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JUDY J. TART  
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PITT COUNTY, N.C.

File: Johnson Law Firm

Declaration of Condominium  
Under the Provisions of Chapter 47C of the General Statutes  
Of the State of North Carolina, and  
Covenants, Conditions and Restrictions  
of  
TARA CONDOMINIUMS

This Declaration, made this 12<sup>th</sup> day of September, 2003, by SAK Development, Inc.  
("Developer"), pursuant to the North Carolina Condominium Act;

WITNESSETH:

WHEREAS, Developer is the owner in fee simple of certain real estate situated in or near  
the City of Greenville, County of Pitt and State of North Carolina, legally described on Exhibit  
"A", together with all buildings and improvements now or hereafter constructed or located  
thereon, and all rights, privileges, easements and appurtenances belonging to or in any way  
pertaining to said real estate; and,

WHEREAS, Developer desires to submit all of said property to the Act.

NOW, THEREFORE, Developer, as the owner of said property, hereby declares as  
follows:

ARTICLE I  
Definitions

Definitions. As used herein, the following capitalized words and terms shall have the  
following meanings:

1.1 Act. The North Carolina Condominium Act, Chapter 47C, of the North Carolina  
General Statutes.

1.2 Additional Real Estate. The real estate described in Exhibit "A-1" together with  
all buildings and improvements now or hereafter constructed or located thereon, and all rights,  
privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

See Instrument recorded  
in Book 1992 Page 586

See Instrument recorded  
in Book 1911 Page 18

See Instrument recorded  
in Book 1993 Page 606

See Instrument recorded  
in Book 1828 Page 231

See Instrument recorded  
in Book 1855 Page 177

See Instrument recorded  
in Book 1898 Page 264

See Instrument recorded  
in Book 1940 Page 774

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1.3 Affiliate of a Declarant. Any person who controls, is controlled by, or is under common control with a declarant, as set forth in Section 47C-1-103(1) of the Act.

1.4 Association. TARA CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC., a nonprofit corporation organized under the laws of the State of North Carolina.

1.5 Board. The Board of Directors of the Association.

1.6 Bylaws. The Bylaws of the Association, which are hereby incorporated herein and made a part hereof by this reference.

1.7 Common Elements. All portions of the Condominium except the Units. Limited Common Elements are Common Elements.

1.8 Common Expense. Any expenditure made, or liability incurred, by or on behalf of the Association, together with any allocations to reserves.

1.9 Condominium. The condominium created by this Declaration.

1.10 Declarant. Developer and (i) any other Person who has executed this Declaration or who hereafter executes an amendment to this Declaration to add Additional Real Estate, except Security Holders and except Persons whose interests in the Property will not be conveyed to Unit Owners; and (ii) any Person who succeeds to any Special Declarant Rights pursuant to Section 3-104 of the Act.

1.11 Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date seven (7) years after the date of the first conveyance of a Unit to a Unit Owner other than a Declarant; or (ii) the date upon which Declarant surrenders control of the Condominium; or (iii) one hundred twenty (120) days after conveyance of seventy-five (75%) percent of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than a Declarant; or (iv) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or (v) two (2) years after any development right to add new Units was last exercised.

1.12 First Mortgage and First Mortgagee. A First Mortgage is a mortgage or deed of trust which has been recorded so as to give constructive notice thereof and which is a first lien on the Units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the office in which the First Mortgage is recorded, including a purchaser at foreclosure sale upon foreclosure of a First Mortgage after expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgage for all purposes under this Declaration and the Bylaws.

1.13 Floor Plans. The floor plans of the Condominium recorded with, and by the act made a part of, this Declaration, as the same may hereafter be amended.

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1.14 Limited Common Elements. Those portions of the Common Elements allocated by operation of Section 2-102(2) or (4) of the Act for the exclusive use of one or more, but fewer than all, of the Units and also any Limited Common Elements specifically allocated to Units on Exhibit "B".

1.15 Occupant. Any Person or Persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such Person or Persons, and family members, guests and invitees of such lessees.

1.16 Person. A natural person, corporation, partnership, trust or other entity, or any combination thereof.

1.17 Property. The real estate described on Exhibit "A" and the real estate described on Exhibit "A-1", if added by Declarant pursuant hereto, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.18 Security for an Obligation. The vendor's interest in a contract for a deed, mortgagee's interest in a mortgage, trustee's interest in a deed of trust, purchaser's interest under a sheriff's sale during the period of redemption, or the holder's interest in a lien.

