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**DECLARATION OF CONDOMINIUM  
for  
Harrisburg Town Center Building II Condominium**

THIS DECLARATION OF CONDOMINIUM FOR HARRISBURG TOWN CENTER BUILDING II CONDOMINIUM ("Declaration") is made this the 1st day of March, 2006, by HTC DEVELOPMENT, INC., a North Carolina corporation ("Declarant").

**INTRODUCTION**

Declarant is the owner of certain real property shown as "Parcel 2" on that plat entitled "Final Plat, Harrisburg Town Center, Commercial Map 1" and recorded in the Cabarrus County Registry at Map Book 39, Page 19 ("Land"), located within Harrisburg Town Center, a mixed-use community at the intersection of N.C. Highway 49 and Roberta Road in the Town of Harrisburg, Cabarrus County, North Carolina. Harrisburg Town Center Building II ("Building") is a two-story primarily brick building containing a mix of office, retail and restaurant uses. The Building is being converted into a condominium by this Declaration and the related plats and plans. As a condominium, the Building will contain a total of five condominium units on the ground floor and at least two and possibly more additional condominium units on the second floor, along with certain common amenities. There are also certain other common amenities on the Land, such as driveways, paved parking areas, sidewalks, drive-through lanes, patios, landscaped areas and other improvements. Declarant desires to submit the Land and the improvements located on the Land (collectively, the "Property") to the terms and provisions of the North Carolina Condominium Act.

In addition, Declarant has deemed it desirable to create the Harrisburg Town Center Building II Condominium Association, Inc., a North Carolina non-profit corporation, which will be and hereby is (subject to the limitations herein) delegated and assigned powers of maintaining and administering the common elements and facilities on the Property, of administering and enforcing the covenants and restrictions created in this Declaration, of levying, collecting and disbursing the assessments and charges created in this Declaration, and of taking any steps or performing any acts deemed necessary or appropriate to preserve the values of condominium units within the Property and to promote the recreation,

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health, safety and welfare of the unit owners. In order to accomplish the foregoing, Declarant is establishing this Declaration governing the Property.

## STATEMENT OF DECLARATION

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, transferred, sold, conveyed, occupied and used subject to the following covenants, conditions, easements, uses, limitations, obligations, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the division of the Property into condominium units, and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the Property, and their grantees, successors, heirs, executors, administrators, devisees and assigns.

# 1 Definitions

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- The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms that apply only to one article are defined the first time they appear.

1.1 Allocated Interest. As further provided in Section 5, the vote allocated to an individual Unit shall be known as the Unit's Allocated Interest.

1.2 Articles. "Articles" are the Articles of Incorporation of the Association filed with the North Carolina Secretary of State.

1.3 Assessment. "Assessment" means each Owner's share of the amount required for the payment of the Common Expenses. An assessment may be either general or special as follows:

(a) General Assessment. The "General Assessment" is the amount charged to each Member to meet the Association's annual budgeted expenses, as described in Section 10.

(b) Spccial Assessment. A "Special Assessment" may be charged to each Unit for the purposes as set forth in accordance with the provisions of Section 10.

1.4 Association. The "Association" is Harrisburg Town Center Building II Condominium Association, Inc., a North Carolina non-profit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining the Condominiums and enforcing the Declaration.

1.5 Board. "Board" is the Board of Directors of the Association.

1.5.1 Building. "Building" is the building constructed on the Property described on page 1 of this Declaration.

1.6 Bylaws. "Bylaws" are the Bylaws of the Association.

1.7 Common Elements. Common Elements means all of the Property except the Units, and shall include but not be limited to:

(a) All conduits, ducts, plumbing, wiring, utility areas, installations, apparatus and services which serve the various Units and all such facilities which serve the Common Elements, along with all necessary easements;

(b) The roof and building exterior, all structural beams, posts and members within the Units and an easement of support in every portion of the Units that contributes to the support of the Building;

(c) The Land and all easements benefiting the Property;

(d) All tangible personal property required for the maintenance and operation of this Condominium and for the common use and enjoyment of the Owners; and

(e) Any additional areas described as Common Elements herein, as this Declaration maybe amended or supplemented from time to time.

Unless the context requires otherwise, the term Common Elements shall include Limited Common Elements.

1.8 Common Expenses. Common Expenses means:

(a) Expenses of administration, insurance, taxes, maintenance, operation, repair and replacement of the Common Elements and of the portions of the Units to be maintained by the Association (if any);

(b) All costs incurred by the Association in the provision of services required by this Declaration or by the Condominium Act;

(c) The costs of carrying out the powers and duties of the Association, including management and professional fees and expenses;

(d) Expenses declared Common Expenses by any provision of this Declaration, the Bylaws or, to the extent permitted, by resolution of the Board;

(e) Allocations to reserves, and

(f) Any valid charge against the Property as a whole.

1.9 Condominium. A condominium is real estate, portions of which are designated for separate ownership (the "Units") and the remainder (the "Common Elements") of which is designated for common ownership solely by the Unit Owners. "Condominium" as used herein shall mean Harrisburg Town Center Building II Condominium as created hereby, including such additional Units as are created by this Declaration and such additional Units as are created by supplements to this Declaration from time to time, and including the Land.

1.10 Condominium Act. The "Condominium Act" is the Chapter 47C-1-101, et seq., North Carolina General Statutes, as the same may be amended from time to time. The North Carolina Planned Community Act, Chapter 47F-1-101, et seq., North Carolina General Statutes, shall not apply to the Condominium or the Property.

1.11 Declarant. The "Declarant" is HTC Development, Inc., a North Carolina corporation, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of the Condominium. The Declarant may also be an Owner for so long as the Declarant is record owner of any Unit.

1.12 Declaration. "Declaration" is this Condominium Declaration.

1.13 Design Review Panel. The "Design Review Panel" is the panel established by the Master Declaration to review building design and modification within Harrisburg Town Center's commercial district.

1.14 Intentionally omitted.

1.15 Limited Common Elements. Limited Common Elements are those common elements that are reserved for the use of, or primarily for the benefit of, a certain Unit or Units to the exclusion of all other Units, as further set forth herein. Limited Common Elements may include, but are not limited to, attic or other storage space, any private patio, drive-through lanes and accompanying structures and fixtures, awnings, outside stairs or other external portion of the Building serving only one Unit, or a limited number of Units which is less than all the Units.

*certain Unit*

1.16 Master Association. The Master Association is the non-profit association which governs and enforces the Master Declaration.

1.17 Master Declaration. The "Master Declaration" is that Master Declaration of Covenants, Conditions and Restrictions for Harrisburg Town Center Commercial District recorded at Deed Book 4399, Page 206 in the Cabarrus County Registry, and any amendments and supplements thereto, to establish architectural review and maintenance standards for all of Harrisburg Town Center's commercial district.

1.18 Member. Each Owner is a "Member" of the Association, as provided in Section 5 of this Declaration.

1.19 Intentionally omitted.

1.20 Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Unit or life estate. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.21 Property. Property means all of the real property subject to this Declaration, as described on Exhibit A attached hereto.

1.22 Intentionally omitted.

1.23 Intentionally omitted.

1.24 Unit. "Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 4 hereof.

1.25 In addition to the foregoing, the definitions set forth in N.C.G.S. § 47C-1-103 are hereby incorporated in this Declaration by reference, and the terms defined therein shall have the meanings set forth therein when used in this Declaration, unless those terms are expressly defined otherwise in this Declaration or unless it is plainly evident from the context that a different meaning is intended.

## 2. Creation and Description of Condominiums

2.1 Property. The Property on which the Building and Improvements are located is shown as "Parcel 2" on that plat entitled "Final Plat, Harrisburg Town Center, Commercial Map 1" and recorded in the Cabarrus County Registry at Map Book 39, Page 19 ("Land"), located within Harrisburg Town Center, a mixed-use community at the intersection of N.C. Highway 49 and Roberta Road in the Town of Harrisburg, Cabarrus County, North Carolina, and contains approximately 43,559 square feet of land, and is more particularly described on Exhibit A attached hereto and incorporated herein by reference. The Property is hereby subjected to the terms of the North Carolina Condominium Act by this Declaration. The name of the Condominium is Harrisburg Town Center Building II Condominium.

