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Prepared by and return to Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

PINs:

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**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AND THE FLAG OF THE STATE OF NORTH CAROLINA.**

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

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**STATE OF NORTH CAROLINA**

**COUNTY OF CHATHAM**

**DECLARATION OF MOSAIC LOT 6 CONDOMINIUM**

THIS DECLARATION OF MOSAIC LOT 6 CONDOMINIUM is made this 10<sup>th</sup> day of April, 2023, by MOSAIC LOT 6 LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant"). Declarant hereby states and declares as follows:

WITNESSETH:

WHEREAS, now Declarant desires to protect the value and the desirability of the real property described on Exhibit A and the improvements located thereon (collectively, the "Property"), further a plan for condominium ownership of the Property, create a harmonious and attractive mixed use development, and promote and safeguard the health, comfort, safety, convenience and welfare of the owners of the condominium units;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the Property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

## ARTICLE I

### DEFINITIONS

The capitalized terms used in this Declaration and in the Exhibits hereto shall have the meanings stated in the North Carolina Condominium Act and as follows, unless the context otherwise requires:

Act or North Carolina Condominium Act means the North Carolina Condominium Act as currently set forth in N.C.G.S. Chapter 47C, Articles 1 through 4, as amended.

Additional Association means a condominium association or other property owners association, if any, having jurisdiction over any portion of the Property concurrent with, but subject to, the jurisdiction of the Association.

Articles or Articles of Incorporation means the articles of incorporation filed with the Office of the North Carolina Secretary of State which establishes Mosaic Lot 6 Condominium Association, Inc. as a North Carolina not-for-profit corporation.

Association means the Unit Owners' association as defined by the Act, and also means the Mosaic Lot 6 Condominium Association, Inc., the not-for-profit corporation by which the Unit Owners' association shall operate the Condominium.

Board or Executive Board means the group of persons selected, authorized and directed to operate the Association as provided by the Act, this Declaration and the Bylaws.

Building means the physical structure located within the Property containing Commercial Units, Residential Units and certain Common Elements. The location of the Building is shown on the Plans.

Bylaws means the bylaws of the Association which, with this Declaration and the Articles of Incorporation of the Association, describe the powers and functions of the Association, and which from time to time may be amended by the Association. Rules of conduct of the Association shall be attached to the Bylaws as an appendix.

Chatham Park, Chatham Park Planned Development District, or Chatham Park PDD means all of the real property from time to time included in a planned development district zoning adopted by the Town of Pittsboro, whether or not such real property has been subjected to this Declaration or to the Residential Declaration. Such real property generally is described or depicted in a "Master Plan" adopted by the Town of Pittsboro as part of the zoning of Chatham Park PDD.

Chatham Park Declaration means that Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties, recorded in Book 2105, Page 0322, Chatham County Registry, as amended, modified, and supplemented from time to time in accordance with its terms.

Commercial Tenant means a lessee or sublessee of a Commercial Unit or any portion of a Commercial Unit.

Commercial Unit means any Unit that is not a Residential Unit. The term Commercial Unit can include the Office Units and the Retail Units as the context may require.

Common Elements means all portions of the Condominium other than the Units. For purposes of this Declaration and to facilitate the management and operation of the Condominium by the Association and the Residential Association, those portions of the Master Residential Unit which are common elements in the Residential Condominium shall be deemed to be Common Elements under this Declaration. Common Elements are further defined in Article IV of this Declaration.

Common Expenses means the expenses for which the Unit Owners are liable to the Association consisting of expenditures made by, or financial liabilities of, the Association including, but not limited to, expenses of administration, maintenance, insurance, operations, repair or replacement of the Common Elements, allocations to general operating reserves and any authorized additions thereto, any amount for general working capital and general operating reserves, amounts for a reserve fund for replacements, and to make up any deficit in assessments for Common Expenses for any prior year and any expense or liability covered by the levy of a special assessment. Without limiting the generality of the foregoing provisions, the term "Common Expenses" shall include all assessments applicable to the Property, but not billed specifically to a Unit, under the Covenant to Share Costs, the Chatham Park Declaration as well as under the Community Declaration.

Common Interest means each Unit Owner's undivided interest in the Common Elements which is appurtenant to each Unit, and each Unit Owner's proportionate share in the revenues, if any, and Common Expenses; and, for Commercial Unit Owners, also the proportionate representation for voting purposes in meetings of the Association. The proportionate representation allocated to each Residential Unit for voting purposes is calculated differently than for the Commercial Units as set forth in the below definition of Voting Interest. However, from time to time in the Condominium Documents the term "Common Interest" may be used to refer to the aggregate voting rights in the Association generally where a vote of the Association's membership is relevant.

Community means the real property subject to that certain Community Declaration, which real property includes the Property.

Community Association means the property owner's association formed pursuant to the Community Declaration, which is known as Mosaic Master Owners Association, Inc. by the Community Declaration.

Community Declaration means that certain Master Declaration of Covenants, Conditions, and Restrictions for Mosaic recorded in Book 2123, Page 322, Chatham County Registry, as amended, modified and supplemented from time to time in accordance with its terms.

Co-owner means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns a Unit, and in the case of the Residential Units created by the Residential Declaration, the term Co-owner shall extend and apply to such person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns a Residential Unit. The term "Owner" or "Co-owner" shall have the same connotation as the term "Unit Owner" as used in the Act.

Condominium means the real estate described in Exhibit A, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the Owners of those portions.

Condominium Documents means collectively this Declaration, the Residential Declaration, and the Articles of Incorporation, Bylaws, and the rules of conduct for the Association, the Office Association, the Retail Association, and the Residential Association.

Covenant to Share Costs means that Declaration of Easements and Covenant to Share Costs for Chatham Park, recorded in Book 2098, Page 0836, Chatham County Registry, as amended, modified and supplemented from time to time in accordance with its terms.

Declarant means Mosaic Lot 6 LLC, a North Carolina limited liability company, with its principal place of business located in Chatham County, North Carolina, and its successors and assigns.

Declaration means this Declaration of Mosaic Lot 6 Condominium, as it may be amended from time to time, which shall be recorded in the Chatham County Registry together with the Plans, thereby establishing Mosaic Lot 6 Condominium by subjecting the Property to the Act.

Development Rights means and refers to the rights preserved by Declarant in Article XIII of this Declaration.

Eligible Holder means any holder, insurer or guarantor of a mortgage upon a Unit (i) which has been identified as such in writing by a Unit Owner to the Association or (ii) which has given to the Association a written notice stating the name and address of such Eligible Holder and specifying the Unit on which it has a mortgage.

Environmental Laws means all now existing or hereafter enacted or issued Legal Requirements pertaining to environmental matters or regulating, prohibiting or otherwise having to do with asbestos, lead and all other toxic, radioactive, or Hazardous Substances including, but not limited to, the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended.

Hazardous Substances means biologically active or other toxic or hazardous substances, wastes, or materials (including flammables), or any other substance that is prohibited, limited or



regulated by any governmental authority, or that, even if not so regulated, could or does pose a hazard to health and safety of the occupants of the Unit or surrounding property.

Legal Requirement means any or all of the following, as applicable: any law, ordinance, regulation, policy or other requirement of any governmental authority having jurisdiction over the Property or any portion thereof, and specifically including the following: the applicable Town of Pittsboro zoning for the Property; the Chatham Park Master Plan; all “Additional Elements” (as defined in the Master Plan) for Chatham Park adopted by the Town of Pittsboro, any applicable “Small Area Plan” (as defined in the Master Plan) adopted by the Town of Pittsboro for any portion of the Property; and any Development Agreement applicable to the Property adopted by the Town of Pittsboro in accordance with N.C.G.S. § 160A-400.20 *et seq.* (or any successor statute). Legal Requirements apply to the exercise of all rights or the taking of all actions under this Declaration by Declarant, the Association, the Residential Association or any other person, whether or not this Declaration states that a specific right or action is subject to a Legal Requirement or must be exercised or taken in accordance with any Legal Requirement.

Limited Common Elements or LCEs means the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of N.C.G.S. §§ 47C-2-102(2) and (4). For purposes of this Declaration and to facilitate the management and operation of the Condominium by the Association and the Residential Association, those portions of the Master Residential Unit which are limited common elements in the Residential Condominium shall be deemed to be Limited Common Elements under this Declaration.

Master Residential Unit means the Unit or Units which will be encumbered by a separate declaration of condominium for the purpose of creating Residential Units within such Master Residential Unit. The location of the Master Residential Unit is shown in detail on the Plans.

Office Association means the Mosaic Lot 6 Office Association, Inc., a North Carolina nonprofit corporation organized for the purpose of administering certain aspects of the Office Section as set forth in the Condominium Documents.

Office LCE means a Limited Common Element allocated for the exclusive use of one or more of the Office Units.

Office Section means the portion of the Condominium comprised of the Office Units and the Office LCEs.

Office Unit means any Unit that is intended for general office use, and which cannot be used for residential purposes. The locations of the Office Units are shown in detail on the Plans.

Office Unit Owner or Office Owner means an Owner of an Office Unit.

Owner or Unit Owner has the same definition as Co-owner.

Parking Plan is the plan which shall be maintained by the Association for purposes of showing the location of the Parking Spaces which are Limited Common Elements allocated to the various Units and Sections as more particularly described herein.

Parking Space means a vehicular parking space in the Condominium.

Parking Zone means a portion of the Parking Spaces within the Condominium which is allocated to the use of a particular Section.

Period of Declarant Control or Declarant Control Period means the period during which the Declarant shall control the Association, which period shall commence on the date hereof and continue until the earlier of (i) 120 days after conveyance of seventy-five percent (75%) of the Units (including Units that may be created pursuant to an exercise of Special Declarant Rights) to Unit Owners other than Declarant; (ii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iii) two years after any development right to add new Units was last exercised; or (iv) the date upon which Declarant voluntarily surrenders control of the Condominium to the Association.

Plans means the survey of the Property and the plans and specifications for the Condominium. The Plans consist of 10 sheets and are recorded in the Chatham County Registry in Condominium Book 1, Pages 106 through 115, inclusive. The Plans are hereby incorporated herein by reference as if the same were attached hereto.

Property means and includes the underlying land, the Building, all other improvements and structures thereon, as described in Exhibit A attached hereto and incorporated herein by reference, and all easements, rights and appurtenances belonging thereto.

Related Party means a party's managers, members, shareholders, officers, directors, employees, agents, attorneys, successors and assigns and affiliates.

Residential Area means collectively the common elements of the Residential Condominium and the Residential LCEs.

Residential Association means the Mosaic Lot 6 Residential Association, Inc., a North Carolina nonprofit corporation organized for the purpose of administering certain aspects of the Residential Section as set forth in the Condominium Documents.

Residential Condominium means the separate declaration of condominium recorded immediately after this Declaration which encumbers the Master Residential Unit or a part thereof, and which creates the Residential Units.

Residential Declaration means the Declaration of Mosaic Lot 6 Residential Condominium which encumbers the Master Residential Unit as created by this Declaration, and which, together with the Residential Plans, creates the Residential Units. The Residential Declaration is to be recorded immediately after this Declaration and is hereby incorporated herein by reference as if the same were attached hereto.

Residential LCE means a Limited Common Element allocated for the exclusive use of one or more of the Residential Units which lies outside the Residential Condominium. The Plans and the Residential Plans locate certain Residential LCEs with particularity, including the Rooftop Terrace, Residential Parking Area and Residential Storage Area.