1.19 Security Holder. Any Person owning a security for an obligation in a Unit.

1.20 Special Declarant Rights. The rights reserved herein and in the Bylaws for the benefit of a Declarant, including, without limitation, all rights stated in Section 1-103(23) of the Act including, without limitation, the following: to exercise any development right as set forth in Sections 1-103(11) and 2-110 of the Act; to complete the improvements indicated on the Floor Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to use easements through the Common Elements; and to elect, appoint or remove members of the Board during the Declarant Control Period; provided, however, (i) that not later than 60 days after conveyance of twenty-five percent (25%) of the Units to owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the executive board shall be elected by owners other than the Declarant; and (ii) that not later than 60 days after conveyance of fifty percent (50%) of the Units to owners other than a Declarant, not less than thirty-three percent (33%) of the members of the executive board shall be elected by owners other than the Declarant; to use recreational facilities for the benefit of owners, lessees or invitees of (i) any person residing in the area described on Exhibit "A-1" or (ii) any prospective purchaser of a Unit lying within the areas described on Exhibit "A" or Exhibit "A-1" or (iii) Declarant, (subject in each case to reasonable use fees to be set by the Board); and to add Additional Real Estate. Declarant expressly reserves the right to subdivide or convert Units owned by Declarant as provided in Section 2-110 of the Act.

1.21 Unit. A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit "C". Each Unit is designated and delineated on the Floor Plans.

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1.22 Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Floor Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, and the topmost surfaces of the sub flooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries.

1.23 Unit Owner. The Person or Persons, including the Declarant, owning a Unit in fee simple.

1.24 Other Definitions. The definitions as contained in the Act, including Section 1-103, which are not in conflict with the foregoing definitions, have the meanings stated in the Act.

## ARTICLE II Submission of Property to the Act

2.1 Submission. Developer hereby submits the Property to the Act.

2.2 Name. The Property shall hereafter be known as TARA CONDOMINIUMS.

2.3 Division of Property into Separately Owned Units. Developer, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the property described on Exhibit "A" into a maximum of eight (8) Units and does hereby designate all such Units for separate ownership, subject, however, to the provisions of Section 2.4 hereof.

2.4 Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Section 2-111 of the Act.

2.5 Limited Common Elements. The Limited Common Elements serving or designated to serve each Unit hereby allocated solely and exclusively to each Unit. In addition to those defined in Section 1.13, Limited Common Elements include those set forth on Exhibit "B" and are hereby allocated to Units as shown on Exhibit "B".

2.6 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, of votes in the Association, and of a percentage of the Common Expenses, are as stated on Exhibit "C". The votes in the Association are allocated to all Units as stated on Exhibit "C".

2.7 Encumbrances. The liens, defects and encumbrances on the Property to which the rights of the Unit Owners and Occupants are hereby made subject are set out on Exhibit "D".

2.8 Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights as herein stated and as further defined by the Act and specifically stated in Section 1-103(23) of the Act.

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ARTICLE III  
Additional Real Estate

3.1 Declarant's Rights to Add Additional Real Estate. Declarant expressly reserves the right to add Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on Exhibit "A-1" may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate to the Condominium shall be pursuant to Section 2-110 of the Act.

3.2 Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of additional Units that may be created within the Additional Real Estate is subject to the City of Greenville Land Use Intensity System. All of such Units will be restricted to multi-family use.

3.3 Compatibility of Style, Etc. Any buildings and Units that may be erected upon the Additional Real Estate or a portion thereof will be compatible with the other buildings and Units in the Condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size.

3.4 Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the Additional Real Estate.

3.5 Other Improvements and Common Elements. In addition to the buildings and Units that may be erected upon the Additional Real Estate or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Estate, or each portion thereof which may be added to the Condominium, will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.

3.6 Time Limitation on Exercise of Development Right to Add Additional Real Estate. Such right must be exercised no later than seven (7) years after the date hereof.

3.7 Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article III will not apply with respect to any Additional Real Estate that is not added to the Condominium.

ARTICLE IV  
Easements

4.1 Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of the Unit, or any part of any Unit now or hereafter encroaches upon any part of the Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so

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long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

4.2 Easements Through Walls. Easements are hereby declared and granted to the Association and to such Persons as are authorized by the Association to install, maintain, repair, and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit.

4.3 Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Board, or any other Person is authorized to enter upon a Unit or the Common Elements to repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted. The Association shall have the right to grant utility easements under, through or over the Common Elements to the extent such easements are reasonably necessary to the ongoing development and operation of the project.

4.4 Declarant's Easement. Declarant hereby reserves such easement through the Common Elements as may be reasonably necessary (but only if such is otherwise not reasonably available) for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purposes. Declarant shall have a duty to restore any property damaged by use of such easement rights.

4.5 Easements to Run with Land. All easements and rights described in this Article IV are appurtenant easements running with the Land and, except as otherwise expressly provided in this Article IV, shall be perpetually in full force and effect and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Security Holders and any other Person having any interest in the Condominium or any part of any thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

4.6 Satellite Television and Easement. Declarant may elect to negotiate agreements with satellite television and/or high speed internet service providers which would provide those services to all Units. Any such agreements would provide for easements for installation and maintenance of lines connecting wires located in the buildings to the system of TARA CONDOMINIUMS. Any such agreement would be entered into by Declarant and/or the Association, and Unit Owners and Occupants would thereafter be barred from obtaining those services except through a monthly subscription fee to be paid to the Association, such fee in an amount to be set from time to time by the Declarant and/or the Board, included in the monthly dues.