2.2 Building; Plats and Plans. The Building is a two story building, with a masonry veneer finish. The Building will contain five ground floor Units and at least two but up to twelve upstairs Units. The maximum number of Units the Condominium could contain is seventeen. The Building includes certain Common Elements, including but not limited to, elevators, stairtowers, exterior patios, walkways providing access to the Units, sidewalks, drive-through lanes, parking lots, and dumpster and service areas. The Building is more particularly described in the plats and plans ("Plats and Plans"), recorded in the Cabarrus County Registry on even date herewith, each of which is incorporated herein, which show all particulars of the Building. The Plats and Plans contain certifications by David Medlin, P.L.S., a North Carolina registered surveyor, and Jan Bryan of Overcash-Demmitt Architects, a North Carolina licensed architect, that the Plats and Plans contain all the information required by N.C.G.S. §47C-2-109.

2.3 Future Phases. No further phases are planned.

## 3. Relationship to Other Properties

3.1 General Description. The Condominium is part of a planned community known as Harrisburg Town Center. Harrisburg Town Center includes a mixture of uses, including shops, restaurants, offices and residences. Adjacent to the Harrisburg Town Center Commercial District, of which the Condominium is a part, is the Harrisburg Town Center Residences, which is residential.

3.2 Pre-Existing Documents. The Condominium and this Declaration is subject to the Master Declaration, as the same may be amended or supplemented from time to time

3.3 No Changes; Conflicts. The above information is intended as additional notice of the provisions of the Master Declaration and is not intended to limit its effect. For additional information, see the referenced instruments as recorded in the Cabarrus County Registry. In the event of a conflict, the terms of the Master Declaration shall govern first, then this Declaration.

## 4. Units and Appurtenances

4.1 Fee Ownership. Each Condominium Unit, together with all appurtenances, shall for all purposes constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property, subject to the provisions of the Declaration and other recorded restrictions and the Condominium Act. Each Owner shall be entitled to exclusive possession of his Unit, subject to the provisions of the Declaration and other recorded restrictions and the Condominium Act.

4.2 Identification. Units shall be legally conveyed as identified in Exhibit B attached hereto.

4.3 Appurtenances. Each Condominium Unit shall include the following as appurtenances, which shall pass with that Unit whenever it is conveyed, whether or not such appurtenances are separately described:

(a) Common Elements, Common Surplus and Common Expenses. Each Unit shall have an undivided interest in the Common Elements and the Common Surplus, and shall bear a portion of the Common Expenses, as set forth on Exhibit B attached hereto.

(b) Membership in the Association. Every Unit Owner shall be a Member of the Association.

(c) Easements. Each Unit shall have and is hereby granted, as an appurtenance, easements through or over all Common Elements for ingress, egress and other uses as permitted by this Declaration.

4.4 Unit Boundaries. Except as provided otherwise herein, the following shall define the boundaries of a Unit:

(a) If walls, floors or ceilings are designated as boundaries of a Unit, then all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit; and all other portions of such walls, floors, or ceilings are a part of the Common Elements.

(b) If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside of a Unit but serving only that unit, then the same is a Limited Common Element allocated exclusively to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

*limited*

(c) Subject to the provisions of subparagraph (b) above, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are part of the Unit.

(d) Any shutters, awnings, window boxes, doorsteps, stoops, patios, drive-through lanes and related structures and fixtures, decks, porches, balconies, patios, interior or exterior stairs and all exterior doors and windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit.

4.5 Combination, Subdivision of Units. Subject to the provisions of this Declaration and the requirements of the Condominium Act, two or more Units may be combined and used as a single Unit, and two or more Units which have been previously combined may later be separated, without approval or amendment to this Declaration, so long as there are no modifications visible from outside the Units and no impairment to the structural integrity of the Building. For divisions or combinations not fitting the forgoing description, an Owner or Owners may otherwise divide or combine one or more Units or relocate the boundaries between two Units provided all of the following conditions are satisfied:

(a) The conditions of Paragraph 8.6 ("Alteration and Improvements") are satisfied.

(b) The modification is approved by the Design Review Panel to assure that the resulting design, size and use of the resulting Units, and any exterior modifications, are appropriate to the Building and to the surrounding portions of Harrisburg Town Center.

(c) The total interests in the Common Elements and Common Expenses allocated to the resulting Unit or Units shall be adjusted between the affected Units as the affected Unit Owners may reasonably deem appropriate. The total resulting interests shall equal the interests allocated to the Unit or Units before the modification and shall be subject to the approval of the Board, acting reasonably.

(d) An amendment to this Declaration is certified by the Board and the Owner(s) of the applicable Unit(s) to indicate compliance with this Paragraph, executed and recorded in the manner in compliance with the Condominium Act. The amended Declaration shall show the configuration of the new Unit or Units, the Unit designations, and the interests in the Common Elements and Common Expenses applicable to such Unit or Units.

(e) All other requirements of Sections 47C-2-112 and 47C-2-113 of the Condominium Act are satisfied.

## 5. Association

5.1 Additional Development. The Declarant reserves the right, for a period of fifteen (15) years from the date of this Declaration, from time to time within its sole discretion, to add Units and/or Common Elements to the condominium and to expand the responsibility of the Association to include any such new development.

5.2 Membership. Every Owner shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Unit.

5.3 Voting. The vote allocated to an individual Unit shall be known as the Unit's Allocated Interest.

(a) Unit Votes. Each Unit shall have a proportional vote based on its percentage interest in the Common Elements of the Condominium.

(b) Exercise of Vote. When more than one person holds an interest in any Unit, all such persons shall be Members. However, the number of votes for that Unit shall not be increased, and the Members must determine among themselves how the Unit's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall be considered a Member of the Association and exercise its vote. In no event shall the vote of any Unit exceed its Allocated Interest.

5.4 Record Keeping. The Board shall keep a record of all meetings, both of the Board and of the membership of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

5.5 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws. Operation of the Association is at all times subject to the provisions of the Condominium Act so that in the event of a conflict between the Declaration, Articles or Bylaws, the Condominium Act shall govern. The Board of the Association shall have the express power to adopt such reasonable rules, regulations, policies, fees and charges as may be desirable or necessary, in the Board's sole discretion, for the proper administration of the Condominium and which are not inconsistent with this Declaration, the Articles, the Bylaws or the Condominium Act. See also Section 12.7 hereof.

## 6. Board of Directors

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6.1 Board's Responsibility. Except as specifically provided in this Declaration or the Condominium Act, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for operation of the Association, enforcement of this Declaration and care of the Common Elements.

6.2 Composition of Board.

(a) Number. The Board shall consist of five directors, unless changed as provided in the Bylaws. After the period of Declarant control of the Board, at least a majority of the members of the Board shall be Owners.

(b) Declarant Rights. Without limiting the other rights reserved to Declarant herein, the Declarant shall select the initial Board and reserves the right to appoint members of the Board to the greatest extent permitted by the Condominium Act.



6.3 Voting Procedure. Each Member shall be entitled to the Unit's Allocated Interest, multiplied by the number of director seats for which the Member is permitted to vote. A Member is not required to use all his votes; however, no cumulative voting shall be permitted.

*Example: If there are three seats to be filled, a Member may cast one Allocated Interest each for one, two or three candidates, but shall not cast more than one Allocated Interest for any particular candidate.*

The candidates receiving the highest number of votes shall be declared elected, but subject to the Declarant right to appoint directors. Unless the Bylaws provide otherwise, Directors may be elected by a plurality; a majority is not required.

6.4 Removal. Except for directors selected by the Declarant, any director may be removed from office as provided in the Condominium Act. The Declarant may remove any Board member appointed by the Declarant at any time.

6.5 Compensation; Qualification. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members.

6.6 Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference. If applicable law is changed to permit voting by proxy or any other fashion, such changes in the law shall automatically be included in this Declaration. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

6.7 Open Meetings; Publication of Boards' and Officers' Information. At regular intervals throughout the calendar year, not less than four times per year, at least a portion of a Board meeting shall be open to all Members to allow the Board to hear Members' issues and concerns, if any. Notice of all meetings shall comply with the Condominium Act. Within 45 days after their election or appointment, the names and addresses of all Board members and all officers of the Association shall be published in a manner reasonably calculated to reach all Members.