Residential Plans means the survey of the Master Residential Unit, and the plans and specifications for the Residential Condominium. The Residential Plans consist of 10 sheets and are recorded in the Chatham County Registry in Condominium Book 1, Pages 106 through 115, inclusive. The Residential Plans are hereby incorporated herein by reference as if the same were attached hereto.

Residential Section means the portion of the Condominium comprised of the Master Residential Unit, which will contain the Residential Units and the Residential LCEs.

Residential Unit means any unit within the Residential Condominium that is intended for, and restricted to, Residential use. The Residential Units will be created by the filing of the separate Residential Condominium to encumber the Master Residential Unit. The locations of the Residential Units are shown in detail on the Residential Plans.

Residential Unit Owner or Residential Owner means an Owner of a Residential Unit. These definitions shall not mean or apply to the owner of the Master Residential Unit, if any.

Retail Association means the Mosaic Lot 6 Retail Association, Inc., a North Carolina nonprofit corporation organized for the purpose of administering certain aspects of the Retail Section as set forth in the Condominium Documents.

Retail LCE means a Limited Common Element allocated for the exclusive use of one or more of the Retail Units.

Retail Section means the portion of the Condominium comprised of the Retail Units and the Retail LCEs.

Retail Unit means any unit that is intended for general retail or restaurant use, and which cannot be used for residential purposes. The locations of the Retail Units are shown in detail on the Plans.

Retail Unit Owner or Retail Owner means an Owner of a Retail Unit.

Rooftop Terrace means the exterior rooftop terrace located on the roof of the Building as shown on the Plans. The Rooftop Terrace is a Residential LCE.

Section shall mean a portion of the Condominium comprised of a particular use and shall include the Units and the Limited Common Elements allocated to those Units which are within that use, as shown on the Plans. There are, or will be, three Sections within the Condominium: the Office Section, the Retail Section, and the Residential Section.

Section Associations refer collectively to the Office Association, the Retail Association, and the Residential Association. When used singularly, "Section Association" shall refer to the Office Association, the Retail Association, or the Residential Association as the context may require.

Section Board means the group of persons selected, authorized and directed to operate the Section Association as provided in the Condominium Documents. The terms "Office," "Retail,"

and “Residential” used in conjunction with the term “Section Board” or “Board” shall refer to the Section Board for that particular Section.

Section Common Expenses means the expenses for which the Unit Owners are liable to their Section Associations consisting of expenditures made by, or financial liabilities of, the Section Association including, but not limited to, expenses of administration, maintenance, insurance, operations, repair or replacement of any Limited Common Elements, allocations to general operating reserves and any authorized additions thereto, any amount for general working capital and general operating reserves, amounts for a reserve fund for replacements, and to make up any deficit in assessments for Section Common Expenses for any prior year and any expense or liability covered by the levy of a special assessment. The terms “Office,” “Retail,” and “Residential” used in conjunction with the term “Section Common Expenses” shall refer to the Section Common Expenses for that particular Section.

Section Common Interest means each Unit Owner’s proportionate share in the revenues, if any, and Section Common Expenses, and, for Commercial Units only, the proportionate representation for voting purposes in meetings of their Section Association. The terms “Office,” “Retail,” and “Residential” used in conjunction with the term “Section Common Interest” shall refer to the Section Common Interest for that particular Section.

Signage Plan means the plan for the signage of the Condominium as developed by the Declarant and maintained by the Association.

Special Declarant Rights means all of Declarant’s reserved rights as defined in the Act and in this Declaration.

Storage Area means the storage units located within the Condominium as shown on the Plans.

Storage Unit means a storage unit within the Storage Area which is allocated to the use of a particular Section.

Unit or Condominium Unit means the physical portions of the Condominium which are designated for separate ownership, the boundaries of which are described in Section 3.3 hereof and which are shown on the Plans. Except as otherwise expressly provided, this definition shall extend and apply to Residential Units which are created by the separate Residential Declaration recorded immediately after this Declaration, and which are intended to be an integral part of the Mosaic common interest community.

Voting Interest means the interest allocated to each Residential Unit for the purposes of voting in the Association. The Voting Interest allocated to each Residential Unit is different than the Common Interest allocated to each Residential Unit, as further described in Exhibit B. The Voting interest allocated to each Commercial Unit is equal to each Commercial Unit’s Common Interest as further described in Exhibit B.

Notwithstanding the foregoing definitions, all definitions set forth in N.C.G.S. § 47C- 1-103 are hereby incorporated by reference and the terms defined therein shall have the meanings set forth therein when used in this Declaration or in other Condominium Documents, unless the

applicable terms are expressly defined otherwise in this Declaration or unless the context otherwise plainly requires a different meaning.

## ARTICLE II

### SUBMISSION OF PROPERTY TO CONDOMINIUM ACT

2.1 Submission of Property. Declarant hereby submits the Property to the provisions of the Act. The Property will be administered in accordance with the provisions of the Act and the Condominium Documents.

2.2 Condominium Name. The name of the Condominium shall be "Mosaic Lot 6 Condominium".

2.3 Plats and Plans. The Property is located in the Town of Pittsboro, Chatham County, North Carolina and is legally described on the attached Exhibit A. The Property is more particularly shown on the Plans. The improvements on the Property have been constructed in accordance with certain architectural plans which are filed as part of the Plans.

2.4 Association Membership. Each Owner shall be a member of the Association. An Owner shall be entitled to a vote in the Association for each Unit owned in accordance with the Common Interests. The Office Owners shall also be members of the Office Association. The Retail Owners shall also be members of the Retail Association. The Residential Owners shall also be members of the Residential Association.

2.5 Special Declarant Rights. Declarant reserves the following Special Declarant Rights as to the entirety of the Property:

- (a) To complete any and all improvements indicated on the Plans;
- (b) To construct and maintain any sales office, management office, or model or guest rooms in any of the Units owned by Declarant or its affiliate or on any of the Common Elements shown on the Plans;
- (c) To exercise any Development Rights;
- (d) During the Period of Declarant Control, to appoint and remove any officers or Executive Board members or Section Association Board members; provided, however, that: (i) not later than sixty (60) days after the conveyance of 25% of the Units (including Units which may be created pursuant to Declarant's Special Declarant Rights) to Owners other than Declarant, at least one (1) member and not less than 25% of the Members of the Executive Board shall be elected by Owners other than Declarant; and (ii) not later than sixty (60) days after conveyance of 50% of the Units (including Units which may be created pursuant to Declarant's Special Declarant Rights) to Owners other than Declarant, not less than 33% of the members of the Executive Board shall be elected by Owners other the Declarant;

(e) To use those easements through any Common Elements which are reasonably necessary for the purpose of making any improvement to the Condominium or otherwise necessary for the exercise of these Special Declarant Rights or otherwise discharging its obligations or rights hereunder;

(f) To place "For Sale" or "For Rent" signs advertising Units on any part of the Common Elements or within any Units owned by the Declarant;

(g) To assign, collaterally or otherwise, in whole or in part, to its successors in title, any of Declarant's Units hereunder, or to its agent, or to an independent third party, or to the Association, any of the rights reserved in this Declaration, including these Special Declarant Rights. All references to Declarant and Declarant's rights hereunder shall be deemed to include any specific assignee of Declarant;

(h) The right to reserve Declarant Parking Spaces;

(i) The right to reserve Declarant Storage Units; and

(j) The right to exercise any other rights granted to or reserved by Declarant in the Condominium Documents expressly including, without limitation, the Development Rights.

These Special Declarant Rights shall expire at the earlier of: 1) the date that is fifty (50) years following the date of recording of this Declaration; or 2) at such time as Declarant may determine by recording an instrument to that effect. Notwithstanding the expiration of the Special Declarant Rights, the Declarant may retain ownership of any number of the Units for any amount of time. Certain of the aforementioned Special Declarant Rights are further described in more detail in other Articles of this Declaration. The Special Declarant Rights may be exercised by Declarant at Declarant's sole discretion without the consent of the Association or any Section Association or Unit Owner.

Declarant may transfer any Special Declarant Rights created or reserved hereunder to any person or entity by an instrument evidencing the transfer duly recorded in the office of the Register of Deeds of Chatham County, North Carolina. The instrument shall not be effective unless it is executed by the transferor and the transferee. Upon the transfer of any Special Declarant Rights, the liability of the transferor and the transferee shall be as set forth in N.C.G.S. §47C-3-104.

2.6 Master Condominium Concept. This Declaration establishes a "master" condominium which contains different Units intended for different uses. One of the Units created by this Declaration is the Master Residential Unit, which is the portion of the Property designated to contain Residential Units. The Residential Units will be created by the recording of the Residential Declaration in the Chatham County Registry immediately after this Declaration. This Declaration is intended to facilitate the governance and operation of the entire Condominium, and how the uses relate to each other within the development. The Residential Declaration is intended to facilitate the governance and operation of the Residential portion of the development. By virtue of owning a Residential Unit within the Residential Master Unit, and by virtue of the provisions of this Declaration and the Bylaws of the Association, Residential Owners share certain Common Expenses and have Voting Interests in the Association. The Commercial Units may be subdivided into individual office and/or retail Units as provided in Article X and XIII in this Declaration.

2.7 Condominium Subject to Matters of Record. The Units and the Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use thereof and setting forth the obligations and responsibilities incident to ownership of each Unit and its Common Interest, and said Units and Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Property, including, without limitation, assessment obligations, architectural controls and use restrictions set forth in the Chatham Park Declaration, the Community Declaration and in the Covenant to Share Costs. Listed on Exhibit C attached hereto is the recording data for all restrictions, easements and licenses which have been recorded prior to this Declaration and which now affect the Condominium.

### ARTICLE III

#### DESCRIPTION OF UNITS

3.1 Number of Units. There are hereby created by the recording of this Declaration the following numbers and types of Units, each of which are hereby designated for separate ownership:

One (1) Master Residential Unit;  
Two (2) Office Units; and  
One (1) Retail Unit.

Declarant hereby reserves the right to add a maximum of fifty-one (51) additional Units to the Condominium for a total maximum of fifty-five (55) Units, comprised of a maximum of eleven (11) Residential Units and forty-three (43) Commercial Units. The Master Residential Unit, the Office Units, and the Retail Units may be subdivided according to the procedures and limitations established by this Declaration, and in that case, there may be more total Units than the maximum number that Declarant has initially declared or reserved the right to build. Upon amending this Declaration to add Units, the attached Exhibit B will be revised to reflect the reallocation of Common Interests. Identifying Unit numbers are also shown on the Plans.

3.2 General Description of Units. The Plans show the location of the Building and the Units, the Unit boundaries, the Unit number designations, and the Unit boundaries that are further described in Section 3.3 all of which together shall constitute a complete description of the Units within the Condominium. Reference is hereby made to Section 4.3 for a description of the Limited Common Elements appurtenant to certain Units.

3.3 Unit Boundaries. The vertical and horizontal perimetric boundaries of each Unit shall consist of planes in space located and described on the Plans. The boundaries of each Unit are as follows:

(a) Upper Boundary: The horizontal plane of the top surface of the wallboard in the ceilings within each Unit. As depicted on the Plans, the ceilings in certain portions of the Unit may be at different elevations. In such cases, the upper boundary of such Unit shall not be a single horizontal plane but shall vary with the differing finished ceiling elevations within different portions of the Unit.