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**ARTICLE V**  
**Restrictions, Conditions and Covenants**

**5.1 Compliance with Declaration, Bylaws and Rules and Regulations.** Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and rules and regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any Person adversely affected, for recovery of damages, injunction or other relief.

**5.2 Administration of Condominium.** The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

**5.3 Use Restricted; Use by Declarant.**

(a) The Units shall be occupied and used by Unit Owners and Occupants for residential purposes only.

(b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit Owner or Occupant on any part of the Condominium without the prior written consent of the Board or as provided for by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws.

(c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant may maintain sales offices for sales of Units in the Condominium and models for the purpose of demonstrating Units to be sold. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium until all of the Units have been conveyed to a Unit Owner other than Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by Declarant shall not exceed two (2) sales offices and four (4) models, and the size of any such originally established or relocated or reestablished office or models shall not exceed the size of the largest Unit in the Condominium.

(d) Declarant also may maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the Condominium for management of the Condominium.

**5.4 Hazardous Use and Waste.** Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without prior written consent of the Board. No Unit Owner or Occupant shall

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permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his Unit or the Common Elements.

**5.5 Alterations of Common Elements.** No Unit Owner or Occupant, except Declarant during Declarant Control Period, shall alter, construct anything upon, or remove anything from, the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements without prior written consent of the Board.

**5.6 Nuisance.** No noxious or offensive activity shall be conducted upon any Unit or in the Common Elements nor shall anything be done thereon which is or may become an annoyance or nuisance to the Occupants.

**5.7 Outside Antennas.** Outside radio or television antennas or other similar reception devices (including satellite dishes) may be permitted at the sole discretion of the Board and subject to the rules and regulations adopted by the Board.

**5.8 Prohibition of Renting for Transient or Hotel Purposes; Leases.** No Unit Owner shall rent his Unit for transient or hotel purposes which, for purposes of this Declaration, shall be defined as either a rental for any period less than thirty (30) days or any rental if the lessee of the Unit is provided customary hotel services. Any permitted lease shall lease an entire Unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any Unit Owner who enters into a lease of his Unit shall promptly notify the Association of the name and address of the lessee, the Unit rented, and the term of the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit. No lease, however, shall relieve Unit Owner from any liabilities or duties herein nor shall any Unit Owner's privileges in any way be changed because of said lease. No sublease may be entered into without the written consent of the Board.

**5.9 Pets.** No pet shall be allowed in the Condominium except as may be provided by the rules and regulations promulgated from time to time by the Board or the Association, or in the Bylaws. Notwithstanding the foregoing, no animals, livestock, or poultry of any kind shall be kept or maintained in any Unit or upon the Common Elements, except that no more than two dogs, two cats, or any other household pets, but not to exceed three total animals at any time, may be kept or maintained in each Unit, provided that such pets are not maintained or kept for commercial purposes; and provided further that, notwithstanding the foregoing, the Board may exclude any pet permitted by this paragraph which the Board, in its sole discretion, deems to be a nuisance to other Occupants or to the Association as owner of the Common Elements. No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet, and in no event may any savage or dangerous pet be kept within any Unit or in the Condominium. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) within any Unit or upon the Common Elements. Pets shall not be permitted to defecate in the Common Elements, and each Occupant shall clean up immediately after his or her pet if an accident occurs. All pets shall be registered or inoculated as required by law, and shall be registered with the Association. Each Unit Owner shall hold the Association harmless from any claim resulting from any action of any pet kept or



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maintained in the Unit Owner's Unit, whether or not owned by the Unit Owner, and shall repair at his or her expense any damage to the Common Elements caused by such pet.

5.10 Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws.

5.11 Use of Limited Common Elements. Limited Common Elements assigned to the exclusive use of one or more Units shall be kept in a clean and orderly manner. The Board may act as it deems necessary as to the Limited Common Elements in the same manner as it would protect the Common Elements.

5.12 Restrictions, Conditions and Covenants to Run with Land. This Declaration and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every Person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

#### ARTICLE VI Assessments

6.1 Assessment Liens. The Board has the power to levy assessments against the Units for Common Expenses. Such assessments shall be a lien on the Units against which they are assessed at the time of assessment; and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the Persons liable therefore, all as set forth in the Bylaws. Notwithstanding the provisions of 6.2, such lien is not released by the sale or transfer of such Unit.

#### 6.2 Personal Liability of Transferees; Statements; Liability of First Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 8.11 of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where a First Mortgagee or other Person claiming through such First Mortgagee, pursuant to the remedies provided in a mortgage or deed of trust, or by foreclosure or by deed, or assignment in lieu of foreclosure, obtains title to a Unit, the liability of such First Mortgagee or such other Person for assessments shall be only for the assessments or installments thereof that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from any liability thereof, any unpaid portion of assessments which is not a lien under (b) above or resulting, as provided in (c) above,

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from the exercise of remedies in a mortgage or deed of trust or by foreclosure thereof or by deed or assignment in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the First Mortgagee or such other Person under (c) above who acquires ownership by foreclosure or by deed, or assignment in lieu of foreclosure.