## 7 Members' Meetings

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• 7.1 Intentionally omitted.

7.2 Calling Association Meetings. The Association shall call an annual meeting for the election of members of the Board, and may call additional meetings for informational purposes or whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members.

7.3 Notice. Notice of all meetings shall be given to Members in accordance with the Bylaws and the Condominium Act.

7.4 Quorum. The quorum requirement for membership meetings shall be as set forth in the Bylaws. If applicable law is changed to permit voting by telephone conference or any other fashion, such changes in the law shall automatically be included in the Declaration.

7.5 Action without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting upon the written consent of Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all Members entitled to vote were present and voted.

## 8. Maintenance, Alteration and Repair

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### 8.1 Generally.

(a) The Association shall be responsible for the management, control and improvement of the Common Elements and shall keep the Common Elements attractive, clean and in good repair. The Association shall maintain Limited Common Elements unless:

- (i) this Declaration or the Condominium Act provides otherwise, or
- (ii) the affected Unit Owners and the Association agree that the affected Unit Owners shall maintain the Limited Common Elements.

(b) Except as noted, maintenance shall include repairs, repainting and replacement as necessary, regular landscaping, cleaning and collection of litter, proper lighting and repair, lighting and maintenance of all parking areas on the Land, and all other care necessary for a first-class commercial facility. The Design Review Panel may set standards for care, in which case such standards shall apply.

(c) All HVAC equipment, including equipment such as air handlers inside any Unit as well as compressors or heat pumps outside of any Unit, shall be Limited Common Elements which shall be exclusively maintained by the Owners of the Units served thereby. The costs of any maintenance which is required by the Association for such equipment shall be assessed exclusively against the Owner of each applicable Unit.

(d) All landscaping, irrigation lines, heads and equipment, and all parking areas on the Land serving any part of the Building shall be Common Elements to be maintained by the Association or by the Master Association.

### 8.2 Ground Floor Limited Common Elements.

(a) Definition. The following shall be considered Limited Common Elements assigned exclusively to all of the ground floor units:

- All exterior awnings,
- Ground floor doors and windows other than as provided in Paragraph 8.3, and
- Any other area so designated herein or on the Plats and Plans.

(b) Maintenance. The Association shall maintain such ground floor Limited Common Elements, the cost of which shall be assessed exclusively to the ground floor Units. All signs, canopies or other primarily decorative or signage materials that are owned by or customized for any ground floor establishment, and all exterior lighting owned by or customized for any ground floor commercial es-

tablishment, shall be maintained exclusively by the Owner of that Unit with any responsibility for the same by the Association. The costs of any maintenance which is required by the Association for such areas shall be assessed exclusively against the Owner of each applicable Unit.

(c) Capital Improvement. The ground floor Units may make any capital improvement to the ground floor Limited Common Elements listed above upon approval by the Design Review Panel and a majority of the affected ground floor Units of the Condominium, provided that such affected Units pay the cost thereof and that no upstairs Unit shall be required to share in the cost thereof.

(d) Outside Patio Areas. The outside patio areas for Units 105 and 109 shown on the Plats and Plans shall be Limited Common Elements which shall each be exclusively maintained by the Owner of the corresponding Unit served thereby. The costs of any maintenance which is required by the Association for such areas shall be assessed exclusively against the Owner of each applicable Unit. The occupants of such Units shall have the right to use the outside patio areas for reasonable dining and entertainment uses at all reasonable times of the day and night.

(e) Drive-Through Lanes. The drive-through lanes and related pavement, driveways, curbs, automatic teller machines, canopies, columns, night deposit boxes and related fixtures and structures adjoining Unit 101 shown as "Limited Common Area (Unit 101)" on the recorded condominium plat shall be Limited Common Elements exclusively maintained by the Owner of Unit 101. The costs of any maintenance which is required by the Association for such areas shall be assessed exclusively against the Owner of Unit 101. The Owner of Unit 101 shall have the exclusive right to lease and use (or delegate or assign the use of) such area, and the Association shall have no claim on any rents the Owner of Unit 101 may derive therefrom.

### 8.3 Upper Floor Limited Common Elements.

(a) The elevator and stair lobbies, elevator and shaft, and stairs and stairwells accessing the upper floor, including any doors, windows and other fixtures for the same, as well as the common rest-rooms on the upper floor, shall be Limited Common Elements for all of the upper floor Units. The Association shall maintain such Limited Common Elements, the cost of which shall be assessed exclusively to the applicable upper floor Units.

(b) The exhaust assembly extending from Unit 105 and penetrating the second floor and the roof shall be Limited Common Elements benefiting Unit 105 which shall be maintained by the Owner or occupant of that Unit. The costs of any maintenance which is required by the Association for such item shall be assessed exclusively against the Owner of Unit 105.

### 8.4 Association Powers.

(a) Capital Improvements: Additional Common Elements. The Association may make capital improvements to the Common Elements, may purchase additional property to be added to the Common Elements and may modify the uses of the Common Elements. Expenses for substantial capital improvements must be approved in accordance with Paragraph 9.6.

(b) Access. The Association shall have access to each Unit as may be necessary for repair or maintenance of any Common Elements or when necessary to prevent damage to the Common Elements or to another Unit or Units, or for specific portions of the Unit to be maintained by the Associa-

tion as provided by this Declaration. Except in an emergency, the Association shall give reasonable notice to the Owner before entering the Unit.

(c) Grant of Easements. The Association shall have the right to give reasonable easements over, under, across or through the Common Elements for utilities or other purposes to the greatest extent permitted by the Condominium Act. However, easements through ground floor Units shall require the consent of the Unit Owner.

(d) Contracts. The Association may contract with the Declarant, the Master Association, or any other party for the performance of all or any portion of the management of the Association and the Association's maintenance and repair obligations. The cost of the contract shall be included within the General Assessment or Special Assessment as applicable. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association. The terms and conditions of all such contracts shall be at the discretion of the Board.

#### 8.5 Owners' Responsibility.

(a) Unit Maintenance. Each Owner shall keep all parts of his Unit, including Limited Common Elements appurtenant to or serving the Unit such as entry areas, stoops, stairways, vestibules, lobbies, patios, and the like, in good order and repair and free from trash and debris. Equipment, supplies and other personal property shall be properly stored in the Unit and shall not block entrances or hallways or be visible from public areas.

(b) Window Items. Any window coverings on the upper floors visible from the outside that are not white, any signs or decorations in the upper floor windows that are visible from outside the Building, and all other objects visible from outside must be approved by the Design Review Panel.

(c) Damage or Destruction of Common Elements by Owner. If any Owner or any of his guests, tenants, licensees, agents, employees or members of his family damages any of the Common Elements as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage, the cost of which, to the extent not paid by insurance, shall be the responsibility of the Owner.

(d) Approval of Plumbers, Electricians, Etc. To allow for minimal disruption, the Association and the Design Review Panel must be notified and approve any contractor, electrician, plumber or other worker who is to maintain, repair or replace any lines, conduits and equipment for electricity, heating, air conditioning, water heating and other utilities which serve the Unit, but the work on which is to be performed in Common Elements or any other Unit. Each Owner shall promptly report to the Association any defects or necessary repairs for which the Association is responsible. All contractors must be properly licensed and insured.

#### 8.6 Alteration and Improvements.

(a) Generally. An Owner shall not paint, decorate or otherwise change any exterior portion of a Unit or the Building, without prior written approval of the Design Review Panel.

(b) Structural Modifications. No Owner nor any other third party shall make any alteration, addition or removal of any portion of a Unit that is to be maintained by the Association, or do anything

that will jeopardize the safety or soundness of the Building or impair any of the easements established herein without first obtaining approval of the Design Review Panel and the Association, and the unanimous approval in writing of the Owners of all Units affected by such work. A copy of plans for any such work prepared and sealed by an architect licensed to practice in North Carolina, along with any properly completed application form promulgated by the Association and any reasonable application fee set by the Board, shall be filed with the Association and approved by the Design Review Panel in writing prior to the start of any such work, and all work must be performed substantially in conformance with the approved plans by licensed and insured contractors.