(b) Lower Boundary: The horizontal plane of the top surface of the subflooring within each Unit. As depicted on the Plans, the floor in certain portions of the Unit may be at different elevations. In such cases, the lower boundary of such Unit shall not be a single horizontal plane but shall vary with the differing finished floor elevations within different portions of the Unit.

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

As provided in N.C.G.S. § 47C-2-102(1), all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the perimeter walls, floors, and ceilings are part of the Unit. As provided in N.C.G.S. § 47C-2-102(2), if any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be a Limited Common Element allocated to that Unit, as provided herein below, and any portion thereof serving more than one Unit, or any portion of the Common Elements, shall be a Common Element.

3.4 Monuments as Boundaries. Notwithstanding the description of the boundaries set forth in this Declaration or anything herein to the contrary, the existing and actual physical boundaries of a Unit or the physical boundaries of a Unit reconstructed in substantial accordance with the description contained in this Declaration are its legal boundaries, rather than the boundaries derived from the description contained in this Declaration, regardless of vertical or lateral movement of the Building or minor variance between those boundaries and the boundaries derived from the description contained in this Declaration. This section does not, however, relieve a Unit Owner of liability for willful misconduct or relieve the Declarant or any other person of liability for failure to adhere to the Plans as set forth herein.

## ARTICLE IV

### COMMON ELEMENTS; LIMITED COMMON ELEMENTS

4.1 Common Elements. The real estate which comprises the Common Elements as of the recording of this Declaration is all of the Property except the Units, including without limitation, improvements on the Property and outside the building such as sidewalks, steps, walkways, and related streetscape improvements. For purposes of this Declaration and to facilitate the management and operation of the Condominium by the Association and the Section Associations, those portions of the Master Residential Unit which are designated common elements in the Residential Condominium shall be deemed to be Common Elements under this Declaration. In addition to all of the rights reserved to Declarant hereunder, Declarant specifically reserves the right to improve, upgrade, expand, modify and enlarge the Common Elements, including the addition of certain easement rights in favor of Declarant.

4.2 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if the Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty



percent (80%) of the votes allocated to Units not owned by Declarant, agree to that action; provided, that all the Unit Owners to which any Limited Common Element is allocated must agree in order to convey such Limited Common Element or subject it to a security interest. The procedure for conveying or encumbering a portion of the Common Elements and distributing the proceeds, if any, shall be that set forth in N.C.G.S. § 47C-3-112. Notwithstanding the foregoing, Declarant Parking Spaces and Declarant Storage Units are not subject to the restrictions on conveyance or encumbrance set forth in this Section 4.2.

4.3 Limited Common Elements. The Limited Common Elements are identified and allocated as follows:

(a) General Rules.

(i) The Limited Common Elements specified in N.C.G.S. § 47C-2-102(2) (being any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit, or any portion thereof serving only that Unit) are allocated to the Units served by those Limited Common Elements.

(ii) The Limited Common Elements specified in N.C.G.S. § 47C-2-102(4) (being any shutter, awning, window box, doorstep, stoop, deck, porch, balcony, patio and all exterior doors, windows or other fixtures designated to serve a single Unit but located outside the Unit's boundaries) are allocated to the Units served by those Limited Common Elements.

(b) Section LCEs. All portions of the Condominium that exclusively benefit and serve the Office Units, Retail Units, or the Residential Units shall be Office LCEs, Retail LCEs, or Residential LCEs, respectively. The Section LCEs include, but are not limited to (i) those Limited Common Elements which serve a Section exclusively, (ii) those areas labeled on the Plans as Office LCEs, Retail LCEs, or Residential LCEs, (iii) any portions of heating, ventilation and air conditioning systems, including fans, compressors, return air grills and thermostats, whether located inside or outside the designated boundaries of either the Office Unit, Retail Unit or Residential Unit, but serving exclusively that Unit shall be a LCE allocated exclusively to the Unit or Units served, and (iv) any lobbies, stairwells, hallways, storage areas, elevator shafts, mechanical closets or other areas that serve a Section's Units exclusively. Any Section LCE that serves exclusively one or more, but fewer than all, of that Section's Units shall be allocated to those Section Units so served. Residential LCEs include the Rooftop Terrace, the exclusive Residential Parking Spaces (defined herein below in Section 4.3(c) and the exclusive Residential Storage Units (defined herein below in Section 4.3(d)). Other Residential LCEs are located on the Basement floor including the Residential Bicycle Storage Unit and the Dog Wash Room.

(c) Parking Zones. Parking Spaces in the Condominium are available to all uses on a nonexclusive basis except (i) where specifically allocated as Limited Common Elements to various Sections and Units and as shown on the Parking Plan maintained by the Association, and (ii) where specifically reserved as Declarant Parking Spaces as follows:

(i) Residential Parking Zone. The Residential Parking Zone is a Residential Limited Common Element. Because a portion of the Residential Parking Zone is

located on the adjacent property known as "Lot 14," a perpetual easement right has been granted by the owner of Lot 14 for the exclusive use and benefit of the Residential Units as set out in the Agreement for Access and Parking Easements recorded in Book 2257, Page 401, as amended by the First Amendment to Agreement of Access and Parking Easements recorded in Book 2348, Page, 1065, Chatham County Registry. There are sixteen (16) parking spaces in the Residential Parking Zone that are reserved for the exclusive use of the Declarant and/or Residential Owners. Eleven (11) Residential Units are allocated thirteen (13) Parking Spaces with at least one (1) Parking Space each, serving only that Residential Unit. Two (2) Residential Units (Units 309 and 310) are allocated two (2) Parking Spaces each and nine (9) Residential Units (Units 301-308 and Unit 311) are allocated one (1) Parking Space each. Once a Parking Space has been allocated as a Limited Common Element to a particular Residential Unit, that Parking Space may not be transferred by the Residential Owner of that Residential Unit except in connection with a conveyance of his Residential Unit, or a conveyance to another Residential Owner pursuant to N.C.G.S. § 47C-2-108(b), and any such attempted transfer in violation of this provision shall be null and void. The Association shall amend the Parking Plan to reflect any transfers permitted by N.C.G.S. § 47C-2-108(b), at the cost of the Residential Owners requesting the same. Attached as an exhibit to the Residential Declaration is a table showing which Parking Spaces are allocated to which Residential Units.

(ii) Declarant Parking Spaces. Subject to the provisions of Section 2.5, Declarant reserves the right to use any Parking Spaces located within the Residential Parking Zone and not allocated as a Limited Common Element to a Residential Unit ("Declarant Parking Spaces") pursuant to Declarant's exercise of its Special Declarant Rights at no charge to the Declarant. The Declarant may use the Declarant Parking Spaces for any reasonable purpose, including without limitation transferring any Declarant Parking Spaces to Unit Owners or exchanging any Declarant Parking Spaces for other Parking Spaces as is reasonably necessary to support Declarant's exercise of its Special Declarant Rights. Declarant's right to use the Declarant Parking Spaces shall terminate upon the earlier of: (i) the expiration of Declarant's Special Declarant Rights, or (ii) at Declarant's election. Upon the termination of the Declarant Parking Spaces, if any, the Declarant Parking Spaces and the rights of the Declarant in and to the Declarant Parking Spaces described in this Section 4.3(c)(ii), shall be assigned to and assumed by the Residential Association.

(d) Storage Units. Storage Units in the Condominium are available to all uses on a nonexclusive basis except (i) where specifically allocated as Limited Common Elements to various Sections and Units and as shown on the Plans, and (ii) where specifically reserved as Declarant Storage Units as follows:

(i) Residential Storage Units. The Storage Units located in the Residential Storage Area are reserved for the exclusive use of the Residential Owners. Each Residential Unit is allocated at least one (1) Storage Unit serving only that Residential Unit. Unit 310 is allocated two (2) Storage Units. Once a Storage Unit has been allocated as a Limited Common Element to a particular Residential Unit, that Storage Unit may not be transferred by the Residential Owner of that Residential Unit except in connection with a conveyance of his Residential Unit, or a conveyance to another Residential Owner pursuant to N.C.G.S. § 47C-2-108(b), and any such attempted transfer in violation of this provision shall be null and void.

Attached as an exhibit to the Residential Declaration is a table showing which Storage Units are allocated to which Residential Units.

(ii) Declarant Storage Units. Subject to the provisions of Section 2.5, Declarant reserves the right to use any Storage Units located within the Condominium and not allocated as a Limited Common Element to a specific Section or Unit (“Declarant Storage Units”) pursuant to Declarant’s exercise of its Special Declarant Rights at no charge to the Declarant. The Declarant may use the Declarant Storage Units for any reasonable purpose, including without limitation transferring any Declarant Storage Units to Unit Owners or exchanging any Declarant Storage Units for other Storage Units as is reasonably necessary to support Declarant’s exercise of its Special Declarant Rights. Declarant’s right to use the Declarant Storage Units shall terminate upon the earlier of: (i) the expiration of Declarant’s Special Declarant Rights, or (ii) at Declarant’s election. Upon the termination of the Declarant Storage Units, if any, the Declarant Storage Units and the rights of the Declarant in and to the Declarant Storage Units described in this Section 4.3(d)(ii), shall be assigned to and assumed by the Office Association.

4.4 Reallocation of Limited Common Elements by Declarant. All parking areas, storage areas and other areas designated on the Plans as Limited Common Elements and not otherwise allocated to a specific Unit shall be deemed Limited Common Elements allocated to all Units, available to all Unit Owners on a nonexclusive basis provided, however, such LCE’s are subject to Declarant’s rights as described herein. Notwithstanding the foregoing, Declarant may allocate all or a portion of such Limited Common Elements by (i) assignment or license to a specific Unit or Units or third party or (ii) reserve the Limited Common Elements to Declarant’s use.

## ARTICLE V

### MAINTENANCE, REPLACEMENT, AND REPAIR

#### 5.1 Unit Owners’ Responsibilities for Maintenance.

- (a) Each Owner shall be responsible for the maintenance and repair of his Unit.
- (b) Each Owner shall be responsible for any damage to his Unit or to any other Unit or any of the Common Elements caused by any action or inaction of that Owner, his lessee, invitee, or agent (i.e., actions other than what is customarily considered normal wear and tear), damage attributable to keeping pets, smoking, and similar kinds of activity, which directly or indirectly causes damage to any other Unit or to any of the Common Elements.
- (c) In the event that the Association determines that any Unit Owner has failed or refused to discharge properly his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under the Declaration, then, in that event, the Association, except in the event of an emergency situation, shall give such Unit Owner written notice of the Association’s intent to provide such necessary maintenance, cleaning, repair, or replacement at such Unit Owner’s sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Unit Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the

event such maintenance, cleaning repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement in a good and workmanlike manner within fifteen (15) days and diligently pursue completion. In the event of emergency situations or the failure of any Unit Owner to comply with the provisions hereof after such notice, the Association may provide any such maintenance, cleaning, repair, or replacement at such Unit Owner's sole cost and expense, and said cost shall be added to and become a part of the assessment to which such Unit Owner and his Unit are subject and shall become a lien against such Unit as provided herein. The Association may delegate some or all of its powers set forth in this Section 5.1(c) to the Section Associations as the Association deems expedient for the management of the Condominium.