6.3 Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

6.4 Pledges of Future Income. As provided by Section 4.13 of the Bylaws, the Association shall have the right to pledge future income as security for money borrowed for purposes permitted under the Act, the Bylaws, and this Declaration.

#### ARTICLE VII

#### Management, Maintenance, Repairs, Replacements, Alterations and Improvements

##### 7.1 Common Elements

(a) By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements shall be the responsibility of the Association, and, subject to the provisions of Section 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

(b) By Unit Owner. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional acts or failure to act, or the intentional acts or failure to act of any Occupant or visitor of his Unit. Such payment shall be made upon demand made by the Association.

##### 7.2 Common Expenses Associated with Limited Common Elements or Benefiting Less than all Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred, provided, however, that routine maintenance and repair to external surfaces located within Limited Common Elements done in conjunction with routine maintenance and repair to the building as a whole, such as painting of the entire structure, may be born as a Common Expense without such allocation, at the discretion of the Board.

(b) In addition, the Association may assess any Common Expense benefiting less than all of the Units against the Units benefited in proportion to their Common Expense liability.

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7.3 Units. Each Unit Owner shall maintain his Unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his Unit; shall perform his responsibilities in such manner as not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agent, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies or rights of subrogation.

7.4 Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or Occupant, each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if abused by the omission or neglect of any one or more of such Persons; and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

7.5 Right of Entry.

(a) By the Association. The Association, and any Person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous condition or situation originating in or threatening that Unit or any of the Limited Common Elements. The Association, and any Person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under this Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements.

(b) By Authorized Repairpersons. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized Person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(c) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants and their representatives to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of maintaining, repairing or replacing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, provided that requests for entry are made in advance. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 7.4, the Person making such entry shall be responsible for repair of any damage caused by such Person to the entered Unit or Limited Common Element.

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**ARTICLE VIII**  
**Insurance**

**8.1 Casualty Insurance.** The Association shall maintain casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and Security Holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis and shall insure against such risks and contain such provisions as the Board, from time to time, shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provisions thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option not to be exercisable if such restoration is prohibited pursuant to Section 3-113(h) of the Act. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership or as otherwise set forth in the Declaration or Bylaws. Certificates of insurance shall be issued to each Unit Owner and mortgagee upon request.

**8.2 Public Liability Insurance.** The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants and holders of a holder's interest in a contract for deed on a Unit, the Association, the Board, the manager, if any, Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million (\$1,000,00.00) Dollars per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

**8.3 Fidelity Coverage.** Fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other Person handling or responsible for handling funds of the Association in the face amount of the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in place. The fidelity bond coverage shall, at a minimum, be equal to the sum of three (3) months' aggregate assessments on all Units in the Property plus the Association's projected reserve funds. Such bonds shall contain an appropriate endorsement to cover Persons who serve without compensation. The premiums on such bonds shall be a Common Expense.

**8.4 Other Insurance.** The Association may procure such other insurance, including worker's compensation insurance, as it may, from time to time, deem appropriate to protect the Association or the Unit Owners.

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8.5 Insurance Trustee. The Board may engage, and pay as Common Expense, any appropriate Person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

8.6 Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interest; provided that any such insurance shall contain waivers pursuant to Section 7.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

#### ARTICLE IX Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be used and applied in accordance with the provision of Section 3-113 of the Act.

#### ARTICLE X Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the same shall be repaired or restored and the awards paid on account thereof shall be used and applied in accordance with Section 1-107 of the Act. The Association shall represent the owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof, by the condemning authority.

#### ARTICLE XI Termination

The Condominium may be terminated only in strict compliance with Section 2-118 of the Act.

#### ARTICLE XII Amendment

This Declaration may be amended only in strict compliance with the Act including, without limitation, Sections 2-108 and 2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

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### ARTICLE XIII

#### Rights of First Mortgagees: VA, FNMA and FHLMC Provisions

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

**13.1 Amendments during Declarant Control Period.** Any amendments to this Declaration or the Bylaws during the Declarant Control Period shall be subject to the prior approval of the Federal Housing Administration or the Veterans Administration provided, however, that if said administrator fails to respond to a written request for approval within thirty (30) days of said request, approval shall be deemed to have been given.

**13.2 Availability of Condominium Documents, Books, Records, and Financial Statements.** The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the First Mortgagees and the insurers and guarantors of a First Mortgage on any Unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide an audited financial statement for the preceding fiscal year if requested in writing by a First Mortgagee or insurer or guarantor of a First Mortgage. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, other rules and regulations governing the Condominium, and the most recent annual audited financial statement if one is prepared.

**13.3 Successors' Personal Obligation for Delinquent Assessments.** The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the successors in title or interest to said Unit unless said delinquent assessments are expressly assumed by them.

