 18 of this Declaration. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plans. If the Owners vote not to rebuild any Unit, that Unit's allocated interest shall automatically be reallocated as if the Unit had been condemned under N.C.G.S. §47C-1-107(a).

b. Obligation of Owners. Each Owner will, at his or her sole cost and expense, keep and maintain his or her Unit in good order and repair in accordance with the Plans, and will make no structural addition, alteration or improvement to his or her Unit without the prior written consent of the Association, except

as specifically permitted by this Declaration or authorized under N.C.G.S. §47C-2-111. Upon the failure of an Owner to so maintain his or her Unit, the Association shall be authorized to maintain, repair or restore such Unit, and the costs thereof shall be charged to such Owner and constitute a lien on the Unit until paid.

20. Units Subject to Condominium Documents. All present and future Owners, lessees and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws, and any Rules and Regulations, as all of the foregoing may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and any Rules and Regulations are accepted and ratified by such Owner, lessee or occupant, and an agreement that such person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

21. Availability of Documents and Records of the Association. The Association shall make reasonably available for examination true copies of this Declaration, the Bylaws, Rules and Regulations, books, records and current financial statements of the Association, to the following: (a) Unit Owners and their agents and mortgagees, and (b) contract purchasers of Units and their agents and prospective mortgagees. Upon written request from any governmental agency holding, insuring or guaranteeing any mortgage against any Unit of the Condominium, the Association shall provide a copy of an audited financial statement of the Association for the immediately preceding fiscal year to the requesting agency within a reasonable period of time.

22. Notice to Lenders. Upon written request from any entity holding, insuring or guaranteeing a mortgage against any Unit of the Condominium, the Association shall provide the requesting entity with timely written notice of:

a. any proposed amendment to this Declaration. Any amendments of a material adverse nature to mortgagees must be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of Units that are subject to mortgages. Approval shall be assumed when a mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the amendment, provided the notice was delivered by certified or registered mail, with a return receipt requested;

b. any proposed termination of the Condominium;

c. any condemnation of or loss, destruction or damage to the Condominium which affects a material portion of the Condominium or any Unit against which there is a mortgage held, insured or guaranteed by the requesting entity. Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons to be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of Units that are subject to mortgages;

d. any delinquency of sixty (60) days or more in payment of any assessments due from the Owner(s) of any Unit against which there is a mortgage held, insured or guaranteed by the requesting entity; and

e. any lapse, cancellation or material modification of any insurance coverage held by the Association.

23. General Provisions.

a. Parties Bound. All persons and entities acquiring any interest in any of the Units, including but not limited to tenants, shall be bound by the provisions of this Declaration. All guests and invitees of such persons and entities, and any other occupants of any of the Units, shall likewise be bound.

b. Duration. The provisions of this Declaration shall run with and bind the Property perpetually, unless terminated pursuant to subsection (d) below.

c. Amendment. Except as provided herein, this Declaration may be amended only by a written instrument executed on behalf of the Association by an officer of the Association designated for that purpose and authorized by the affirmative vote of at least sixty-seven percent (67%) of the total allocated interests of the Condominium, cast in person or by proxy at a meeting duly held in accordance with the Bylaws; provided that the terms and provisions of this Declaration may be amended by the Declarant at any time within five (5) years of the date of recording of this Declaration, without the approval of the Association or any other party, as necessary to exercise the Special Declarant Rights reserved in Section 10 above. Any amendment must be recorded at the Mecklenburg County Register of Deeds to be effective.

d. Termination. The Condominium may be terminated and the Property removed from the provisions of the Act only by the affirmative vote of at least eighty percent (80%) of the total allocated interests of the Condominium, cast in person or by proxy at a meeting duly held in accordance with the Bylaws, and as evidenced by execution of a termination agreement, or ratification thereof, by the requisite number of Owners. The termination shall comply with the requirements of N.C.G.S. §47C-2-118, and must be recorded at the Mecklenburg County Register of Deeds to be effective. Following the recordation of the termination agreement, the interests of the Owners in the Property shall be as provided in N.C.G.S. §47C-2-118.

e. Condemnation. If all or any part of the Property is taken in condemnation or by eminent domain, the award for such taking shall be distributed in accordance with the procedure set forth in N.C.G.S. §47C-1-107.