5.2 Maintenance of Common Elements. Subject to the other provisions of this Declaration, the general rule is that the Association shall be responsible for the maintenance, replacement and repair of the Common Elements (including the common elements within the Residential Condominium) and the cost for such maintenance, repair or replacement shall be borne by all the Unit Owners pursuant to the Condominium Documents.

The Residential Association shall be responsible for the Residential Areas to the extent such maintenance does not include structural work on the Building or have an impact on areas outside the Residential Areas, in which cases the Association shall be responsible.

5.3 Maintenance of Limited Common Elements.

(a) Subject to the other provisions of this Declaration, the general rule is that the Association shall be responsible for the maintenance, replacement and repair of the Limited Common Elements and the cost for such maintenance, repair or replacement shall be borne by the Unit Owner so benefited by the Limited Common Element, as more specifically set forth in the Bylaws. The Association (not the Section Associations, unless otherwise delegated by the Association) shall be responsible for the exterior maintenance and the repair and replacement of windows in the Building. The Association (not the Section Associations, unless otherwise delegated by the Association) shall be responsible for the maintenance, replacement and repair of the Parking Spaces (including all surface Parking Spaces) and the Storage Area.

(b) Except as expressly provided herein, each Section Association shall be responsible for the maintenance, replacement and repair of their respective Section LCEs and the cost for such maintenance, repair or replacement shall be borne by the Section Owner(s) so benefited.

(c) Each Owner shall be responsible for cleaning the interior surfaces of the windows and doors serving his Unit. Each Residential Owner shall be responsible for the routine cleaning of the balcony serving his Unit.

(d) Retail Owners shall be responsible for the maintenance, repair and replacement of any grease trap or similar facility which serves his Retail Unit.

(e) All Unit Owners shall be directly responsible for the maintenance, repair and replacement of the heating, ventilation and air conditioning systems and any water heating systems which serve their Unit, whether lying within the Unit or outside the Unit.

5.4 Standard for Maintenance, Repair and Replacement. In order to protect the value of the Units in the Condominium, the Common Elements, and the Limited Common Elements, shall be maintained to a standard which is equivalent or better than that of other higher end, first class mixed use developments in the Raleigh-Durham-Chapel Hill, Pittsboro area. All repairs and replacements of Common Elements and Limited Common Elements shall be made in a good and workmanlike manner with a grade of materials and finishes equivalent to or higher than the grade initially installed by Declarant, as may be applicable, and shall be harmonious with and complement the existing architecture and finishes within the Condominium. All work shall be properly permitted and conducted by properly licensed trades as may be applicable. The Executive Board shall be the arbiter as to whether the foregoing standards are met.

5.5 Executive Board to Decide Responsible Parties. If the application of the rules regarding the party responsible for the maintenance, repair, and replacement as set forth in this Article V is unclear as to any specific component of the Condominium, then the Executive Board shall have the authority to determine the responsible party based on a reasonable reading of the Condominium Documents. The Executive Board has the power to delegate the maintenance, repair and replacement responsibilities for Limited Common Elements to the various Section Associations where the members of such Section Associations are benefited by the Limited Common Elements to be maintained, replaced or repaired.

## ARTICLE VI

### USE RESTRICTIONS

6.1 Use Restrictions. It is the intent of the Declarant that the Property be developed and maintained as a first class mixed-use, development. To that end, the following covenants, conditions and restrictions are hereby placed on the Property:

(a) Restrictions Applicable to All Units.

(i) Compliance with Chatham Park Use Restrictions. No portion of the Property shall be used for any use prohibited under the Chatham Park Declaration, as may be amended from time to time, and in the event of a conflict between use restrictions set forth in the Chatham Park Declaration and use restrictions set forth in this Declaration (including without limitation in this Section 6.1 and its subsections), the terms of the Chatham Park Declaration shall be controlling on such topic; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Chatham Park Declaration.

(ii) Compliance with Mosaic Community Use Restrictions. No portion of the Property shall be used for any use prohibited under the Community Declaration, as may be amended from time to time, and in the event of a conflict between use restrictions set forth in the Community Declaration and use restrictions set forth in this Declaration (including without limitation in this Section 6.1 and its subsections), the terms of the Community Declaration shall be controlling on such topic; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Community Declaration.

(iii) Compliance with Laws. The Owners shall each comply with all Legal Requirements.

(iv) Taxes. The Owners shall each make all payments of taxes and other charges, the nonpayment of which entitles the unpaid party to assert a lien on an Owner's property, or if noncompliance or nonpayment by one Owner with respect to his Unit or any part thereof would subject the other Owner to civil or criminal liability, or would jeopardize the full force or effect of any certificate of occupancy issued to such other Owner or for the Building itself or would jeopardize such other Owner's right to occupy or use beneficially his respective Unit or any part thereof, or would result in the imposition of a lien against any other property of an Owner.

(v) Indemnification. Each Owner (hereinafter for the purposes of this subsection, "Indemnifying Owner") covenants and agrees, at its sole cost and expense, to indemnify and hold harmless any other Owner, its partners, agents, directors, officers, employees and members (collectively referred to for the purposes of this subsection as the "Indemnitee") from and against any and all claims against Indemnitee for losses, liabilities, damages, judgments, costs and expenses and any actions or proceedings arising therefrom, by or on behalf of any person, firm, corporation or governmental authority, other than the Indemnitee (a "Permittee"), arising from the Indemnifying Owner's or its Permittee's use, possession, or management of the Indemnifying Owner's Unit or activities therein or arising out of the Indemnifying Owner's or its Permittee's use, exercise or enjoyment of an easement and from and against all costs, reasonable attorney's fees, expenses and liabilities incurred with respect to any such claim, action or proceeding brought against the Indemnitee by reason of any such claim. Indemnifying Owner, upon notice from Indemnitee, covenants to resist or defend such action or proceeding with attorneys reasonably satisfactory to Indemnitee. (Any counsel for the insurance company providing insurance against such claim, action or proceeding shall be presumed reasonably satisfactory to Indemnitee.)

(vi) Nuisance. No Unit Owner shall do, suffer, or permit to be done, anything in his Unit or anywhere on the Common Elements which would impair the soundness or safety of the Condominium, or which would be noxious or offensive or an interference (including noise) with the peaceful possession and proper use of other Units or Common Elements, or which would require any alteration of or addition to any of the Common Elements (except as required by Legal Requirements), which would obstruct or interfere with the rights of other occupants of the Condominium, or which would otherwise be in violation of Legal Requirements, or which would cause the insurance rates for the insurance carried by the Association, any Section Association, or by any other Unit Owner on his Unit or personal property kept on the Property, to increase above the commercially reasonable rates available for similar purposes.

(vii) Environmental Matters. No Owner shall (either with or without negligence) cause or permit the escape, disposal or release of any Hazardous Substances or allow the storage or use of Hazardous Substances anywhere on the Property, except as allowed by Legal Requirements for the temporary storage and use of such Hazardous Substances. Each Owner shall maintain its Unit so as to comply with Environmental Laws.

(viii) Satellite Dishes and Antennas. Except as permitted by Legal Requirements, including regulations of the Federal Communications Commission, no television

antenna, dish, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Unit or to the Common Elements without the express written permission of the Association, which may be withheld or conditioned in its sole discretion.

(ix) Garbage. All garbage and items to be recycled shall be placed only in the designated receptacles.

(x) Leases of Units. Any lease of any Unit shall expressly provide that occupancy thereunder must be in a manner consistent with the Bylaws and shall likewise provide that the terms and conditions of the Condominium Documents shall be complied with by the lessee. Any lease entered into by a Unit Owner shall be in writing and be deemed to contain the requirements set forth herein whether or not they are actually contained therein and the lessor and the lessee of any such lease shall be bound by these provisions. Declarant shall have the right and privilege of leasing any or all Units owned by it on a short or long term basis, regardless of any leasing quotas established by the Association or the Residential Association.

(xi) No Day Care or Group Homes. No Unit may be used as a day care or group home unless mandated by law.

(xii) No Smoking or Vaping. Smoking and/or vaping is prohibited anywhere in the Condominium, including the Units, the interior Common Elements and Limited Common Elements of the Building.

(xiii) Signs. No Owner, tenant, real estate agent or broker, contractor or subcontractor or any other person shall erect or maintain signs, banners, or flags of any nature (including "for rent", "for sale", and political signs) on or in the Common Elements, or within a Unit if such sign or flag is visible from the outside the Unit (except as may be required by legal proceedings), without the prior written consent of the Association. The Association shall refer to the Signage Plan to determine whether a proposed sign is permissible. Signs within Section Limited Common Elements which are not plainly visible from the exterior of the Building shall only require the prior written consent of the applicable Section Association. Section Associations may develop their own signage plans to use in determining whether a sign is permissible.

(xiv) No Time Shares. No interest in any Unit shall be subjected to any time share program, as that term is defined in N.C.G.S. § 93A-41(10).

(xv) Windows. No curtains or draperies shall be installed or hung in any window of any Unit unless they have a white lining or backing on the side exposed to the window. No storm doors or windows shall be installed in any Unit.

(xvi) Storage Units. Storage Units shall be used solely for the purpose of storing any personal property or inventory belonging to the Unit Owner or occupant of the Unit to which such Storage Unit is assigned as a Limited Common Element. No Unit Owner or occupant shall store any perishable items, explosives, or any flammable, odorous, noxious, corrosive, hazardous, or pollutant materials or any other goods in the space that would cause danger or nuisance to the Storage Unit or the Building. The Storage Unit shall not be used for any purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. If hazardous substances are stored, used, generated, or disposed of on or in the Storage Unit or if the Storage Unit becomes

contaminated in any manner for which the Unit Owner or occupant therefore is legally liable, Unit Owner shall indemnify and hold harmless Declarant and the Association from any and all claims, damages, fines, judgements, penalties, costs, liabilities, or losses and any and all sums paid from settlement or claims, attorneys' fees, consultant and experts' fees arising as a result of that contamination by Unit Owner or occupant.

(xvii) Architectural Control. No building, landscaping, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, change or alteration to either a Unit or the Common Elements be made, until the plans and specification showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved, in its sole discretion, in writing by the Association. Review and approval of any application hereunder may be made on any basis, including solely the basis of aesthetic considerations only and the Association shall not bear any responsibility for ensuring the design quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements.

(b) Restrictions Applicable to Commercial Units. Commercial Owners and Commercial Tenants shall neither use any Unit for any of the following uses nor enter into any agreements or leases with any party which uses, or intends to use, any Unit for any of the following uses, and no such use shall be permitted:

- (i) Funeral home or store selling caskets;
- (ii) Warehousing, industrial or manufacturing uses;
- (iii) Adult book store or adult video store where obscene, pornographic or "adult" materials or paraphernalia, including, but not limited to, movies, videotapes, devices, books, magazines, or other related items are sold or displayed;
- (iv) Massage parlor (excepting licensed, therapeutic massage facilities, which are not prohibited) or facility which hosts obscene, nude or semi-nude live performances;
- (v) The sale or exhibition of pornographic materials or sexual paraphernalia;
- (vi) So-called "head shop";
- (vii) Dry cleaners (except as a "drop off" site for off-site cleaning);
- (viii) Photography stores which develop film on-site (unless the store is required by the terms of its lease to properly store and dispose of processing chemicals and other, photographic waste materials in accordance with all applicable federal, state and local laws, rules of conduct);
- (ix) Pet store, kennel, veterinary practice, or similar use that involves the housing of animals;



(x) Any business which offers check cashing and/or loan services for a fee (other than a state or federally chartered financial institution, or check cashing incidental to and in conjunction with the purchase of goods or services from a grocery store or other business not prohibited by this Declaration);

(xi) Bail bonding services;

(xii) Pawn shop;

(xiii) Church or other place of worship;

(xiv) Dumping, storage, disposal, incineration, treatment, processing or reduction of garbage of any nature, except as is incidental to the use, operation and ownership in accordance with this Declaration of the Unit on which it is generated and in a manner which is not unsightly and does not result in noxious odors emitting from such Unit;

(xv) Store selling weapons of any kind, including guns;

(xvi) Group home; and

(xvii) Nightclub, lounge or bar unless such use is ancillary to a restaurant.