**13.4 Rights of Action.** The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners, and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the rules, regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

**13.5 Management and Other Agreements.** Any management agreement between the Declarant or the Association and a professional manager, or any other agreement providing for services of the Developer, sponsor, builder or Declarant, or any Affiliate of Developer, sponsor, builder or Declarant, shall be terminable by either party thereto (i) without cause and without payment of a termination fee upon not more than ninety (90) days' prior written notice, or (ii) with cause and without payment of a termination fee upon not more than thirty (30) days' prior written notice. No such agreement shall extend for a term exceeding three (3) years, subject to renewal by the consent of both parties; provided, however, that no management agreement negotiated by a Declarant shall extend for a term exceeding two (2) years.

**13.6 Right of First Refusal.** The right of a Unit Owner to sell, transfer, mortgage or otherwise convey his interest in his Unit shall not be subject to any right of first refusal.

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**13.7 Consent of First Mortgagees.** This Section 13.7 shall be effective only if, at any time this Section would apply, at least one Unit is subject to financing. A decision to terminate the Condominium for reasons other than substantial destruction or condemnation of the Property shall require the prior written consent of eligible mortgage holders, as defined in Section 13.9 hereof, representing at least sixty-seven (67%) percent of the votes allocated to Units subject to First Mortgages held by eligible mortgage holders, or such greater requirement specified by the Act. Except for any amendment to the Declaration made for the purpose of adding any of the Additional Real Estate to the Condominium in accordance with the provisions hereof (and including the reallocation and the reallocation of the ownership interest in the Common Elements and liability of the Common Expense of voting rights in the Association pursuant to Paragraph 13.12 hereunder), any amendment to the Declaration or Bylaws which changes any of the following shall require the prior written consent of Unit Owners holding at least sixty-seven (67%) percent of the total votes in the Association and of eligible mortgage holders representing at least fifty-one (51%) percent of the votes allocated to Units subject to First Mortgages held by eligible mortgage holders, or such greater requirements specified by the Act or hereunder:

- (a) voting rights;
- (b) assessments, assessment liens or subordination of such liens;
- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or Common Elements into Units;
- (h) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance or fidelity bonds
- (j) leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;
- (l) a decision by the Association to establish self-management when professional management had been required previously by any eligible mortgage holder;
- (m) restoration or repair of the Condominium (after damage or destruction or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;

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(n) any action to terminate the legal status of the Condominium; or

(o) any provisions that expressly benefit First Mortgagees or insurers or guarantors of First Mortgages.

**13.8 Consent of First Mortgagees or Unit Owners.** This section 13.8 shall be effective only if, at the time this Section would apply, at least one Unit is subject to commercial financing. Unless First Mortgagees holding at least 67% of the votes allocated to First Mortgagees (such First Mortgagees having one vote per Unit financed), or such higher percentage as is required by law, of the First Mortgagees (based upon one vote for each First Mortgage owned) and Unit Owners (other than Declarant) holding at least 67% of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

(a) by act or omission, seek to abandon or terminate the Condominium;

(b) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, change the pro rata interest or obligations of any Unit for the purpose of:

(i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(ii) determining the pro rata share of ownership of each Unit in the Common Elements.

(c) partition or subdivide any Unit;

(d) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause.)

(e) use hazard insurance proceeds for losses to any part of the Condominium (whether to Units or to Common Elements) for other than repair, replacement or reconstruction thereof.

**13.9 Notice.** Each First Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of First Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee held its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each First Mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a



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specified percentage of eligible mortgage holders shall be considered an "eligible mortgage holder". With respect only to non-material amendments (which excludes items (a) to (o) of Section 13.7), such as for the correction of technical errors or for clarification, any First Mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

**13.10 Assessments.** Assessments shall be due and payable in monthly installments. As provided in Article VIII of the Bylaws and as legally required by Section 3-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that Unit. Unit owners shall have no obligation to pay monthly assessments until an assessment is levied. Assessments will begin at such time as the Board elects, but all Units shall be fully assessed no later than sixty (60) days following the conveyance of the first Unit.

**13.11 Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards.** No provisions of the Declaration nor the Bylaws shall be deemed to give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its First Mortgage on said Unit Owner's Unit, in the case of a distribution to said Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

**13.12 Additional Real Estate; Consent of Administrator; Common Element Interests; Reallocation.** In the event any First Mortgages are guaranteed by the VA, FHA, FHLMC, the Additional Real Estate may not be added to the Condominium without the prior written consent of the administrator of the Federal Housing Administration or the Veterans Administration. If FNMA holds any mortgage in the existing condominium at the time the Additional Real Estate is to be added, FNMA shall be furnished with title evidence, in a form satisfactory to it, which discloses any lien, easement or other encumbrance affecting the property to be added or which will affect the existing condominium property after such addition. If the Additional Real Estate is added, the ownership interest in the Common Elements and the liability for Common Expenses for each Unit and voting rights in the Association shall be reallocated on the basis of equality. The effective date for said reallocation shall be the date of recordation of the amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the Units added to the Condominium shall be the date the Board levies an assessment against said Units. All improvements intended to be located within any portion of the Additional Real Estate added to the Condominium shall be substantially completed prior to the addition of said portion of the Additional Real Estate.