f. Enforcement. The Declarant, any Unit Owner and/or the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, and obligations imposed by this Declaration. The Declarant, the Association or any Unit Owner may bring any action necessary to enjoin any violation or breach of the provisions of this Declaration, and/or to recover damages therefor. The Declarant, the Association and/or any Unit Owner shall be entitled to recover reasonable attorney's fees incurred in bringing and prosecuting such action from the breaching or violating Unit Owner(s).

g. Failure to Enforce Not a Waiver. The failure to enforce any right, reservation, covenant or restriction contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter.

h. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall not affect any of the other provisions of this Declaration, which shall remain in full force and effect.

i. Captions. The captions herein are inserted only as a matter of convenience and for reference, and shall not be construed to define, limit or describe the scope of any provision of this Declaration.

j. Law Controlling. This Declaration shall be construed and governed pursuant to the laws of North Carolina.

i. References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provision.

k. Construction. As used herein, words in the singular shall include the plural and the neuter includes the masculine and feminine genders, and vice versa, as the context requires.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on the date shown above.

LUXITY LLC,
a North Carolina limited liability company

By: _____

Jason Javer, Managing Partner

STATE OF North Carolina
COUNTY OF Mecklenburg

I certify that Jason Javer personally came before me this day and acknowledged that he is Managing Partner of Luxity LLC, a North Carolina limited liability company, and that he, as Managing Partner, being duly authorized to do so, executed the foregoing on behalf of the limited liability company.

Date: 07/10/2018

Lanisha R Brown
Official Signature of Notary Public

Lanisha R Brown
Notary's Printed or Typed Name, Notary Public

My commission expires on: August 29, 2022

(Official Seal)

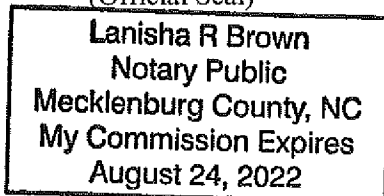


Exhibit A

Description of the Land

Being all of Lot 16A and Lot 16B, Block 2, as shown on that minor subdivision plat of a Portion of Lot 16, Block 2 of A Part of Woodlawn Subdivision, as depicted in Map Book 62 Page 833, Mecklenburg County Register of Deeds.

Exhibit B

TABLE OF ALLOCATED INTERESTS

Allocated Interest:

The allocated interest in the Common Elements of each Unit is as follows:

Unit 1004-C	15.00%
Unit 1004-D	25.00%
Unit 1006-A	30.00%
Unit 1006-B	30.00%
 TOTAL:	 100.00%

EXHIBIT D

Bylaws of the Association

**BYLAWS
OF
LUXITY TERRACES V CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I.
BUSINESS ADDRESS**

The initial business address of Luxity Terraces V Condominium Association, Inc. (the "Association") shall be 2301 W. Morehead Ste. A, Charlotte NC 28208. The business address may be changed by the Board of Directors if required by the U.S. Postal Service, or, upon approval of the membership, for any other reason.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any separate unit designated for separate ownership or occupancy and residential use (the "Units") within Luxity Terraces V, a North Carolina condominium, located in Mecklenburg County, North Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership. All references herein to the "Community" shall mean and refer to all areas encompassed by the boundaries of those parcels of land located in Mecklenburg County, North Carolina, and described in that Declaration of Condominium for Luxity Terraces V Condominium of record at Book 32821 Page 323, Mecklenburg County Registry (as amended and supplemented, the "Declaration").

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The powers, purposes and duties of the Association shall be:

- A. To operate, maintain and preserve all Common Areas, the signs, landscaping and other entrance features, and all roads, streets, decorative and protective structures (including but not limited to entry monuments and buffer walls), ponds, lakes, utilities, landscaped areas and other improvements located on the Common Areas, if any;
- B. To enforce the provisions of these Bylaws, the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Architectural Guidelines, and any rules and regulations promulgated by the Association, as the same may be amended from time to time;
- C. To have all rights and powers and to perform all duties and obligations under the Declaration that may be assigned to it by Declarant;
- D. To have all rights and powers and to perform all duties and obligations of an owner's association as provided by Article 3 of Chapter 47F of the North Carolina General Statutes, the terms of which are incorporated herein, as they may be amended from time to time;

E. To promote and protect the enjoyment and beneficial use and ownership of the Units;
and

F. To promulgate and enforce the rules and regulations and administrative rules and regulations for use of the Common Areas.