(c) Restrictions Applicable to Residential Units.

(i) Noncommercial Use. The Residential Units shall be used only for Residential, noncommercial purposes; provided, however, subject to the terms of this Declaration, Residential Unit Owners may "work from home" so long as there are no customers or employees visiting or otherwise working in such Residential Unit or deliveries to the Residential Unit or Condominium which exceed that number incidental to a residence.

(ii) Animals. A maximum of two (2) domestic pets (i.e., dog, house cat) per Residential Unit is allowed subject to the provisions of this Declaration. No pet shall weigh more than sixty (60) pounds. Non-domestic pets and pets weighing in excess of sixty (60) pounds shall not be allowed in any Residential Unit. Pets shall not be kept or maintained for commercial purposes or for breeding. Any pet causing or creating a nuisance or unreasonable disturbance or noise at the sole discretion of the Association may be permanently removed from the Property upon ten (10) days written notice from the Association. All pets shall be kept on a leash except when in a Residential Unit and the Residential Unit Owner shall be responsible for removing all feces left on the Property by any pets residing with such Residential Unit Owner.

(iii) Balconies. No Residential Unit Owner shall sweep or throw any debris, dirt or other substance from any window or balcony, patio or terrace or permit any occupant or guest to engage in such activities. All balconies attached to the Residential Units shall be kept in a clean, neat and orderly condition at all times, and shall not be used for the overnight storage of garbage, or the drying of towels or laundry. Neither towels nor banners shall be hung on balcony railings, and any dead plants shall be promptly removed. Balconies shall not be used for the storage of any bicycles, or for exercise or other equipment. No gas or charcoal grills shall be permitted on the balconies attached to the Residential Units. No floor covering of any sort may be

used or installed on any balcony, without the prior written consent of the Residential Association. The Residential Association shall have the right to require removal of any items on the balcony that the Residential Association feels may either (i) detract from the appearance of the Building or (ii) create a hazard because of a threat that such item is of such insufficient weight that aloft winds may dislodge them from the balcony and thus cause a hazard.

(iv) Leasing. The Residential Association shall have the authority to establish leasing conditions as to the number, duration and permitted uses of Residential Units. Notwithstanding the foregoing, all leases of Residential Units shall be for terms of twelve (12) months or longer and no conditions imposed by the Residential Association shall unreasonably infringe upon, or impair, the Declarant's right and privilege of leasing any or all Units owned by it on a short or long term basis.

6.2 Parking. Unit Owners and their tenants and guests shall park only in the Parking Spaces as permitted by this Declaration. The Association may make reasonable rules of conduct for the operation of the parking within the Condominium, and it shall be empowered to enforce the same through fines (as limited by the Condominium Documents), towing, booting, or other such means. To the extent the Association deems necessary, it may delegate these rulemaking and enforcement powers to the Section Associations for the operation of the applicable Parking Zones.

Subject to Section 8.8, the Association, or its designee, may contract with a management company for the operation of any parking areas located on the Property.

6.3 Restrictions to Run with Land. The Declarant hereby declares and affirms that the covenants, conditions and restrictions set forth in this Declaration shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Unit Owner and upon the Declarant, upon all future Unit Owners, upon Owner's lessees, invitees, permittees, licensees, guests, and any other person or entity having any right, title or interest in the Property.

6.4 No Right of First Refusal. The right of a Unit Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal in favor of Declarant, the Association, or any Section Association.

6.5 Owner's Indemnity. Each Owner and the Association (each hereinafter referred to as the "Indemnifying Owner") covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the other Owners, the Association and the Declarant and its Related Parties (hereinafter referred to collectively as the "Indemnitee") from and against any and all actions or proceedings arising out of (i) the Indemnifying Owner's use, possession or management of the Indemnifying Owner's Unit or activities therein, or (ii) the Indemnifying Owner's use, exercise or enjoyment of the easements and licenses granted hereunder, and as applicable to the proceedings described in the preceding clauses (i) and (ii), from and against all costs, fees (including attorneys' fees) expenses and liabilities incurred with respect to any such claim, action or proceeding arising therefrom.

6.6 Association's Indemnity. The Association covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the Indemnitee from and against any and all actions or proceedings arising out of a failure of the Association to inspect, maintain, repair and

replace the Common Elements in accordance with (A) the recommendations of any maintenance manual for all or any part of the Common Elements, or (B) maintenance inspections and recommended repairs arising therefrom, and as applicable, from and against all costs, fees (including attorneys' fees) expenses and liabilities incurred with respect to any such claim, action or proceeding arising therefrom.

## ARTICLE VII

### ALLOCATION OF COMMON INTERESTS

The Common Interest and Section Common Interest allocated to each Unit created by this Declaration are set forth on the attached Exhibit B. The Residential Declaration sets forth the Common Interests and Voting Interests of the Residential Units. More specifically:

#### 7.1 Residential Units.

(a) Interest in Common Elements and Common Expense Liability. Each Residential Unit Owner shall have an interest in the Common Elements of the Condominium and share in the liability for Common Expenses of the Condominium because each Residential Unit is a part of the Master Residential Unit, which in turn is a part of the Condominium. Therefore, the Common Interest of each Residential Unit for the purpose of determining the interest in the Common Elements and liability of Common Expense for each Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of the net square footage of each Residential Unit by the aggregate net square footage of all the Units within the Condominium. The Common Interests of each Residential Unit are set forth in an exhibit to the Residential Declaration.

(b) Voting Interest. Each Residential Unit Owner shall have a vote in the Association because each Residential Unit is a part of the Master Residential Unit, which in turn is a part of the Condominium. The vote of each Residential Unit Owner shall be equal to the vote of every other Residential Unit Owner. The Voting Interest in the Association allocated to each Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of the percentage of the net square footage contained in the Master Residential Unit (the aggregate net square footage of all the Residential Units) as it relates to the aggregate net square footage contained in the Master Condominium by the total number of Residential Units. The Voting Interests of each Residential Unit are set forth in an exhibit to the Residential Declaration.

7.2 Units Created by this Declaration: Retail Unit, Office Unit, and Master Residential Unit. The percentage interest in the Common Elements allocated to each Unit shall be the Common Interest for that Unit as set forth on Exhibit B attached hereto. The Common Interest allocated to each Unit shall not be changed except with the unanimous consent of all the Owners and with the consent of all the Eligible Holders, except as may be specifically authorized elsewhere in this Declaration. The allocation of percentage interests in the Common Elements has been based upon a ratio of the square footage of each individual Unit to the total square footage of all Units in the Condominium, as further described on Exhibit B.

ARTICLE VIII

ADMINISTRATION AND GOVERNANCE

8.1 The Association. The Condominium shall be administered and governed by the Association. The Articles of the Association as filed in the Office of the North Carolina Secretary of State are incorporated herein by reference. Each Commercial Unit shall have voting rights in the Association equal to such Unit's Common Interest, and each Residential Unit shall have voting rights in the Association equal to such Residential Unit's Voting Interest. The term "Common Interest" may be used from time to time in the Condominium Documents for convenience to mean all the voting rights in the Association (both Residential and Commercial) when discussing matters pertaining to a vote of the entire Association. The administration of the Condominium by the Association shall be in accordance with its Bylaws. All powers granted in the Declaration or the Bylaws to the Association shall be exercisable by the Executive Board, except as otherwise expressly provided in the Declaration, the Bylaws, or the Act.

8.2 Section Associations. Subject to the provisions of this Declaration and the Bylaws, the Sections will be administered and governed by the Section Associations. The Articles of the Section Associations as filed (or as they are filed) in the Office of the North Carolina Secretary of State are (or shall be) incorporated herein by reference. Each Commercial Unit shall have voting rights in the Section Association to which he is a member equal to such Unit's Section Common Interest, and Residential Units shall have voting rights in the Residential Association equal to such Residential Unit's Voting Interest. The administration and governance of each Section shall be in accordance with the provisions of the bylaws for that Section. All powers delegated to the Section Associations by the Executive Board shall be exercisable by the respective Section Board, except as otherwise expressly provided in the Declaration, the Bylaws, or the Act.

8.3 Automatic Membership in Association and Section Associations. Each Unit Owner shall automatically become and be a member of the Association upon being conveyed a fee interest in a Unit. The Residential Unit Owners shall be members of the Association because each Residential Unit is a part of the Master Residential Unit, which in turn is a part of the Condominium. Each Unit Owner shall also be a member of a Section Association based on the type of his Unit. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record Owners of said Unit and filed with the Secretary of the Association and his Section Association and shall exercise such share of his vote in all matters. Further, should such Unit Owner be a corporation, limited liability company, partnership, trust, unincorporated association or other entity, said corporation, limited liability company, partnership, trust, unincorporated entity or other entity must designate, in a certificate signed by an officer, manager, partner or other authorized representative of such entity, the name of the individual authorized to vote on behalf of such entity, which certificate shall be filed with the Secretary of the Association and his Section Association. All such certificates shall be valid until revoked, superseded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned. If such certificate is not filed with the Secretary of the Association or relevant Section Association, the Association or relevant Section Association shall be entitled to recognize and rely upon the authority of any individual who states that he represents such entity with respect to matters involving such entity's membership in the

Association or relevant Section Association, including the right to vote, unless the lack of authority of such individual is manifest.

8.4 Delegation to Section Associations. The Association shall have broad power to delegate any one or more of its powers to the Section Associations insofar as those powers pertain to the administration and governance of the Sections. This Declaration and the Bylaws delegate certain powers to the Section Associations on behalf of the Association. In addition, the Section Associations have inherent powers by virtue of being nonprofit corporations pursuant to Chapter 55A of the North Carolina General Statutes. The delegation of powers by the Condominium Documents and the Association to the Section Associations is revocable as follows: In the event the Board reasonably determines that any Section Association is acting to the detriment of the Condominium, then the Board shall provide such Section Association with written notice and ninety (90) days to cure the problem. If after ninety (90) days the Section Association having received such notice has not cured the problem identified by the Association, then, by resolution, the Board may revoke such delegated power or powers and proceed to act directly. In the event of emergency, the Association shall be empowered to act immediately and without notice.

8.5 Rules of Conduct. The Association and Section Associations may adopt and enforce reasonable rules of conduct not in conflict with the Declaration and supplementary thereto, as more fully provided in the Bylaws and the various Section Association bylaws. The rules of conduct for the Association and the Section Associations that exist as of the filing of this Declaration are attached to the Bylaws and Section Association bylaws. Upon notice from the Master Association to any Section Association of a violation of the rules of conduct and a failure of the Section Association to take action upon said violation within thirty (30) days, the Master Association may undertake the enforcement of the rules of conduct at its own expense.