#### ARTICLE XIV General Provisions

**14.1 Conflict with the Act; Severability.** Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provision of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the

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application thereof to any Person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other Person or circumstances.

14.2 Interpretation of Declaration. Whenever appropriate, singular may be as plural, plural may read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

14.3 Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

14.4 Exhibits. Exhibits "A", "A-1", "B", "C" and "D" and "E" attached hereto are hereby made a part hereof.

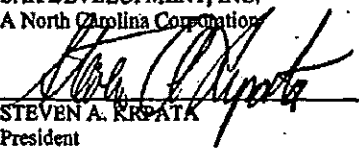
#### ARTICLE XV Rules

All property which is subject to this Declaration, whether included on Exhibit "A" or added later as set out herein, shall be subject to the Rules set out on Exhibit "E" attached hereto, which Rules shall be a part of this Declaration.

IN TESTIMONY WHEREOF, SAK Development, Inc., has caused this document to be executed by its President the day and year first above written.

SAK DEVELOPMENT, INC.  
A North Carolina Corporation

BY:

  
STEVEN A. KRPATA  
President



  
REBECCA M. ALEXANDER KRPATA  
Secretary

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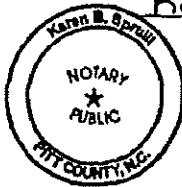
STATE OF NORTH CAROLINA  
COUNTY OF PITT

I, Karen B. Spruill, a Notary Public in and for the aforesaid County and State do hereby certify that REBECCA M. ALEXANDER KRPATA personally appeared before me this day and acknowledged that she is Secretary of SAK DEVELOPMENT INC., a North Carolina corporation, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by STEVEN A. KRPATA, its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and official stamp or seal this the 12<sup>th</sup> day of September, 2003.

My Commission Expires:

1/17/05



Karen B. Spruill  
Notary Public

NORTH CAROLINA: Pitt County  
The foregoing certificate(s) of

Karen B Spruill

Notary(ies) Public is (are) certified to be correct. Filed for registration at 10:40 o'clock A M. this 17 day of September 2003.

JUDY J. TART, Register of Deeds  
By Debra L. Lawrence  
Assistant/Deputy Register of Deeds

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EXHIBIT A

PROPERTY DESCRIPTION

All that certain lot or parcel of land situated in the City of Greenville, Winterville Township, Pitt County, North Carolina and more particularly described as follows:

BEING all of Lot 3, Phase 1 of Tara Office and Condominium Complex as shown on the map entitled "Final Plat Tara Office and Condominium Complex" prepared by Baldwin and Associates Engineering, Land Surveying and Planning, dated 5/5/03 and recorded in Map Book 59, at Page 141, of the Pitt County Registry, reference to said map is hereby made for a more complete and accurate description.

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EXHIBIT A-1

ADDITIONAL REAL ESTATE

TRACT ONE:

All that certain lot or parcel of land situated in the City of Greenville, Winterville Township, Pitt County, North Carolina and more particularly described as follows:

BEING all of Lot 3 of Tara Office and Condominium Complex as shown on the map entitled "Final Plat Tara Office and Condominium Complex" prepared by Baldwin and Associates Engineering, Land Surveying and Planning, dated 5/5/03 and recorded in Map Book 59, at Page 141, of the Pitt County Registry, reference to said map is hereby made for a more complete and accurate description.

TRACT TWO:

Beginning at an existing iron pipe on the western right-of-way of NC Highway 43, said iron pipe being the southeast corner of the Greenville HP, LLC Property as described in Deed Book 612, Page 125 of the Pitt County Register of Deeds Office. From the above described beginning, so located, running thence as follows:

With the western right-of-way of NC Highway 43, S 15°47'36" E 186.99' to the northeastern corner of the John Benjamin Joyner Property as described in Deed Book L-26, Page 115 of the Pitt County Register of Deeds Office, thence with the northern line of the John Benjamin Joyner Property, S 70°43'53" W 300.00', thence S 15°47'36" E 300.00', thence N 70°43'53" E 300.00' to a point on the western right-of-way of NC Highway 43, thence with the western right-of-way of NC Highway 43, S 15°47'36" E 20.00', thence leaving the western right-of-way of NC Highway 43, S 70°43'53" W 300.00' and S 43°07'18" W 926.63', thence N 25°53'50" W 1269.21' to a point on the southern line of the Greenville HP2, LLC Property as described in Deed Book 958, Page 354 of the Pitt County Register of Deeds Office, thence with the southern line of the Greenville HP2, LLC Property and the Greenville HP, LLC Property as referenced above, N 84°47'39" E 1338.47' to the point of beginning containing 21.06 acres and being a portion of Tracts 3 and 4 of the Division of Land, Helen Tucker Greene Heirs as recorded in Map Book 37, Page 10 of the Pitt County Register of Deeds Office.