No part of the net earnings of the Association shall inure to the benefit of its members, Directors or officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.

ARTICLE IV. ASSESSMENTS

The Association shall have the power to make and collect assessments against the Units as stated in the Declaration, the terms of which are incorporated herein, and as provided by Article 3 of Chapter 47F of the North Carolina General Statutes, the terms of which are incorporated herein, as they may be amended from time to time.

ARTICLE V. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at such place in Mecklenburg County, North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings. The annual meeting of the members for the election of officers and the transaction of the other business shall be held at least once a year on any day (except a legal holiday) determined by the Board of Directors for the following purposes:

1. to fix the amount of the annual assessment against each Unit pursuant to Article IV above;
2. to elect members of the Board of Directors of the Association; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any rules and regulations governing the Community.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President, a majority of the Board of Directors of the Association, or by petition of the Unit owners having not less than ten percent (10%) of the votes in the Association.

Section 5. Notice of Meetings. Written notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any members' meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Association, to each member of record. If mailed, such shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records of the Mecklenburg County Tax Collector to determine the addresses of the owner(s) of a Unit.

The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any proposed changes to the budget or any proposal to remove a Director or officer. Notice of consideration of a proposed annual budget for the Association shall be given as provided by Section 47F-3-103 of the North Carolina General Statutes, as the same may be amended from time to time.

Section 6. Voting Rights. On matters of Association business submitted to vote of the membership, there shall be two classes of membership as provided for in Section 3.3 of the Declaration.

Except for as otherwise provided for in these Bylaws, in the Declaration or by Chapter 47F of the North Carolina General Statutes, as the same may be amended from time to time: (i) Unit owners entitled to cast at least ten percent (10%) of the votes in the Association (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote, and (ii) all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. Voting by Proxy. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned hereby irrevocably constitute and appoint _____ their attorney-in-fact and proxy for the sole purpose of casting the vote allocated to Unit _____, on all matters submitted to vote at that meeting of the Luxity Terraces V Condominium Association, Inc. to be held on _____, 20_____. The undersigned hereby ratify and confirm all such votes cast on behalf of said unit at that meeting, and certify that they are fully authorized to execute this instrument of proxy on behalf of all owners of any fee interest in said unit.

This the _____ day of _____, 20_____.

Section 8. Voting List. At least ten (10) days before each meeting of members, the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. Waiver of Notice. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Purpose, Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors which shall initially consist of four (4) Initial Directors. The Initial Directors shall be named in the Articles of Incorporation of the Association. The Initial Directors shall be appointed by the Declarant during the Declarant Control Period. At this first annual meeting, the Members may elect one director to serve for a term of one year, one director to serve for a term of two years, and two directors to serve for a term of three years. At subsequent annual meetings thereafter, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose term(s) is (are) expiring to serve for a term of three (3) years. Directors need not be Members of the Association.

Section 2. Election and Term. Except as provided in Section 6 of this Article V, the members of the Board of Directors of the Association shall be elected by the membership of the Association at each annual meeting of Association members, and those persons who receive the highest number of votes at a meeting shall be elected. If any Member so demands, the election of Directors shall be by ballot. Members or representatives of corporate or other non-human members may also serve as Directors of the Association. Cumulative and fractional voting are prohibited. Each Director shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and election of his/her successor.

Section 3. Removal. Any Director may be removed at any time with or without cause by a vote of the members at a meeting held in accordance with these Bylaws.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of a Director, his/her successor shall be selected and appointed by the Board of Directors to serve until the next annual meeting of the members.

Section 5. Powers and Duties. The Board of Directors shall have all the powers and duties of an executive board of a homeowners association as provided by Section 47F-3-102 and 103 of the North Carolina General Statutes and related provisions of Article 3 of Chapter 47F of the North Carolina General Statutes, as the same may be amended from time to time. The Board of Directors shall also serve as an architectural approval committee for the Subdivision on an "as needed" basis.