8.6 Enforcement by Association and Section Associations. The Association shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws and Articles of Incorporation of the Association. The enforcement powers of the Association shall include the power to fine Unit Owners as described in the Bylaws. Failure by the Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter. The Section Associations shall have all the enforcement powers of the Association with respect to their Sections as further described in the Bylaws and in the bylaws for each Section Association.

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

8.8 Cancellation of Contracts by Association. Prior to the election of the Executive Board by the Unit Owners, Declarant may on behalf of the Association, enter into (i) management contracts, employments, contracts, and leases of recreational or parking areas or facilities, licenses and other contracts, and (ii) contracts or leases between the Association and Declarant or an affiliate of Declarant; provided, however, that in accordance with N.C.G.S. § 47C-3-105, upon not less than ninety (90) days' notice to the other party to such contract, license or lease the Association

may terminate, without penalty, any of the foregoing at any time after the Executive Board of the Association elected by the Unit Owners takes office. As used in herein, "affiliate of Declarant" shall mean any person or entity which controls, is controlled by, or is under common control with, Declarant. A person or entity shall be deemed to control Declarant if that person or entity (i) is a general partner, member, director, officer or employee of Declarant; (ii) directly or indirectly or acting in concert with one or more person, or through one or more subsidiaries owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares or membership interests of Declarant; (iii) controls in any manner the election of a majority of the directors of Declarant; or (iv) has contributed more than twenty percent (20%) of the capital of Declarant. A person or entity shall be deemed to be controlled by Declarant if the Declarant (i) is a general partner, officer, director or employee of that person or entity; (ii) directly or indirectly or acting in concert with one or more persons or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing more than twenty percent (20%) of the voting share of that person or entity; (iii) controls in any manner the election of a majority of the directors of that person or entity; (iv) has contributed more than twenty percent (20%) of the capital of that person or entity.

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

8.10 Security. The Association or the Declarant may, but shall not be required to, from time to time, provide measures or take actions that directly or indirectly improve security on the Property; however, each Owner and occupant, for himself and his tenants, guests, licensees, invitees, and other permittees, acknowledges and agrees that neither the Association nor the Declarant is a provider of security and neither party shall have a duty to provide security on the Property. Furthermore, the Association does not guarantee that non-owners and non-occupants will not gain access to the Property and commit criminal acts on the Property nor does the Association guarantee that criminal acts on the Property will not be committed by other Owners or occupants. It shall be the responsibility of each Owner and occupant to protect his or her person and property and all responsibility to provide such security shall lie solely with each Owner and occupant. Neither Declarant nor its Related Parties nor the Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

## ARTICLE IX

### ASSESSMENTS

9.1 Periodic Assessments for Common Expenses. The Association shall have the power to levy, and all Unit Owners shall be obligated to pay, periodic assessments imposed by the Association to meet all Common Expenses. Except as provided in Section 9.10 hereof, payment of the periodic assessments shall be in equal monthly installments on or before the first day of each

month, or in such other reasonable manner as the Board shall designate so long as made at least annually. The procedures for budget proposal and ratification are set forth in the Bylaws.

9.2 Section Assessments. Section Associations are hereby empowered on behalf of the Association to levy assessments against the Units within their Sections, and all Unit Owners within the Section of which they are a member shall be obligated to pay, periodic assessments imposed by the Section Association to meet all Section Common Expenses. Except as provided in Section 9.10 hereof, payment of these periodic assessments shall be in equal monthly installments on or before the first day of each month, or in such other reasonable manner as the Board shall designate so long as made at least annually. The procedures for budget proposal and ratification for each Section are set forth in the bylaws for each Section.

9.3 Increase in Assessments. The total budgets for the Association and all the Section Associations shall contain a maximum increase each year of the amount that is twenty percent (20%) per year over the previous year. This maximum increase shall not apply where the Board or relevant Section Board reasonably determines that the operations and needs of the Association or relevant Section Association can be fully funded with a lesser increase. The omission by the Board or any Section Board before the expiration of any year to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Condominium Documents or a release of any Unit Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year as increased by operation of this Section 9.3 shall continue until a new assessment is fixed. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses or Section Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

9.4 Special Assessments by Association. All Unit Owners shall be obligated to pay special assessments imposed by the Association to meet the costs of, among other things, capital improvements, repair or replacement of the Common Elements, allocations to reserves and other extraordinary expenses. Such special assessments must be approved by the Board but shall not be payable if Unit Owners holding seventy-five percent (75%) of the Common Interest present at any meeting at which there is a quorum vote against such assessment at a special meeting held within forty-five (45) days of delivery of notice of the special assessment to Unit Owners. If a vote against the proposed special assessment is not sustained, the special assessment shall be due and payable ten (10) days after expiration of the forty-five (45) day period in which the Unit Owners may consider action to veto a special assessment.

9.5 Special Assessments by Section Associations. Section Associations are hereby empowered on behalf of the Association to levy special assessments against the Units in their Sections. All Unit Owners shall be obligated to pay these special assessments imposed by their Section Association to meet the costs of, among other things, capital improvements, repair or replacement of Section Limited Common Elements, allocations to reserves and other extraordinary expenses. Such special assessments must be approved by the Section Board but shall not be payable if Unit Owners holding seventy five percent (75%) of the Section Common interest in the Section Association vote against such Assessment at a special meeting held within forty-five (45) days of delivery of notice of the special assessment to Unit Owners in that Section. If a vote against the proposed special assessment is not sustained, the special assessment shall be due and payable

ten (10) days after expiration of the forty-five (45) day period in which the Unit Owners may consider action to veto a special assessment.

9.6 Assessments of Additional Associations. All or portions of the Property are subject to the Chatham Park Declaration, the Covenant to Share Costs, and the Community Declaration. The Association is obligated to collect certain assessments from Unit Owners pursuant to the Chatham Park Declaration, the Covenant to Share Costs, and the Community Declaration, and any such assessments, which the Association is obligated to collect shall constitute assessments collectible by the Association for purposes of this Declaration, even though such amounts shall not be applied by the Association to pay Common Expenses but instead shall be delivered to the applicable Additional Association.

9.7 Records. The Board shall keep records of its revenues and expenditures in accordance with the Bylaws. Each Section Board shall keep records of its revenues and expenditures in accordance with its bylaws.

9.8 Default in Payment of Assessments. To the maximum extent allowable under the Act, Unit Owners shall be personally liable for all assessments and other charges payable pursuant to the Condominium Documents, and such assessments and other charges shall constitute liens upon the Units subject to foreclosure pursuant to the Condominium Documents and the Act. The Board shall have the right and duty to attempt to recover unpaid assessments in accordance with the Bylaws. Each Section Association shall, on behalf of the Association, have the right and duty to attempt to recover unpaid Section assessments in accordance with the Bylaws and the applicable Section Bylaws.

9.9 Statement of Assessments or Other Charges. The Association and the Section Associations, upon written request, shall provide any Owner, the Owner's authorized agent, or the Owner's mortgagee with a written statement of all unpaid assessments and other charges against the Owner's Unit. This statement shall be furnished within ten (10) business days after receipt of the request and for a reasonable administrative fee in an amount determined by the Executive Board from time to time.

9.10 Initial Working Capital Assessment for Residential Units. Upon the conveyance of every Residential Unit from the Residential Declarant to the first purchaser, such purchaser shall pay to the Residential Association an initial working capital assessment in the amount of two (2) months' Common Expense for the purpose of capitalizing the Association and the Residential Association. The Residential Association may authorize the Association to collect and remit the initial working capital assessment on its behalf.

9.11 Initial Payment of Assessments at Closing. If the Association and Section Associations have begun assessing the Units, each purchaser of a Unit shall pay upon the conveyance of the Unit (from Declarant to purchaser) his share of the prorated assessments for the Association and Section Associations for the month in which the conveyance occurs and, in addition, the full assessments for the Association and Section Association for the following month.



ARTICLE X

ALTERATIONS TO UNITS

10.1 Improvements within Units. An Owner of Residential and Commercial Units, subject to the provisions of the above Section 2.5 and this Article X, may make improvements or alterations within his Unit that do not in any way change the Common Elements or otherwise impair the structural integrity or mechanical systems or lessen the support of any portion of the Building.

10.2 Subdivision of Commercial Units. Subject to the provisions of this Declaration, a Commercial Unit may be subdivided into two or more Commercial Units upon written application to the Association. The application for subdivision shall describe the structural and mechanical aspects of the subdivision and contain any other information the Association may reasonably require and be accompanied by a plat prepared by an engineer or architect licensed in North Carolina detailing the subdivision of the Commercial Unit. Upon the Association's approval, the Association shall prepare an amendment to this Declaration which (i) identifies the Commercial Unit so affected, (ii) states the reallocation of the Common Interests as may be reasonably determined by the subdividing Owner, (iii) assigns identifying numbers to the newly created Commercial Units and (iv) is executed by the Owner of the subdivided Commercial Unit. The Association shall also be responsible for preparing and recording, as part of the amendment to the Declaration, plats or plans necessary to show the new Commercial Unit boundaries and the dimensions of the newly created Commercial Units. Residential Units shall not be subdivided. This section shall not be interpreted to impair the Declarant's reserved rights to add Units, Common Elements, and Limited Common Elements to the Condominium, including, but not limited to the recording of the Residential Declaration to create Residential Units within the Master Residential Unit.

10.3 Relocation of Commercial Unit Boundaries. Subject to the provisions of this Declaration, Commercial Unit boundaries may be relocated upon written application to the Association by the Owners of the affected Commercial Units. Any application for the relocation of Commercial Unit boundaries shall describe the structural and mechanical aspects of the relocation and contain any other information the Association may reasonably require and be accompanied by a plat prepared by an engineer or architect licensed in North Carolina detailing the relocation of the boundaries between the affected Commercial Units. The Common Interests of the affected Commercial Units shall not be automatically reallocated; however, Commercial Unit Owners may request a certain reallocation in the application for the relocation of the Commercial Unit boundaries. Upon the Association's approval, the Association shall prepare an amendment to this Declaration which (i) identifies the Commercial Units so affected, (ii) states the reallocation of the Common Interests, if any, (iii) is executed by all Owners of affected Commercial Units and the Association, (iv) contains words of conveyance, and (v) is indexed in the name of the grantor and the grantee by the Chatham County Register of Deeds. The Association shall also be responsible for preparing and recording, as part of the amendment to the Declaration, plats or plans necessary to show the altered boundaries between the affected Commercial Units, the dimensions of the affected Commercial Units and the identifying numbers of the affected Units.

It is the intent of the Declarant that this Declaration permit Office Owners and Retail Owners, to the maximum extent permitted under the Act and without the consent of other Unit Owners (except for applying to the Association), to relocate Office or Retail Unit boundaries in ways that may incorporate Office LCEs located inside the Building into the Office Units, or Retail LCEs located inside the Building into the Retail Units. This is to allow flexibility in the configuration of the Office Units and Retail Units. For example, a hallway that is currently an Office LCE in the Building could be incorporated into one or more Office Units in accordance with the procedures set forth herein to the extent the same is permitted by the Act.

10.4 Removal and Rebuilding of Partitions between Units. Subject to the provisions of this Declaration, Owners may remove or rebuild partitions dividing the Units upon written application to the Association. Any application for the removal or rebuilding of a partition between Units shall describe the structural and mechanical aspects of the removal or rebuilding and contain any other information the Association may reasonably require. The removal of a partition between Units under this subsection shall not constitute a relocation of Unit boundaries, and the Units affected will continue to be considered separate and distinct for purposes of this Declaration.