## 9 Association Budget

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- 9.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.
- 9.2 Budget Items.
- (a) Recurring Expenses. The budget shall estimate total yearly expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required or permitted under this Declaration. The budget shall also include reasonable amounts, as determined by the Board, for working capital. Fees for professional management of the Association, legal counsel and other professional services may also be included in the budget.
- (b) Reserves. The Association shall build up and maintain adequate reserves for repair and replacement of items such as roofs, parking lots, and the like, which shall be included in the budget and collected as part of the annual General Assessment. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy a special assessment in accordance with the provisions of Paragraph 10.3 ("Special Assessment").
- (c) Limited Common Elements. Except where particular Unit Owners are designated herein (as amended or supplemented) to maintain a particular Limited Common Element, the budget shall assign the cost of maintenance of Limited Common Elements to the Units served by the Limited Common Elements. If more than one Unit is served by a Limited Common Element, the cost shall be divided between the Units on a pro rata basis based on each Unit's relative interest in the condominium's Common Elements and Common Expenses.
- 9.3 Intentionally omitted.
- 9.4 Preparation and Approval of Annual Budget. The Board shall prepare and adopt the Budget in the manner required by the Condominium Act.
- 9.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

9.6 Capital Improvements to Common Elements. If the cost of any capital improvement contemplated by the Association is more than twenty percent (20%) of the Condominium's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than twenty five percent (25%) of the Condominium's annual budget, the capital improvement must be approved by majority of the assessment interests in the Condominium. If such substantial capital improvement is approved by the Owners, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. Any repair or replacement of existing improvements shall not be considered a capital improvement. Improvements to Limited Common Elements shall be approved by applicable votes of the Owners served by the Limited Common Element.

## 10. Assessments

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10.1 Obligation for Assessments. Each Unit is subject to Assessments by the Association for the improvement, maintenance and operation of the Condominium, including the management and administration of the Association and other Common Expenses as set forth in this Declaration. The Declarant, for each Unit within the Condominium, hereby covenants, and each Owner of any Unit by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget, and
- (b) Special Assessments for the purposes provided in this Declaration,

together with fines, late fees and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment to the fullest extent allowed by law.

10.2 General Assessments. The Board shall set the dates such assessments shall become due and may provide for collection of assessments monthly, quarterly, semiannually or annually.

10.3 Special Assessment. In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Any substantial capital improvement which has been approved in accordance with Paragraph 9.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) For any purposes as permitted under the Condominium Act.

(c) The Board in its discretion without approval of the Members may establish a one-time Special Assessment not more than once per year of no more than \$1,000.00 per Unit.

10.4 Initial Capital Contribution. At the closing and transfer of title of each Unit to the first Owner other than the Declarant, such Owner shall contribute an initial capital contribution to the Association

equal to three months' of Association dues, made payable to the Association at closing. This contribution shall be used by the Associations for the purpose of initial capital expenses and reserves of the Associations and for providing initial working capital for the Association, and shall not be considered a pre-payment of Assessments.

#### 10.5 Effect of Nonpayment of Assessment; Remedies

(a) Late Fees, Interest. Any Assessment, including the above Initial Capital Contribution, not paid within five (5) days after the due date shall bear interest at the rate of 18% per year or at such lower rate as determined by the Board, plus late fees and costs of collection.

(b) Personal Obligation. Any and all Assessments (whether General or Special), together with any late fee, fine, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Unit Obligation") shall be the personal obligation of the person or entity who was the Owner of such Unit at the time when the assessment was levied, and of each subsequent Owner. Each Owner of a Unit, by acceptance of a deed or other transfer document, whether or not it shall be so expressed in such deed or transfer document, is deemed to covenant and agree to pay the Association the Assessments established or described in this Article.

(c) Creation of Lien. Pursuant to the Condominium Act, the Unit Obligation shall also be charged on the land and shall be a continuing lien upon the Unit against which the Unit Obligation is made. This lien shall be in favor of the Association for the benefit of all Owners, which shall have all remedies available under the Condominium Act.

(d) Foreclosure of Lien. Pursuant to the Condominium Act, the Association may bring an action at law against the Owner or Owners personally obligated to pay the Unit Obligation, or may foreclose the lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for any interest in any Unit foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

(e) Owner's Acceptance. Each Owner, by acceptance of title to a Unit, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of the Unit Obligation as a debt and to enforce the Unit Obligation by all methods available for the enforcement of liens, including foreclosure brought in the name of the Association in a like manner as foreclosure of a mortgage lien and all rights and remedies under the Condominium Act. Each Owner hereby expressly grants to the Association a power of sale in connection with such lien. No Owner may waive or otherwise escape liability for the Unit Obligation by abandonment of the Unit.

(f) Mortgages. The liability of a first mortgagee for the Unit Obligation shall be limited as provided in the Condominium Act. No sale or transfer shall relieve the transferees of such Unit from liability for any assessments thereafter becoming due or from the lien for such new assessments.

10.6 Certificate of Payment. The Association, upon demand of any Owner, shall furnish to such Owner a certificate in writing signed by an officer of the Association setting forth whether any Assessments are owed by that Owner. Such certificate, when co-signed by the secretary of the Association, shall be conclusive evidence of payment of any Assessment or other charge therein stated to have been paid. The Association may charge a reasonable fee for this service as established by the Board.

# 11 Insurance, Casualty and Condemnation

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## 11.1 Types of Coverage.

(a) Casualty Insurance. The Board shall obtain and maintain casualty insurance for full replacement value in accordance with the Condominium Act.

(b) Public Liability. The Board shall obtain appropriate public liability insurance in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Common Elements. All Unit Owners shall be named as additional insureds. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board or other Owners. The Board shall review limits of coverage once each year.

(c) Director Liability Insurance. The Board may obtain liability insurance insuring against personal loss for actions taken by members of the Board in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion.

(d) Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law, any other type of insurance coverage required by law and such other insurance as the Board may determine or as may be requested from time to time by a majority of the Owners.

(e) Owner's Coverage. Owners shall obtain at their own expense additional insurance coverage for their Condominium Units, for their own personal property, the contents and portions of the Units for which they are responsible and for personal liability. Unless required by statute, the Association insurance policy will not normally insure against damage to coverings for walls, ceilings and floors. In addition, the Association insurance policy may have a substantial deductible before coverage is available. **All Owners are advised that the insurance policies of the Association do not cover personal property inside the Units, nor any loss of business income or any business interruption which could arise from any casualty. Appropriate condominium unit owner's or renter's insurance and business interruption insurance is required to protect the Owner's or any tenant's personal property and business income. The Association and the Declarant shall not be responsible for any loss whatsoever to any personal property or business of any person or entity whether inside or outside of a Unit.**

## 11.2 Association Rights and Responsibility.

(a) Policies. The Association shall hold the master policies of all insurance coverage required or authorized to be obtained by the Association, and copies of all endorsements. A copy of each policy in effect shall be made available for inspection by Owners at reasonable times. If requested to do so by any Mortgagee, the Association shall provide evidence of payment and arrange for the issuance of a certificate of mortgagee endorsement.



(b) Insurance Proceeds. All proceeds of insurance policies purchased by the Association shall be payable to the Association, which shall hold the proceeds in trust to be distributed as provided in this Declaration. The Association is irrevocably appointed agent for each Owner and for each Mortgagee to adjust all claims arising under insurance policies purchased by it and to execute and deliver releases upon the payment of claims.

(c) Condemnation. If all or part of the Common Elements is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

### 11.3 Repair and Reconstruction after Casualty or Condemnation.

(a) Responsibility. Unless the Condominium is terminated in accordance with Paragraphs 14.1 or 14.2 of this Declaration, any damage to the Condominium resulting from fire or other casualty or from condemnation shall be promptly repaired substantially according to the specifications as they existed before the damage, unless the Association and owners of other property within the Building agree to modify the design. Changes are also subject to review by the Design Review Panel. The responsibility for reconstruction or repair after a casualty or condemnation shall be the same as for maintenance and repair of the Property generally, and the Association shall have the same rights as in Paragraph 8.4 to make repairs which are the responsibility of an Owner if that Owner fails to do so.

(b) Common Elements. If fire or other casualty or condemnation damages or destroys any of the improvements on the Common Elements, the Board shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification approved by the Board. The Board shall obtain funds for such reconstruction first from the insurance or condemnation proceeds, then from reserves for the repair and replacement of such improvements, and then from any special assessments that may be necessary after exhaustion of insurance and reserves.