The Board of Directors may not assign any of its powers, except that: (a) the officers of the association shall have the powers and perform the duties and functions assigned to them by these Bylaws and by the Board of Directors from time to time, and (b) the Board of Directors may appoint three members, who need not be Directors, to serve as an architectural committee in lieu of the Board.

Section 6. Compensation. No Director shall receive compensation for any service he or she may render to the Association in the capacity of Director. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE VII. MEETINGS OF DIRECTORS

Section 1. Called Meetings. Meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors.

Section 2. Notice of Meeting. The person or persons calling a meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. Waiver of Notice. Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. Participation in Meetings by Means of Conference Telephone. Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone or similar communications device by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

Section 8. Committees of the Board. The Board may establish either standing or ad hoc committees of the members to assist it in its work. The Board may appoint any number of members,

who need not be Directors, to serve on a committee, and said members may be removed from the committee for any reason or no reason at all by the Board.

ARTICLE VIII. OFFICERS

Section 1. Designation. The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the membership may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise, no two offices may be held by the same person.

Section 2. Election and Term. The initial officers of the Association shall be elected by the initial Directors of the Association. Subsequently, the officers of the Association shall be elected by the Board of Directors. Immediately after each annual meeting of the members of the Association and the election of a Board of Directors at that meeting, the Board of Directors shall meet to elect officers. The officers shall be elected to one-year terms, and each officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor.

Section 3. Removal. Any officer may be removed at any time with or without cause by the Board of Directors upon the affirmative vote or action by a majority of the Directors.

Section 4. Vacancies. In the event of the death, disability, resignation or removal of an officer, his/her successor shall be selected and appointed by the Board of Directors to serve until the next annual meeting of the members of the Association.

Section 5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the Secretary, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President, together with the Secretary, shall execute any amendments to the Declaration or these Bylaws approved by the membership of the Association.

Section 6. Vice-President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or Board of Directors.

Section 7. Secretary. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) be authorized to certify and oversee the recordation of amendments to the Declaration or these Bylaws on behalf of the Association; (e) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article IX of these Bylaws; (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors, or by these Bylaws.

ARTICLE IX. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President or the Treasurer of the Association.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X. INDEMNIFICATION

Any person who at any time serves or has served as a Director or officer of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any

threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit or proceeding.

Upon request for payment, the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by these Bylaws. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of these Bylaws serves or has served as a Director or officer of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of these Bylaws.

ARTICLE XI. DISSOLUTION

In the event of dissolution of the Association, the residual assets of the Association will be distributed to a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE XII. GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

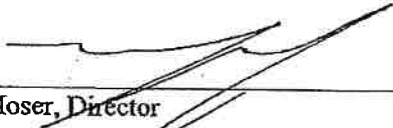
Section 3. Amendments. The members of the Association may amend these Bylaws, repeal these Bylaws and/or adopt new Bylaws at any regular or special meeting of the members pursuant to the then effective Bylaws of the Association. Any such amendment to these Bylaws, repeal of these Bylaws and/or adoption of new Bylaws shall only be effective if approved by a majority of a quorum of Members present at a meeting duly called for such purpose, in person or proxy. Any such amendment shall be prepared and executed by the President or Vice President on behalf of the Association and shall be certified and entered into the record book of the Association by the Secretary of the Association.

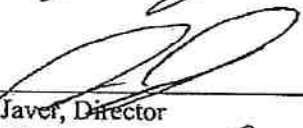
Section 4. Definitions. Except for the terms specifically defined herein, the definitions set forth in the Declaration shall apply to the capitalized terms used in these Bylaws.


Section 5. Conflicts. In the event of any conflict between the terms and provisions of these Bylaws and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

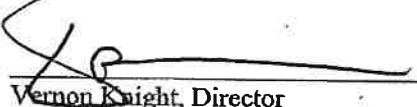
Section 6. References to Statutes. All references herein to any statutory provisions shall be construed to include and apply to any subsequent amendments to or replacements of such provisions.