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**EXHIBIT B**  
**TO DECLARATION OF TARA CONDOMINIUMS**  
**LIMITED COMMON ELEMENTS**

Each Unit shall have those Limited Common Elements as shown on the Floor Plans as set forth below:

1. Balconies and patios. The balconies attached to the second floor Units and the patios attached to the first floor Units shall be Limited Common Elements for the exclusive use of the Unit to which they are attached.
2. Entrance walks. The entrance walks attached to each building shall be Limited Common Elements for the joint use of all of the Units located in the building.
3. Entrance doors and outside windows (glass). The entrance doors and windows, including glass facing the exterior of the Units, are Limited Common Elements for the exclusive use of the Unit in which they are attached.

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EXHIBIT C

**Voting Rights:** Each Unit shall have one vote, with the total number of votes being equal to the total number of Units.

**Undivided Interest in Common Elements and Liability for Common Expenses:** Undivided interest in the common area shall be allocated equally such that each Unit shall have a fractional interest in the Common Elements, such fraction having "1" as the numerator, and having as the denominator, a number equal to the total number of Units.

Liability for Common Expenses shall be allocated among the Units as follows:

1. Each Unit shall be metered separately for water and sewer, and Unit Owners shall be required to pay for each month's usage.

2. Each Unit's liability for Common Expenses shall be determined by the total amount of estimated Common Expenses divided by the total number of Units, with one-twelfth (1/12) of that amount due monthly from each Unit.

Such interests shall be reallocated according to this formula as new Units are brought into the Condominium pursuant to Declarant's Development Rights.

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EXHIBIT D

LIENS, DEFECTS, AND ENCUMBRANCES

1. There is an outstanding deed of trust in favor of Branch Banking and Trust Company recorded in Book 1523, Page 423, Pitt County Registry. Each Unit will be released from this deed of trust at closing.
2. Building and zoning laws and ordinances of the City of Greenville and state and federal regulations.
3. The provisions of Articles of Incorporation, Declaration and Bylaws of TARA CONDOMINIUMS..
4. The Condominium plans.
5. Existing streets, alleys, restrictions, utility easements and other easements of record, if any.
6. The provisions of North Carolina General Statutes, Chapter 47C.
7. Current ad valorem taxes of the City of Greenville and Pitt County.



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EXHIBIT E

RULES AND REGULATIONS OF TARA CONDOMINIUMS

1. Subject to the provisions of Section 5.9 of the Declaration, dogs, cats and other household pets are allowed, provided they shall not disturb or annoy residents. The City of Greenville leash law shall be adhered to; that is, pets shall not run free. If pets are walked on the common area, the owner must scoop the poop and dispose of same in the trash container. Dogs may not be walked near shrubbery or air conditioner condensers. Pets will be reported to the City of Greenville Animal Control Officer if unleashed.
2. Only passenger cars and/or trucks of one-quarter ton capacity or less shall be permitted to utilize parking spaces. Boats, trailers, recreational vehicles and large trucks exceeding one-quarter ton capacity are expressly prohibited. Parking of any kind shall be prohibited except in parking spaces designated as such. No parking is allowed in front of the dumpsters or in turnaround areas. No unlicensed vehicles shall be allowed on the premises. No maintenance of vehicles is allowed on the premises.
3. Children are not to play in and around the mailboxes. Parents will be responsible for replacing any common property damaged or destroyed by their children. The common grounds may be used for playing so long as it does not destroy grass or plantings and is not too loud so as to be an annoyance or nuisance to the neighborhood. No playground equipment should be erected on common grounds by residents.
4. Items may not be stored in or on Common Elements.
5. No yard sales will be allowed.
6. Radios, stereos, televisions or pets must not be louder than normal conversation level in a Unit with its doors or windows open. Patio or balcony usage must be monitored so that noise is not above normal conversational level. Loud noises must be avoided at all times, but especially between the hours of 11:00 P.M. and 8:00 A.M.
7. Committees may be established by the Board of Directors. The Board of Directors is authorized to adopt rules regarding use of the premises, which rules may be enforced as set out herein.
8. Use of recreational facilities (the swimming pool and clubhouse) is subject to the following:
  - (a) At the beginning of the pool season notice will be posted at the clubhouse regarding pool opening and days and times of admittance.
  - (b) Use of recreation facilities is restricted to Unit Owners and Occupants of Tara Condominiums and their guests. Neither Unit Owners, Occupants, nor their guests shall have pool or clubhouse privileges if Association dues and assessments for their Unit are delinquent. Persons wishing to use the recreation facilities must sign in with the clubhouse

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manager upon arrival. A list of Units with delinquent dues and assessments will be kept by the clubhouse manager.

(c) Unit Owners shall be issued an access card. Upon application to the Board, a Unit Owner who does not occupy his or her Unit may obtain an additional access card for use of the Unit's Occupant.