(c) Units. Funds to repair casualty or condemnation damage for which the individual Owner is responsible shall be disbursed directly to that Owner unless there is a mortgagee endorsement as to any part of the insurance proceeds, in which event such insurance proceeds shall be disbursed jointly to the Owner and the mortgagee. All such disbursements shall be received in trust for use in the repair and replacement of the damaged Unit.

## 12. Use Restrictions

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12.1 Commercial Use Only. All Units are hereby restricted to non-residential use only.

12.2 Permissible Uses. Permissible uses for Units shall be as provided by the Master Declaration and may include retail shops, artists' studios or galleries, banks, offices, service establishments, restaurants, lounges, or any other lawful non-residential purpose permitted by the Master Declaration. All uses must comply with local and state zoning laws and applicable ordinances. This Section may not be amended except by the unanimous vote of all Unit Owners.

12.3 Signs. No signs shall be displayed from a Unit or on the Common Elements except as permitted by the Association or the Design Review Panel.

12.4 Leasing. Units may be freely leased, subject to the provisions of the Master Declaration and hereof. Lessees shall be responsible for abiding by this Declaration, the Master Declaration and the rules and regulations of the Association and may be fined individually from the Unit Owner, which such fines shall be considered Assessments against the Unit hereunder as well as the personal obligation of the lessee.

12.5 Nuisances; Other Improper Use.

(a) Nuisances, Unlawful Use. No nuisance or immoral, improper, offensive or unlawful use shall be permitted to exist or operate on any Unit or Common Elements. All laws, building codes, orders, rules, regulations or requirements of any governmental agency having jurisdiction shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair the affected portion of the Condominium.

(b) Insurance. Nothing shall be done or kept on any Unit or the Common Elements that will increase the rate of, or result in cancellation of, insurance for the Condominium or any other Unit, or the contents thereof, without the prior written consent of the Association.

(c) Soliciting. No soliciting will be allowed at any time within the Condominium.

(d) Uses Not Permitted. No part of the Building may be used for manufacturing, automotive servicing or for any use that creates a nuisance. No Unit may be occupied or used primarily as a pharmacy or drug store. In no event shall the ordinary odors of a well-run restaurant and the noise of entertainment in any restaurant, lounge or other establishment be considered a nuisance where such use is permitted by the Master Declaration.

12.6 Intentionally omitted.

12.7 Rules and Regulations. The Board may adopt reasonable rules and regulations, not inconsistent with this Declaration, governing the Property, including the Units, and the Association. Any rules or regulations or the like adopted by the Board pursuant to this Declaration shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 10% of the Members, an Association meeting may be called and any rule or regulation may be repealed by majority vote of all of the Members. A copy of the rules and regulations adopted from time to time shall be furnished to each Owner, published on an Internet site maintained by the Association, posted conspicuously in a place or places where all Members are likely to see it, or otherwise published in a manner reasonably calculated to reach all Members.

12.8 Enforcement.

(a) Owner's Responsibility. Each Owner, family members of Owners and Owners' guests and tenants shall conform and abide by the covenants contained in this Declaration and any and all rules and regulations which may be adopted from time to time by the Board. Each Owner shall be responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

(b) Intentionally omitted.

(c) Specific Procedure For the Imposition of Fines or Suspension of Privileges or Services.

The Association may impose fines or suspend privileges or services in the event of an Owner's failure to comply with the requirements of this Declaration or any rules and regulations promulgated in accordance with these covenants and restrictions. In such circumstances, the Owner shall have been sent a letter notifying him of the violation and providing a period of no less than fifteen (15) days for the violation to be corrected. If the Owner fails to address the violation during such period, the Board may vote to impose a fine or suspend privileges or both, or the Board may have previously promulgated a schedule of fines and privileges which may be imposed and/or suspended in particular cases and may delegate authority to an officer or duly-appointed manager of the Association to impose the same according to the approved schedule. The Association shall inform the Owner of the same in writing. The Owner shall have the right to appeal the decision and shall have an opportunity to be heard by the Board on such appeal, but the fine shall accrue during such period unless waived or suspended by the Board pending the outcome of the appeal. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further hearing, for each day after the fifteenth (15<sup>th</sup>) day that the violation occurs. Such fines shall be Assessments secured by liens as more particularly described elsewhere herein. If it is decided that a suspension of privileges or services should be imposed, the suspension may be continued without further bearing until the violation or delinquency is cured. The Board shall adopt a written collections and appeals policy or policies setting forth in more detail the procedures that its officers, agents and attorneys shall use in collecting assessments, fines and other charges from owners. This subsection sets forth "a specific procedure for the imposition of fines or suspension of planned community privileges or services" pursuant to Section 3-107.1 of the Act.

(d) Intentionally omitted.

(e) Intentionally omitted.

(f) Design Review Panel. Certain matters regarding the appearance, maintenance or modification of the Building or other areas visible by the public will be subject to regulation under the Master Declaration. If the Master Association or the Design Review Panel assumes responsibility for a matter, then the Association shall not hear the case. However, the Association shall enforce the decision of the Master Association or the Design Review Panel.

(g) Additional Remedies. All remedies listed in this Section 12 are non-exclusive and may be applied cumulatively. The Association shall also have the right to bring suit to enforce the covenants and rules and regulations.

# 13. Amendments to Declaration

## 13.1 Method of Amendment.

(a) Generally. Except as specifically provided otherwise by the Declaration or the Condominium Act, and subject to the rights of the Declarant provided herein during the period of Declarant control, this Declaration may be amended by Members holding 67% of the total voting power of the

Association. After adoption of any such amendment, the president and secretary of the Association shall execute a certificate to be recorded meeting the requirements of the Condominium Act.

(b) Intentionally omitted.

(c) Unit Shares. Except as provided by the Condominium Act, and in particular except with regard to those amendments or supplements which may be made by the Declarant in accordance with the Declarant's development or special declarant rights reserved herein, including the right to add units to the Condominium, no amendment shall change any Unit's appurtenant share in the Common Elements unless the Owner and any Mortgagee of that Unit joins in the execution of the amendment and 67% of the remaining Owners approve it.

(d) Intentionally omitted.

(e) Effect. Any amendment adopted in accordance with this Article and the Condominium Act shall become effective upon recordation in the Cabarrus County registry.

## 14. Mortgagees

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14.1 Register of Owners and Mortgagees. Upon the sale or transfer of any Unit to a third party, the new Owner shall notify the Association in writing of his interest in the Unit together with the recording information for the instrument by which such transferee acquired his interest and the pertinent information for any mortgage encumbering the Unit including contact information. The Association may impose a reasonable transfer fee. The Association shall maintain a register with the names and addresses of all Mortgagees provided to it.

14.2 Mortgagees' Rights. In addition to the rights stated elsewhere in this Declaration, any registered Mortgagee may, upon written request to the Association:

(a) Be furnished a copy of the most recent financial statement and annual report of the Association;

(b) Be given written notice by the Association of the call of a meeting of the membership to be held for the purpose of considering any proposed amendment to the Declaration, Articles or By-laws;

(c) Be given notice of any default of thirty days or more in the payment of Assessments with respect to the Unit encumbered by the Mortgage;

(d) Be given an endorsement or certificate evidencing the insurance coverage maintained on the Property by the Association, reflecting the Mortgagee's interest therein, and requiring that the Mortgagee be given notice of any cancellation of that insurance coverage;

(e) Be permitted to examine the books and records of the Association upon reasonable notice during ordinary business hours;

(f) Be provided current copies of the Declaration, Articles, Bylaws and rules and regulations concerning the Property, upon payment to the Association of its cost of copying such documents; and

(g) Be given written notice of any casualty loss, condemnation or eminent domain proceedings which affect a material portion of the Common Elements, or the Unit encumbered by the Mortgagee's lien.