10.5 Review and Response by Association. Prior to the commencement of any work, any Owner seeking to subdivide a Unit, relocate Unit boundaries, or remove or rebuild a partition dividing Units shall request permission from the Association in the form of a written application. Such application shall contain the information required by this Declaration and such other information that the Association may reasonably require. Upon receipt of such application, the Association shall have fifteen (15) calendar days to respond by approving in writing said request, denying in writing said request, or asking in writing for further information, under which condition the Association shall have no more than ten (10) additional calendar days after the additional information is delivered to the Association to render a decision either approving in writing the request or denying in writing the request. If the Association fails to respond to said request within fifteen (15) calendar days, or within ten (10) calendar days of being provided said additional information, then the request shall be deemed granted and the work may commence subject to all other provisions of this Declaration. The Association shall not unreasonably withhold its approval under this Article. The Association shall deny any application which in any way impairs the development rights of Declarant reserved by this Declaration, and such denial shall be deemed reasonable.

10.6 Obligations of Unit Owners. The Unit Owner responsible for the work under this Article shall:

- (i) If requested by the Association, provide for waivers of all mechanics and materialmens' lien rights which may arise as a result of the alteration;
- (ii) Comply with all applicable laws and secure all proper governmental permits, including, but not limited to building permits, necessary for the completion of the work;
- (iii) Purchase insurance insuring against all losses commonly insured against arising out of the work and such other matters as the Association may reasonably require, name Declarant (so long as Declarant is a Unit Owner)

and the Association as additional insureds and provide certificates of insurance with respect to such insurance;

- (iv) Indemnify and hold harmless the Declarant, the Association and all other Unit Owners from the effects of the work including, but not limited to, any damage resulting from any disturbance to, or compromise of, the structural support of the Building;
- (v) Minimize the disturbance to other Unit Owners during the work;
- (vi) Bear the cost to Declarant or the Association of expenses incurred as a result of the work, preparation of amendments to the Declaration and the plats and plans, and reimburse Declarant and the Association for any expenses incurred by Declarant or the Association in connection with said work, including but not limited to legal and other consulting fees, and review and recording fees; and
- (vii) Upon completion of said work, the Owner responsible for the work shall deliver to the Association a copy of the "As Built" plans and specifications certified to by an architect licensed to practice in North Carolina.

All the activities described in this Article X shall be Special Declarant Rights which the Declarant is entitled to perform unilaterally at its sole discretion without approval of the Association at any time prior to the expiration of Declarant's Special Declarant Rights.

## ARTICLE XI

### INSURANCE, RECONSTRUCTION, AND REPAIR

11.1 In General. The Association, acting through the Executive Board, shall obtain as a Common Expense, and maintain at all times, insurance which meets or exceeds the insurance requirements for condominium associations set forth in N.C.G.S. § 47C-3-113 for the Condominium and of every Eligible Holder. This insurance may consist of one or more standalone policies obtained by the Association or a master or group insurance policy or program available to an Owner provided that such policy or program meets or exceeds the requirements set forth in this Article XI.

11.2 Property Coverage. The Association shall obtain and maintain at all times a policy of property insurance on the Condominium (ISO special form or its equivalent) in an amount not less than eighty percent (80%) of the replacement cost of the Condominium and all contents thereof (except as expressly provided herein) at the time such insurance is purchased and at the time of each renewal thereof (excluding the cost of foundations and footings, and the cost of any personal property supplied or installed by Owners), with a commercially reasonable deductible not in excess of Ten Thousand Dollars and No/100 Dollars (\$10,000.00). The policy shall be issued by an insurance company properly licensed to do business in the State of North Carolina. The policy shall provide that each Owner is an insured person with respect to his Unit and his allocated interest in the Common Elements. The policy shall contain an inflation guard endorsement, if available, and a construction code endorsement, if available, as well as a special condominium endorsement

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

11.3 Liability Insurance. The Association shall obtain and maintain a policy of commercial general liability insurance (current ISO form or its equivalent) in such limits as the Executive Board may from time to time determine, covering each member of the Executive Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance or repair of the Common Elements and other portions of the Condominium that the Association is responsible for maintaining; provided, however, that in no event shall the limits of such policy ever be less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all insureds, including all Owners and Eligible Holders. The Executive Board shall review such limits annually.

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

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

11.6 Premiums. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association and charged as a Common Expense. Notwithstanding the preceding sentence to the contrary, in the event that a casualty occurs wholly within the boundaries of a Unit and does not affect any other Units or Common Elements, the Owner of such Unit shall be wholly responsible for any deductible amount in such policy of insurance relating to such claims.

11.7 Distribution of Insurance Proceeds. All insurance policies procured by the Association shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be:

(a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his Eligible Holder, if any, each Owner's share to be the same as such Owner's allocated Common Interest.

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

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

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

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

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

(i) If it is determined that the damaged property with respect to which the proceeds are paid shall not be reconstructed or repaired:

(A) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium;

(B) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of these Units and Units to which those Limited Common Elements were allocated or to their Eligible Holders, in proportion to their respective Common Interests; and

(C) the remainder of the proceeds shall be distributed to all Owners or Eligible Holders, as their interests may appear, in proportion to their respective Common Interests.

(ii) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds

remaining after payment of such repair costs shall be distributed to the beneficial Owners and their Eligible Holders, if any, jointly.

11.8 Insurance Obtained by Residential and Commercial Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon his improvements and betterments to his Unit, his personal property, including his automobile, public liability insurance, and such other insurance coverage as he may desire. Each Residential Owner shall obtain and maintain public liability insurance coverage in the amount of at least One Hundred Thousand and No/100 Dollars (\$100,000.00) for bodily injury, including death, of persons and property damage, arising out of a single occurrence, and each Commercial Owner shall obtain and maintain public liability insurance coverage in the amount of at least Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) for bodily injury, including death, of persons and property damage, arising out of a single occurrence. All such insurance policies shall include, to the extent commercially available, provisions waiving (i) any right of the insurer to subrogation claims against the Association, the Section Associations, and against Unit Owners and their household members, employees and invitees, as well as their tenants and such tenant's employees and invitees; and (ii) any right of the insurer to contribution or proration because of the Association's casualty and public liability policy. At the request of the Association or the applicable Section Association, each Owner shall certify at the closing of the purchase of a Unit that such an insurance policy has been obtained.

11.9 Reconstruction and Repair. In the event of casualty loss or damage to the any portion of the Property the provisions of N.C.G.S. § 47C-3-113(h) and the Bylaws shall govern all matters pertaining to reconstruction and repair.

11.10 Condemnation. The Association shall represent all Unit Owners in any such action or any negotiation, settlement or agreement with the condemning authority for acquisition of the Common Elements, or part thereof by the condemning authority. By accepting a deed to a Unit each Unit Owner appoints the Association as its attorney-in-fact to represent it in such condemnation proceedings. In the event of an action for eminent domain or a condemnation of all or a portion of the Property which is subject to this Condominium, the award for such taking shall be payable to the Association, or any trustee, to be held in trust for the Unit Owners and their first mortgage holders as their interests may appear, and shall be distributed in accordance with the procedure set forth in N.C.G.S. § 47C-1-107.

## ARTICLE XII

### EASEMENTS

12.1 General Reserved Easements. The Declarant expressly reserves such easements through the Common Elements as described in N.C.G.S. § 47C-2-116. There is reserved for the benefit of the Association the right to grant easements at any time for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace stormwater management and detention piping and facilities, water lines, pipes, ducts, sewer lines, gas lines, telephone, and television or cable television, and other forms of communication wiring, cables and equipment, electrical conduits, and wires over, under, along and on any portion of the Common Elements. Easements for installation and maintenance of utilities and drainage facilities, if any,

are also reserved as shown on the Plans. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

12.2 Other Condominium Easements. Each Unit Owner shall have a nonexclusive easement in common with all Unit Owners to use the Common Elements, including all pipes, wires, ducts, flues, cables, conduits, public, utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. To the extent that there are Common Elements within Units, each Unit shall be subject to a nonexclusive easement in favor of all other Unit Owners to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. Each Unit Owner shall have a nonexclusive easement across and over the Common Elements for the purposes of ingress to and egress from his Unit, which easement shall be perpetual and appurtenant to the ownership of such Unit. The Association and the applicable Section Associations shall have the right of access to each Unit to inspect the same to remove violations therefrom and to maintain, repair or replace Common Elements contained therein or elsewhere on the Property.

12.3 Construction Easement. Declarant reserves for itself and such other persons as Declarant may designate, perpetual, non-exclusive easements throughout the Condominium to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Condominium, including Units and the Common Elements. Declarant hereby reserves for itself, and its designees, perpetual, non-exclusive easements throughout the Condominium, at any time, to redesign, correct, modify or improve any part of the Condominium, including Units and the Common Elements, to the extent reasonably necessary to correct any design defect, construction related defect or other construction related problem, to change or improve the operational efficiency and structural integrity of any improvement located in the Condominium, and to otherwise provide a modified, superior or enhanced development product within the Condominium. Declarant and its designees shall also have such easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising any Special Declarant Rights as provided herein. The easements reserved in favor of Declarant herein shall be construed expansively.

In addition, Declarant for itself and its designees reserves a right of entry onto any Unit upon reasonable notice to the Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Declarant or its designee, as applicable, notifies the Owner (or occupant) and agrees with the Owner regarding a reasonable time to enter the Unit to perform such activities. Owner agrees to cooperate in a reasonable manner with Declarant and its designees in their exercise of the rights provided to it by this Section.

12.4 Emergency Easement. In case of any emergency originating in or threatening any Unit, or any portion of the Common Elements, regardless of whether the Owner, any tenant, or their invitees, if any, are present at the time of such emergency, the Association, Section Association, and all managerial personnel shall have the right to authorize access to such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if

required by the Association or a Section Association, shall deposit a key to such Unit under the control of the Association.

12.5 Repair Easements. The Association and the Section Associations shall have a right of entry upon the Units and any Limited Common Elements to affect emergency repairs, and a reasonable right of entry upon the Units to affect other repairs, improvements, replacement or maintenance made for the benefit of the Unit entered or another Unit.

12.6 No Easement for Light, View or Air. It is expressly agreed that no Unit or Owner shall have any right, easement or license for light, view or air, and neither Declarant nor the Association or any Section Association shall be liable for any damage any Owner may sustain, nor shall any Owner be entitled to any compensation as a result of light, views or air being altered, obstructed or blocked, including as a result of construction on adjacent or nearby lots (including, without limitation, any other buildings or improvements located within the Community).

12.7 Easements Appurtenant. All easements granted herein are appurtenant to and shall run with the land and shall inure to the benefit of and be binding upon the Declarant, the Association, the Section Associations, Owners, occupants, mortgagees, and any other person or entity having an interest in the Condominium as described herein.