(d) A maximum of four (4) guests per Unit will be allowed on a limited basis. All guests must be accompanied by a Unit Owner or Occupant at all times while at the pool or clubhouse. Abuse of guest privileges may result in loss of pool and clubhouse facilities and/or a fine of \$25.00 for the first violation, \$50.00 for a second violation, \$100.00 for a third violation, and \$200.00 for any subsequent violation. Any unpaid fines shall be an additional added assessment on the violator's Unit. No person whose pool and clubhouse privileges have been suspended for any reason may be a guest of any other person with privileges.

(e) A Unit Owner or Occupant eighteen (18) years of age or older must be present and responsible for guest or resident children under the age of sixteen (16).

(f) Children in diapers are not permitted in the pool unless diapers are covered with rubber/plastic pants or are specially designed for submersion in water. Diapers may not be disposed of at the pool site. They must be taken with the resident when leaving the pool. Plastic bags will be available from the club manager. The pool must be closed and sanitized if contaminated by feces; because this is expensive and prevents other Unit Owners, Occupants, and their guests from using the pool, violators will be instructed to leave the pool area until they comply with this rule. Repeat violators will lose pool privileges, and those privileges may be reinstated only upon application to and approval by the Board.

(g) Persons with infections or contagious health conditions must not use the pool. Swimmers with skin lesions, inflamed eyes, or discharge from the nose or ears, open blister or cuts will not be permitted to enter the water. No bandages are allowed in the water.

(h) ALL PERSONS USING THE POOL FACILITIES DO SO AT THEIR OWN RISK. No lifeguard will be on duty. During inclement weather, such as lightening or thunder, or other conditions hazardous to swimmers, the clubhouse manager is authorized to close the pool. Under such conditions, everyone is required to leave the pool area. The clubhouse manager has the authority to use his or her own discretion to maintain pool safety and etiquette, but neither the Declarant nor the Association shall be liable for injuries sustained by persons using the pool or pool area.

(i) Posted rules are to be observed at all times. The rules should be consulted frequently as they are subject to change.

(j) Proper swimming attire is required at all times. No cutoffs are permitted in pool. Wet swimsuits are not allowed in the clubhouse.

(k) Screaming, boisterous conduct, unnecessary splashing and throwing a ball or other objects in the pool or pool area are not permitted.

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(l) Life preservers, when worn for safety, are permitted in the pool. Other flotation devices are only allowed at the clubhouse manager's discretion.

(m) Food is permitted on the deck area only and may not be eaten at the pool's edge or in the water. No alcoholic beverages are permitted in the pool area.

(n) No glass containers are permitted in the pool area.

(o) Persons suspected of being under the influence of drugs or alcohol shall be prohibited from entering the pool area.

(p) Trash must be disposed of in the receptacles provided, and recyclable items should be placed in the proper containers.

(q) Smoking is permitted only in designated areas. Smokers must use an ashtray and discard smoking debris properly.

(r) Radios and tape players may be used in the pool area only with individual headphones.

(s) Animals, with the exception of service animals (such as seeing-eye dogs), are not permitted in the pool area or in the clubhouse.

(t) Pool furniture must remain within the pool area. Additional furniture may be brought to be used at the pool, but must be taken out of the pool area before closing each night. Clubhouse furniture may not be used in the pool area.

(u) Replacement or repair costs for any damaged pool or clubhouse property will be charged to the person or persons responsible. Parents are responsible for any damage caused by their children, and Unit Owners and Occupants are responsible for any damage caused by their guests.

(v) All injuries must be reported to the clubhouse manager immediately.

(w) Any Unit Owner or Occupant wishing to use the pool and/or clubhouse facilities for special events must contact the management office and make reservations. The Association may require a refundable deposit to cover cleaning expenses and repair expenses. If actual expenses exceed the amount of the deposit, the excess will be charged to the responsible Unit Owner or Occupant.

9. A storm door may be placed and maintained on the front entrance provided that it is a heavy-duty, door of same kind, color and make approved by the Association.

10. No flower boxes are permitted on front windows. No gardens are allowed on common areas.

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11. After conveyance of each respective Unit to a nonsignatory, no signs or billboards shall be erected or maintained on the said Unit. No mini-bikes, motorbikes or vehicles of any kind will be used on lawns, common areas, unpaved streets or undeveloped areas.

12. In an effort to preserve the integrity of every Unit Owner, the Board is to establish penalties for the infraction of the rules and regulations of Tara Condominiums. The Board is empowered to suspend voting rights and to impose financial penalties in the case of those who disregard rules or these rules and regulations after a request for compliance has been made. Unit Owners are responsible for the actions of their dependents, guests and lessees.

13. Residents must park in assigned parking spaces. Visitor spaces are for use only by visitors and not residents. Resident vehicles in excess of the assigned spaces should be parked on the street.

14. Every Occupant, whether a Unit Owner or the lessee of a Unit Owner, is required to abide by these Covenants which are incorporated into the lease and furnished to all renters by the Association.