14.3 Mortgagees' Protection; Subordination of Liens. Violation of this Declaration shall not defeat or render invalid the lien of any mortgage made in good faith and for value upon any Unit. Any lien created hereunder for the benefit of the Association or its successor shall be junior and subordinate to any such mortgage unless a lien shall have been filed with the Clerk of Court of Cabarrus County prior to the recordation of such mortgage; provided, however, any mortgagee in actual possession or any purchaser at any trustee's, mortgagee's or foreclosure sale shall be bound by and be subject to this Declaration as fully as any other Owner effective upon the date of acquisition.

## 15. Declarant's Rights

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15.1 Right to Own and Sell. Notwithstanding any provision of this Declaration to the contrary, the Declarant is irrevocably empowered to sell Units to any person or entity approved by it. The Declarant shall have the right to transact on the Property any business necessary to accomplish the sale, lease or rental of Units or other property within Harrisburg Town Center, including but not limited to the right to maintain models, have signs, maintain an office and employees on the Property and use the Common Elements. A sales and rental office, model Units, signs and all items pertaining to sale and rentals shall not be considered Common Elements but shall remain the property of the Declarant.

15.2 Rights to Change, Divide or Combine Units. The Declarant may elect to change the interior design and arrangement of Units, make adjustments in the exterior design and footprint of the Building, add Units to the Condominium, and divide or combine one or more Units or portions of Units prior to the sale of such Units by the Declarant, without approval by the Association or the Owners, provided an amendment or supplement to this Declaration is executed by the Declarant and recorded in the manner described in Article 13 ("Amendments to Declaration"), and in compliance with the Condominium Act. The amended Declaration shall also provide that the shares of the Common Elements and Common Expenses applicable to such Unit or Units shall be increased or decreased so that the resulting Unit or Units have shares allocated in the same manner as shares are allocated to all other Units in the Condominium.

15.3 Prohibited Actions. So long as the Declarant is the owner of record title to any Unit, the following actions require approval in writing from the Declarant:

(a) Assessment of the Declarant as a Unit Owner for capital improvements;

(b) Any action by the Association that would be detrimental to the sales of Units by the Declarant; provided, however, that an increase in Assessments without discrimination against the Declarant shall not be deemed detrimental; and

- (c) Any amendment to this Declaration not initiated by Declarant.

15.4 Reservations of Declarant's Rights.

(a) Reservation of Development Rights. Declarant hereby reserves for the maximum time period allowed by the Condominium Act, the right, without further notice and without the joinder or consent of any Owner, (i) to add real estate to the Condominium, (ii) to create Units, Common Elements or Limited Common Elements, (iii) to subdivide Units, (iv) to realign or change the boundaries of any Unit or Common Element, (v) to withdraw real estate from the Condominium or from the Common Elements, and (vi) to amend this Declaration in order to ensure development of the Condominium in accordance with Declarant's development plan for the Building or Harrisburg Town Center, or for the exercise of any development right or Special Declarant Right otherwise allowed herein or allowed by the Condominium Act (collectively, "Development Rights").

(b) Reservation of Special Declarant Rights. Declarant hereby reserves unto itself for the maximum time period allowed by the Condominium Act, the right, without further notice and without the joinder or consent of any Owner, (i) to exercise Special Declarant Rights as reserved elsewhere in this Declaration or in the Condominium Act, (ii) to complete improvements indicated on plats and plans recorded before, with or pursuant to this Declaration, (iii) to exercise any Development Right, (iv) to maintain sales offices, management offices, signs advertising the Property, and models, (v) to use easements through the Common Elements for making improvements within the Property or within real estate which may be added to the Property, (vi) to make the Property part of a larger condominium, and (vii) to appoint or remove any Director or officer of the Association, to veto any resolution or action of the Board or any officer of the Association, and to appoint the members of the Board to the maximum extent provided by the Condominium Act (collectively, "Special Declarant Rights").

(c) No Amendment Without Consent of Declarant. Without the prior written consent of the Declarant for the maximum time period allowed by the Condominium Act, there shall not be allowed any Owner-initiated amendments to this Declaration. This limitation shall in no way limit or diminish Declarant's rights to make amendments to any part of the Declaration under the powers reserved elsewhere in this Declaration. No amendment may disturb any of the rights allocated to Declarant by this Declaration or any other declaration recorded for the Condominium, including but not limited to rights incident to the Declarant's control of the Board, rights included in the Special Declarant Rights, and the Development Rights of Declarant.

(d) Additional Units; Time Limits. Declarant reserves all Special Declarant Rights and all Development Rights for the maximum time period allowed by the Condominium Act, or for fifteen years from the date hereof, whichever may first occur. When and if Units are added or subdivided, the interest allocations among all Units shall be reallocated among all then-Units by the percentage of floor area of the Unit in comparison to the total floor area of all the Units.

## 16. General Provisions

16.1 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the devel-

opment and operation of the Property as a commercial condominium of the highest quality. In the event of a conflict between this Declaration and the Articles or Bylaws, this Declaration shall govern. If the Articles and Bylaws conflict, the Articles shall govern.

16.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.

16.3 Compliance with Declaration; Enforcement.

(a) Owner's Responsibility. Each Owner, family members of Owners and Owners' guests and tenants shall conform and abide by this Declaration and any Rules and regulations which may be adopted from time to time by the Board. Each Owner shall be responsible for assuring that all persons using that Owner's Unit by, through or under him so comply.

(b) Enforcement. Any violation of this Declaration, whether in whole or in part, is hereby declared to be a nuisance and, without limitation, the Association or any Owner shall be entitled to avail itself of all remedies available under applicable law or in equity for the abatement of a nuisance in addition to all other rights and remedies set forth hereunder or otherwise available at law or in equity. This Declaration may be enforced by Declarant and its successors and assigns and by the Association, by proceedings at law or in equity against the person, firm or other entity violating or attempting to violate any covenant or covenants, either to restrain the violation thereof or to recover damages together with reasonable attorneys' fees and court costs. Further, in the event Declarant or the Association fails to act to enforce any covenant or restriction herein, any Owner of any Lot may enforce these restrictions as aforesaid against any other Owner. Declarant agrees for itself and the Association that this Declaration and the covenants contained herein shall be enforced uniformly and without prejudice against any Owner. The Board shall be empowered to bring suits on behalf of the Association.

(d) No Waiver. Failure to enforce any provision of this Declaration or the rules and regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(e) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, shall be charged to the Owner against whom such action was taken. Any and all assessments, fines, fees or charges imposed by the Association shall bear interest at the rate of 18% per year until paid.

16.4 Notices. Unless otherwise stated herein, any notice required to be sent to the Owner of any Unit under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Unit and, if different, to the last known address of the person who appears as Owner of such Unit as that address is stated on the records of the Association at the time of such mailing.

16.5 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of North Carolina.

16.6 Termination. The Condominium may be terminated in accordance with 47C-2-118 of the Condominium Act.

16.7 Binding Effect; Waiver. Except as otherwise specifically provided herein, this Declaration shall bind and inure to the benefit of and be enforceable by Declarant, the Association, and the Owner or Owners of any Lot and their respective heirs, successors and assigns. The failure of any person entitled to enforce this Declaration or any provision hereof shall not be deemed a waiver of the right of any such person to enforce this Declaration or any portion thereof thereafter. Waiver or any attempted waiver of this Declaration with respect to any Lot shall not be deemed a waiver thereof as to any other Lot nor, with respect to the Lot in question, as to any subsequent violation, nor shall the violation of this Declaration with respect to any one Lot affect the applicability or enforceability of this Declaration with respect to any other Lot(s).

16.8 Rights Assignable. Any and all rights, powers, easements and reservations of Declarant herein contained may be assigned to any person, corporation, limited liability company or other legal entity which will assume the duties of Declarant pertaining to the particular rights, powers, easements and reservations assigned, and upon such entity's evidencing its consent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. If the assignment by Declarant is a complete assignment of the Declarant's rights hereunder, then and in such case the Declarant named herein shall be completely relieved of any further liability or duty of any kind or nature hereunder and all liabilities and duties of the Declarant hereunder shall be conclusively vested in the assignee under such assignment. The term "Declarant," as used herein, includes all such assignees and their heirs, successors and assigns. Any assignment or appointment made under this section shall be recorded in the Cabarrus County Registry.