This instrument, consisting of nine (9) pages, is hereby approved, accepted and adopted by the undersigned as the Bylaws of **Luxury Terraces V Condominium Association, Inc.** In witness whereof, the initial directors of the Association have executed this instrument, to be effective July 12, 2018.



Zeb Moser, Director

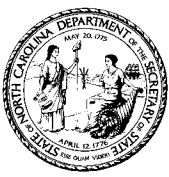
Jason Javer, Director

Ralph Falls, Director

Vernon Knight, Director

EXHIBIT E

Articles of Incorporation



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

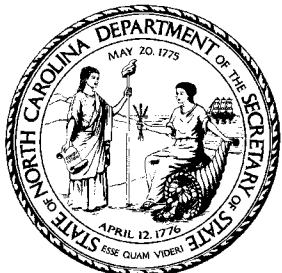
I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

LUXITY TERRACES V CONDOMINIUM ASSOCIATION, INC.

the original of which was filed in this office on the 12th day of July, 2018.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 12th day of July, 2018.

Elaine F. Marshall

Secretary of State

ARTICLES OF INCORPORATION

Pursuant to Chapter 55A of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the corporation is: **Luxity Terraces V Condominium Association, Inc.**
2. The period of duration for the corporation shall be perpetual.
3. The general purpose of the corporation shall be to take any lawful actions desirable to promote and to protect the enjoyment and beneficial use and ownership of all condominium units in that community known as the Luxity Terraces V Condominium located in Mecklenburg County, North Carolina. Specific duties and purposes of the corporation shall be as set forth in the bylaws of the corporation. In no event shall the corporation conduct its business with the intent to create income distributable to its members, directors or officers. No part of the net earnings of the corporation shall inure to the benefit of its members, directors or officers, or to any other person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.
4. In the event of dissolution of the corporation, the residual assets of the corporation shall be distributed to a nonprofit organization with purposes similar to those of the corporation, or to any other organization eligible under the provisions of Chapter 55A of the General Statutes of North Carolina.
5. The corporation shall have members.
6. The street address of the initial principal office:

2301 W. Morehead Street, Ste. A
Charlotte NC 28208
Mecklenburg County
7. The name of the initial registered agent and street address and county of the initial registered office of the corporation is:

Zeb Moser
2301 W. Morehead Street, Ste. A
Charlotte NC 28208
Mecklenburg County
8. The number of the persons constituting the initial board of directors shall be four (4). The name and address of the initial directors are:

Zeb Moser
2301 W. Morehead Street, Ste. A
Charlotte NC 28208
Mecklenburg County

Jason Javer
2301 W. Morehead Street, Ste. A
Charlotte NC 28208
Mecklenburg County


Vernon Knight
425B S. Sharon Amity Road
Charlotte, NC 28211
Mecklenburg County

Ralph Falls
2301 W. Morehead Street, Ste. A
Charlotte NC 28208
Mecklenburg County

9. The name and address of the incorporator is:

Michael R. Ganley
111 Cloister Ct., Ste. 200
Chapel Hill, NC 27514
Orange County

This the 11th day of July, 2018.



Michael R. Ganley, Incorporator

EXHIBIT F

Projected Initial Annual Budget

Luxury Terrace 5

2019 budget

Income

Other

Member Assessments	\$11,520.00	To be split based on POS
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Total Income	\$11,520.00	
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Expenses

Accounting Fees

Tax Return Prep	\$300.00
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Total Accounting Fees	\$300.00
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Master HOA

Assessments	\$3,000.00
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Total Master HOA	\$3,000.00
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Administrative Expense

Printing, Postage, Envelopes, Checks	\$350.00
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Total Administrative Expense	\$350.00
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Insurance

D & O Insurance	\$2,500.00
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Total Insurance	\$2,500.00
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Utilities

Water	\$1,800.00
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Total Utilities	\$1,800.00
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Maintenance

Building Maintenance	\$500.00
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Landscape Contract	\$1,800.00
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Admin Supplies	\$60.00
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Snow removal/salt	\$360.00
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Total Maintenance	\$2,720.00
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Professional Fees

Termite Inspection	\$300.00
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Total Professional Fees	\$300.00
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Transfer to Reserves	\$500.00
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Total Expense	\$11,470.00
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Total Other Net Income

\$50.00