16.9 Chain of Title. Each grantee, lessee or other person in interest or occupancy accepting a conveyance, leasehold interest or other interest in or to or in connection with any Unit, whether or not the same incorporates or refers to this Declaration, covenants for himself or itself, his or its heirs, successors and assigns to observe and perform and be bound by this Declaration and to incorporate this Declaration by reference in any conveyance or leasehold estate of all or any portion of his or its interest in any real property subject hereto.

16.10 No Reversionary Interest. This Declaration shall not be construed as conditions subsequent or creating a possibility of reverter, and no provision hereof shall be deemed to vest in Declarant or any other persons any reversionary interest with respect to any Unit. Except as provided above, all reversionary rights are hereby expressly waived by Declarant.

16.11 Zoning Requirements. This Declaration shall not be interpreted as permitting any action or thing prohibited by applicable zoning laws, or any other laws, ordinances or regulations of any governmental authority or by specific restrictions imposed by any deed or other instrument of conveyance. In the event of any conflicts, the most restrictive provision shall be taken to govern and control.

16.12 Exoneration of Declarant. Each Owner of any Unit in the Property or any other party interested in the Property expressly agrees that no duty or obligation is imposed upon Declarant to enforce or attempt to enforce any of the covenants or restrictions contained herein, nor shall Declarant be subject to any liability of any kind or nature whatsoever with respect to any third party as a result of failing to enforce same. Furthermore, Declarant's approval (or approval by the Association) of any construction, preliminary plans, Plans, specifications, site or landscaping plans or elevations or any other approvals or consents given by Declarant or by the Association pursuant hereto or otherwise shall not be deemed a warranty, representation or covenant that any such improvements or other action taken pursuant



hereto or in reliance thereon complies with any or all applicable laws, rules, requirements or regulations, or that the same is safe or suitable for their intended use. The sole responsibility for such compliance is upon the Owner seeking approval. Declarant and the Association are expressly released and relieved of any and all liability and responsibility in connection therewith.

16.13 Approval by Master Association. The Master Association executes this Declaration to indicate its approval hereof and does not join in any of the duties, liabilities, representation or warranties of the Declarant hereunder.

SIGNATURES ARE ON THE FOLLOWING PAGES.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed by authority duly granted as of the day and year first above written.

HTC DEVELOPMENT, INC.,  
a North Carolina corporation

By: [Signature]  
Robert W. Burkett, President

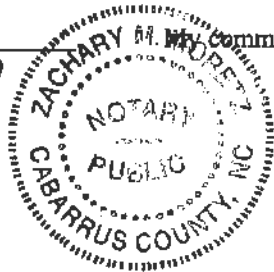
HARRISBURG TOWN CENTER COMMERCIAL  
PROPERTY OWNERS ASSOCIATION, INC., a  
North Carolina non-profit corporation

By: [Signature]  
Robert W. Burkett, President

NORTH CAROLINA  
CABARRUS COUNTY

I, Zachary M. Moritz, a Notary Public of Cabarrus County, North Carolina, certify that Robert W. Burkett, to me personally known, personally came before me this day and acknowledged that he is the President of HTC Development, Inc., and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 14 day of March, 2006.

[Signature]  
Notary Public My commission expires: 12/14/08



[NOTARY SEAL]

NORTH CAROLINA  
CABARRUS COUNTY

I, Zachary M. Moritz, a Notary Public of Cabarrus County, North Carolina, certify that Robert W. Burkett, to me personally known, personally came before me this day and acknowledged that he is the President of Harrisburg Town Center Commercial Property Owners Association, Inc., and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 14 day of March, 2006.

[Signature]  
Notary Public My commission expires: 12/14/08



[NOTARY SEAL]

EXHIBIT A

Legal Description of the Property

Being all of that lot or parcel of land located in Harrisburg Town Center, Town of Harrisburg, Cabarrus County, North Carolina and shown as "Parcel 2" on that plat entitled "Final Plat, Harrisburg Town Center, Commercial Map 1" recorded in the Cabarrus County Registry at Map Book 39, Page 19, to which reference is made for a more complete description.

EXHIBIT B

Legal Description of the Units and their shares of the Common Elements and Common Expenses

Unit Number	Square Feet	Allocated Interest of Whole
101	4,240	16.8%
103	2,147	8.5%
105	3,252	12.9%
107	2,319	9.2%
109	1,321	5.2%
201	1,365	5.4%
202	10,630	42.1%
<b>Total</b>	<b>25,274</b>	<b>100%</b>

**BYLAWS OF**  
**HARRISBURG TOWN CENTER BUILDING II CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I**

The name of the corporation is Harrisburg Town Center Building II Condominium Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located, and meetings of Members and Directors may be held, at such places within the State of North Carolina as may be designated by the Board of Directors of the Association from time to time (referred to herein as the "Board of Directors").

**ARTICLE II**

**DEFINITIONS**

Section 1. All capitalized terms herein not defined herein shall have the meanings ascribed to such terms in that certain Declaration of Condominium for Harrisburg Town Center Building II Condominium executed by HTC Development, Inc., as Declarant, and recorded in deed book 6582, page 229, Cabarrus County Registry ("Declaration", as the same may be modified, amended or supplemented from time to time).

Section 2. "Membership" means all Members, as a group.

Section 3. "Act" means the North Carolina Condominium Act, N.C.G.S. § 47C-1-101 et seq., as the same may be amended from time to time.

**ARTICLE III**

**MEETINGS OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within Cabarrus County, North Carolina selected by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of Members who are entitled to exercise forty percent (40%) of all of the votes of the Membership.

Section 3. Notice of Meetings. Except as otherwise provided by law, in the Declaration or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by hand delivery, not less than ten (10) nor more than fifty (50) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer.

Section 4. Quorum. The presence at the meeting of Members or proxies entitled to cast ten percent (10%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Dwelling Unit or Lot.

Section 6. Action by Written Consent Without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting upon the written consent of Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all Members entitled to vote were present and voted.

#### ARTICLE IV

##### BOARD OF DIRECTORS SELECTION; TERM OF OFFICE

Section 1. Board's Responsibility. Except as specifically provided in the Declaration or the Condominium Act, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for operation of the Association, enforcement of the Declaration and care of the Common Elements.

Section 2. Composition of Board.

(a) Number. The Board shall consist of three directors, unless changed as provided in the Bylaws. After the period of Declarant control of the Board, at least a majority of the members of the Board shall be Owners.

(b) Declarant Rights Without limiting the other rights reserved to Declarant herein or in the Declaration, the Declarant shall select the initial Board and reserves the right to appoint members of the Board to the greatest extent permitted by the Condominium Act.

(c) Intentionally omitted.

Section 3. Voting Procedure. Each Member shall be entitled to the Unit's Allocated Interest, multiplied by the number of director seats for which the Member is permitted to vote. A Member is not required to use all his votes; however, no cumulative voting shall be permitted.

*Example: If there are three seats to be filled, a Member may cast one Allocated Interest each for one, two or three candidates, but shall not cast more than one Allocated Interest for any particular candidate.*

The candidates receiving the highest number of votes shall be declared elected, but subject to the Declarant right to appoint directors. Directors may be elected by a plurality; a majority is not required.

Section 4. Removal. Except for directors selected by the Declarant, any director may be removed from office as provided in the Condominium Act. The Declarant may remove any Board member appointed by the Declarant at any time.

Section 5. Compensation; Qualification. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members.

Section 6. Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference. If applicable law is changed to permit voting by proxy or any other fashion, such changes in the law shall automatically be included in the Declaration and these Bylaws. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board.

Section 7. Open Meetings. Meetings of the Board shall be open to all Members. Notice of all meetings shall comply with the Condominium Act.

Section 8. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 9. Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

## ARTICLE V

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board of Directors, without the necessity of further notice.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by two or more Directors, after not less than three (3) days notice to each Director.

## ARTICLE VI

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, including fines;

(b) suspend the voting rights, and the right of use of any recreational facilities located on any Common Area during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for an infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties, which may include the carrying out of powers or duties of the Board of Directors herein specified;

(e) do any other thing allowed, explicitly or by implication, by the Condominium Act; and

(f) do all things necessary or desirable to carry out the intent of the Declaration and these Bylaws.

Section 2. Duties. It shall be the duty of the Board of Directors to:



(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, and to make its financial and other records reasonably available for examination by Members and their authorized agents;

(b) supervise all Officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration:

(1) fix the amount of the annual assessment against each Dwelling Unit or Lot as provided in the Declaration;

(2) send written notice of each annual assessment and each special assessment to every Dwelling Unit or Lot Owner subject thereto, as provided in the Declaration; and

(3) foreclose the lien against a Dwelling Unit or Lot if the Owner thereof has not paid the assessment thereon within such time as the Board of Directors may determine, or bring an action at law against the Dwelling Unit or Lot Owner personally obligated to pay the same;

(d) issue, or cause an appropriate Officer to issue, upon demand by any person and within ten (10) business days of receipt of such demand, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board of Directors for the issuance of these certificates (if the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate);

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas or, as appropriate, the Limited Common Areas, to be maintained.

Section 3. No Power to Alter Development Plan. The Board of Directors shall have no power to take, approve or cause any act or omission to be made which would have the effect of altering the overall development plan of the property or which would impair the ability of Declarant to exercise its rights under the Declaration or the Act.

## ARTICLE VII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a President and Vice-President, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create (the "Officers").

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective. The Declarant shall have the power to remove any Officer with or without cause at any time during the Declarant Control Period.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to the vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 7. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board of Directors are carried out. The President shall have authority to sign all leases, mortgages, deeds of trust, deeds, and other written instruments, including but not limited to amendments to the Declaration and certifications thereof by the Association. The President shall appoint all members of committees. The President shall be a member of the Board of Directors.

(b) Vice President. The Vice President (the "Vice President") shall act in the place and stead of the President in the event of his absence or inability or refusal to act, and exercise and discharge such other duties as may be required of him by the Board of Directors. The Vice President shall likewise have authority to sign all leases, mortgages, deeds of trust, deeds, and other written

instruments, including but not limited to amendments to the Declaration and certifications thereof by the Association.

(c) Secretary; Assistant Secretaries. The Secretary (the "Secretary") shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; prepare amendments to the Declaration or certifications thereof by the Association upon approval thereof by the Association; record amendments to the Declaration and/or certifications thereof by the Association; attest to the execution of documents by the President or the Vice President; and perform such other duties as required by the Board of Directors. Any Assistant Secretary (the "Assistant Secretary") may act in the place and stead of the Secretary in the event of his or her absence or inability or refusal to act.

(d) Treasurer. The Treasurer (the "Treasurer") shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

## ARTICLE VIII

### COMMITTEES

The Association shall appoint such committees as deemed appropriate in carrying out its purposes and duties.

## ARTICLE IX

### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

## ARTICLE X

### ASSESSMENTS AND FINES

As more fully provided in the Declaration, each Member is obligated to pay to the Association assessments which are secured by a continuing lien upon the Dwelling Unit or Lot against which the assessment is made. If the assessment is not paid on the due date, the assessment shall bear interest as provided in the Declaration, and the Association may bring an action at law

against the Owner personally obligated to pay the same or foreclose the lien against the Dwelling Unit or Lot, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of its Dwelling Unit or Lot. The Association may also establish a schedule of fines for violations of the terms of the Declaration. Fines may be enforced in the same manner as assessments.

## ARTICLE XI

### AMENDMENTS

Section 1. Amendments to these Bylaws shall be as provided in the North Carolina Non-Profit Corporation Act, N.C.G.S. 55A et seq., as the same may be amended from time to time. During the Declarant control period, no amendment may be made unless approved by the Declarant.

Section 2. In the case of any conflict between the Act, the Articles, the Declaration and/or the Bylaws, the documents shall have precedence in that order.

## ARTICLE XII

### MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31<sup>st</sup> of that year.

It shall not be necessary for the Association to adopt a seal; however, should the Association which to adopt a seal, the seal of the Association shall be in circular form having within its circumference the words "Harrisburg Town Center Building II Condominium Association, Inc.", or in such form as the Board of Directors shall adopt from time to time.

## ARTICLE XIV

### PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the proceedings of the Association and the Board of Directors when not in conflict with the Articles of Incorporation, the Declaration, these Bylaws or with the General Statutes of the State of North Carolina.

## ARTICLE XV

### INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

Each Director and officer shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with any action, suit, or proceeding in which he

may be involved by reason of his being or having been a director or officer of the Association (whether or not he is a director or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer.

In case of the settlement of any action, suit, or proceeding in which any such director or officer of the Association is involved by reason of his being or having been a director or officer of the Association, he shall be indemnified by the Association against the costs and expenses, including any amount paid in settlement incurred by him in connection with such action, suit, or proceeding (whether or not he is a director or officer at the time of incurring such costs or expenses), if, and only if, (a) the Association shall be advised by independent counsel that such director or officer is not liable for negligence or misconduct in the performance of his duty as such director or officer with respect to the matters covered by such action, suit, or proceeding, and the cost to the Association of indemnifying such director or officer (and all other directors and officers, if any, entitled to indemnification hereunder in such cases) if such action, suit or proceeding were carried to a final adjudication in their favor would exceed the amount of costs and expenses to be reimbursed to such directors and officers as a result of such settlement, or (b) by a majority of the Members of the Association present, a quorum of Members bring present, held by vote at any annual or special meeting of members, approving such settlement and the reimbursement to such director(s) or officer(s) of such costs and expenses.


#### CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Harrisburg Town Center Building II Condominium Association, Inc., a North Carolina non-profit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association as enacted by Resolution dated the 10th day of January, 2006, duly adopted by the Board of Directors thereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the 10th day of January, 2006.

  
Secretary  
Printed name: Mark Sante

**ACTION WITHOUT MEETING  
IN LIEU OF THE ORGANIZATIONAL AND ANNUAL MEETINGS  
OF THE  
MEMBERS AND THE BOARD OF DIRECTORS  
OF  
HARRISBURG TOWN CENTER BUILDING II CONDOMINIUM ASSOCIATION, INC.**

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Pursuant to Sections 55A-7-04 and 55A-8-21 of the General Statutes of North Carolina, the undersigned being all of the members and Directors of Harrisburg Town Center Building II Condominium Association, Inc. (the "Corporation"), do hereby waive notice and formal convening of the first meeting of the members and of the Board of Directors, and do hereby adopt the following resolutions:

Approval of Organizational Documents

RESOLVED, that the Articles of Incorporation and the Bylaws filed in the corporate minute book preceding this consent are hereby adopted and ratified.

Election of Directors

RESOLVED, that the members of the Corporation hereby elect the following individuals as Directors of the Corporation to serve until the next Annual Meeting of the members or until their successors shall be elected and assume office:

Joseph J. Murphy, Jr.  
Mark Swartz

Election of Officers

RESOLVED, that the Board of Directors hereby elects the following individuals as officers of the Corporation to serve until the next Annual Meeting of the Board of Directors or until their successors shall be elected and assume office:

Joseph J. Murphy, Jr.	President
Mark Swartz	Vice President, Treasurer and Secretary

Ratification of Actions Taken

RESOLVED, that the Board of Directors hereby ratifies, confirms and approves all actions taken by officers of the Corporation while acting on behalf of the Corporation and in the ordinary course of its business, including, without limitation, the doing and performing of all such acts and things and entering into and executing all such documents which, in the judgment of the officer or officers taking such action, were necessary or appropriate to effectuate the business of the Corporation, since the last recorded Annual Meeting or proceeding in lieu thereof, with the same effect as if prior approval thereto had been given by the Board of Directors.

This the 10th day of January 2006.

MEMBERS:

HARRISBURG TOWN CENTER BUILDING II  
CONDOMINIUM ASSOCIATION, INC.  
a North Carolina corporation

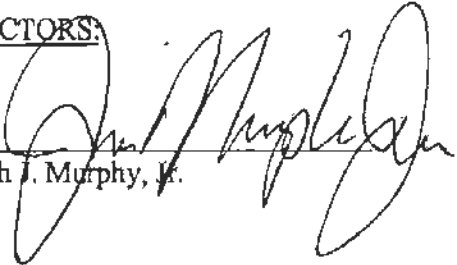
By: \_\_\_\_\_

  
Joseph J. Murphy Jr., President

DIRECTORS:

  
\_\_\_\_\_  
Mark Swartz

DIRECTORS:

  
\_\_\_\_\_  
Joseph J. Murphy, Jr.