12.8 Other Easements and Agreements. There are certain other recorded easements and agreements which encumber or are appurtenant to the Condominium, including but not limited to: (i) the Chatham Park Declaration, (ii) the Covenant to Share Costs, (iii) the Community Declaration, (iv) the Residential Declaration, and (v) the Agreement of Access and Parking Easements recorded in Book 2257, Page 401, as amended by that First Amendment to Agreement of Access and Parking Easements recorded in Book 2348, Page 1065, each in the Chatham County Registry

12.9 Section Associations. Each Section Association is generally responsible for its own repair and maintenance obligations. Notwithstanding the foregoing, the Residential Association is hereby granted a perpetual, non-exclusive easement throughout the Condominium to the extent reasonably necessary for the purposes of accessing, repairing, maintaining, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Condominium that may affect the intended use and operation of the Residential Condominium and to the extent reasonably necessary for the Residential Association to exercise any of its obligations set forth in the Residential Declaration. Provided that, the Residential Association shall provide the Association with reasonable, advance notice of its intent to exercise its easements rights herein and an opportunity for the Association to first cure the same within a reasonable time period.

### ARTICLE XIII

#### RESERVED DEVELOPMENT RIGHTS

Declarant hereby reserves the following rights and options, in its sole and absolute discretion, each of which may be exercised by Declarant at any time to and from time to time from and after the date of the recording of this Declaration to and including the date that is fifty (50) years following the date of recording of this Declaration, (i) to create new Units and to reconfigure, refurbish, renovate, subdivide, combine or recombine existing Units; (ii) to create or construct



new, or reconfigure existing, Common Elements and/or Limited Common Elements in accordance with the provisions of this Article XIII, (iii) to convert Units into Common Elements or to convert Common Elements into Units or into Limited Common Elements, (iv) to have access to and use of all portions of the Property (except inside residential dwellings constructed within Units), (v) to subdivide Units, (vi) to withdraw from the Condominium any portion or all of the Common Elements in accordance with the terms of the Act (including but not limited to the right to subdivide any such portion of the Property to be withdrawn), and (vii) other development rights as may be provided in the Act (collectively, the “Development Rights”, individually, a “Development Right”). Declarant may exercise any or all of the Development Rights within the fifty (50) year period specified above without the consent or approval of the Association or any other Unit Owner or Eligible Holder, by executing and recording an amendment(s) to this Declaration. Any such amendments shall conform to the various provisions and conditions precedent established in this Declaration and in the Act. The provisions of this Declaration which reserve and establish Declarant’s Development Rights shall be interpreted expansively in favor of Declarant to permit it maximum flexibility in its development of the Condominium.

**ARTICLE XIV**

**AMENDMENT; TERMINATION OF CONDOMINIUM**

14.1 Amendment of Declaration.

(a) Declarant reserves the right to amend this Declaration unilaterally without the consent of any other party in order to exercise its Special Declarant Rights. Except in cases of amendments by the Declarant, the Association, or certain Unit Owners pursuant to the exceptions provided in N.C.G.S. § 47C-2-117(a) and (f), the Declaration may be amended only by vote or agreement of Owners representing at least sixty-seven percent (67%) of the total Common Interest in the Association. Provided, however, where the Act or approval of a greater percentage of the vote of Unit Owners is expressly required by this Declaration, the Act, or the Association’s Articles of Incorporation or Bylaws, this Declaration may not be amended to decrease such greater percentage of votes without the consent of Unit Owners holding that greater percentage of votes.

(b) With the exception of those amendments to this Declaration which may be executed solely by Declarant under this Declaration or the Act, every amendment shall be prepared, executed, recorded and certified by the Association. Any amendment to this Declaration shall be effective only when recorded in the Chatham County Registry.

(c) Subject to the Special Declarant Rights reserved in Section 2.5 above and the exceptions of N.C.G.S. § 47C-2-117(a) and (f), no amendment which changes the boundaries of any Unit or which alters Common Interest or Section Common Interest for a Unit shall be valid unless the same has been signed or consented to by the Owner(s) so affected.

(d) Notwithstanding anything herein to the contrary, this Declaration may be amended by the Declarant or Association without the consent of any Owner in order to comply with any Legal Requirements or to correct manifest errors herein; and any such amendment, upon execution and certification by the Declarant or Association and recording by the Chatham County Registry, shall be effective upon recording.

(e) Notwithstanding any other provision for amending this Declaration, no amendment shall modify, reduce or impair any rights reserved by the Declarant or impose any obligation on Declarant, without the consent and joinder of Declarant.

(f) Notwithstanding anything herein to the contrary, this Declaration may be amended by judicial reformation pursuant to N.C.G.S. § 47C-2-117.1.

14.2 Termination. With the exception of any exercise by Declarant of its Special Declarant Rights, the dedication of the Property to the Condominium herein shall not be revoked, or the Property removed from the Act except that the Condominium may be terminated and the Property removed from the provisions of the Act by the agreement of Unit Owners to whom at least eighty percent (80%) of the votes in the Association are allocated, as evidenced by execution of a termination agreement, or ratification thereof, by such Owners, provided that all the Eligible Holders of mortgages on Units (including those Eligible Holders who did not consent) are provided with thirty (30) days' prior written notice of such termination. Except as otherwise provided for herein, termination of the Condominium shall be in accordance with the Act.

Foreclosure or enforcement of a lien or encumbrance against the entire Condominium does not of itself terminate the Condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the Condominium, other than withdrawable real estate, does not withdraw that portion from the Condominium. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not of itself withdraw that real estate from the Condominium, but the person taking title thereto has the right to require from the Association, upon request, an amendment excluding the real estate from the Condominium.

14.3 Statutory Compliance. No amendment or termination that is contrary to, or inconsistent with, any requirements or provisions of the Act shall be valid.

14.4 Mortgagee Approval. Notwithstanding anything herein to the contrary, certain types of amendments to this Declaration must be approved by Eligible Holders as set forth in Article XV hereof.

## ARTICLE XV

### RIGHTS OF FIRST LIEN HOLDERS

15.1 General Provisions. This Article XV establishes certain standards and covenants for the benefit of Eligible Holders. This Article XV is supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the event of any conflict between the provisions of the Condominium Documents and the provisions of this Article XV, the provisions of this Article XV shall control.

15.2 Notices of Action. An Eligible Holder will be entitled, and the Executive Board shall cause to be delivered, at least sixty (60) days prior written notice of the following:

(a) any proposed amendment of the Condominium Documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or

the liability for Common Expenses thereto; (iii) the Common Interests allocated to any Unit; or (iv) the purposes to which any Unit or the Common Elements are restricted;

(b) any proposed termination of the Condominium;

(c) any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by an Eligible Holder;

(d) any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage that is held, insured or guaranteed by an Eligible Holder, where such delinquency has continued for a period of sixty (60) days;

(e) any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article XI hereof; or

(f) any proposed action by the Association, the Board of Directors, or the Owners, which under the terms of the Condominium Documents requires the consent of all or any portion of the Eligible Holders.

15.3 Approval Rights of Eligible Holders. The approval of Eligible Holders shall be required in the instances hereinafter set forth:

(a) Termination of Condominium. Any election to terminate the Condominium after substantial destruction or a substantial taking in condemnation of the Condominium or for other reasons requires the approval of the Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

(b) Amendment of Condominium Documents. The approval of the Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a mortgage appertain, shall be required to materially amend any provisions of the Condominium Documents or to add any material provisions thereto, including, without limitation, those which establish, provide for, govern or regulate any of the following:

(i) Voting;

(ii) Increases in assessments that raise the previous calendar year's assessed amount by more than twenty-five percent (25%), assessment liens or the priority of assessment liens;

(iii) Reductions in required reserves for maintenance, repair and replacement of the Common Elements;

(iv) Insurance or fidelity bonds;

(v) Rights to the use of Common Elements;

(vi) Responsibility for maintenance and repair of the Common Elements;

(vii) Except for Declarant's exercise of any Special Declarant Rights, expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(viii) Redefinition of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only the Unit Owners of those Units and the Eligible Holders holding mortgages on those Units must approve such action;

(ix) Except for the exercise of Special Declarant Rights, reallocation of interests in the Common Elements or the Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owners, then only those Unit Owners and only the Eligible Holders holding mortgages on those Units need approve such reallocations;

(x) Except for the exercise of Special Declarant Rights, convertibility of Units into Common Elements or of Common Elements into Units;

(xi) The imposition of any restrictions on the leasing of Units, above and beyond the restrictions set forth in this Declaration;

(xii) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit in the Condominium;

(xiii) The restoration or repair of the Property after casualty damage or partial condemnation in a manner other than that specified in the Condominium Documents;

(xiv) Any amendment to a provision in the Condominium Documents which is for the express benefit of Eligible Holders.

15.4 Notices to Eligible Holders. All notices and requests for approval sent by the Association to an Eligible Holder pursuant to this Article XV shall be sent by certified or registered United States mail, postage prepaid, return receipt requested to the most recent mailing address of the Eligible Holder provided to the Association by the Eligible Holder. If an Eligible Holder fails to approve or disapprove a request for approval presented to it pursuant to this Article XV within sixty (60) days following its receipt thereof, the Eligible Holder shall be deemed to have approved the request.

15.5 Rights of Eligible Holders to Examine Books and Records. Any Eligible Holder shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association.

15.6 Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage encumbering a Unit, such acquirer of title, his or its heirs, successors, assigns or grantees, shall not be liable for assessments by the Association which became due prior to the acquisition

of title by such acquirer, it being understood however, that the this section shall not be construed to prevent the Association from filing and claiming liens for such unpaid assessments and enforcing the same as provided by law, and provided that such assessments shall be subordinate to such mortgage. Any sale or transfer of a Unit pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit so sold or transferred from, any Common Expenses thereafter becoming due.

## ARTICLE XVI

### GENERAL CONDITIONS; MISCELLANEOUS MATTERS

16.1 Units Subject to Condominium Documents. All present and future Owners, tenants, and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws, and any rules and regulations as may be adopted in accordance with the Bylaws, as all of the foregoing may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and any rules and regulations which may be adopted are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease. This Declaration is subject and subordinate to the provisions of the Chatham Park Declaration and the Community Declaration and that in the event of a conflict between the provisions of this Declaration and the Chatham Park Declaration or the Community Declaration, the Chatham Park Declaration or the Community Declaration, as the case may be, shall control; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Chatham Park Declaration or the Community Declaration.

16.2 Common Elements Not Partitioned. Except as provided, the Common Elements and Limited Common Elements shall remain undivided and no Unit Owner shall bring any action for partition and/or division of same.

16.3 Common Elements Not Severable from Units. The undivided interest in the Common Elements and Limited Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

16.4 Provisions and Covenants Applicable to Units. Each Unit Owner shall comply with the provisions of this Declaration, all exhibits hereto, and authorized amendments hereto. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief. The Units shall be conveyed subject to the recorded Plans and amendments thereto. The acceptance of a deed of conveyance or the entering into of a lease for any portion of the Property or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Condominium Documents are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any

interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

16.5 All Users of Property Subject to Declaration. All present or future Unit Owners and any other person that might use the facilities of the Property in any manner, including those who may lease a Unit from the Declarant, are subject to the provisions of this Declaration and any authorized amendments thereto, and the mere acquisition or rental of any of the Units shall signify that the provisions of this Declaration and any authorized amendment thereto are accepted and ratified.

16.6 Non-waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

16.7 Gender and Number. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

16.8 Applicable Law; Interpretation. This Declaration is set forth to comply with the requirements of the Act as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of the Act, the provisions of the Act shall control. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed herein, and which will preserve the Property as a site for an attractive, well-maintained, mixed use community.

Should any provision of this Declaration or any section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matters and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Contrary to the restrictive common law rule of construction, this Declaration shall by this covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Owners who take subject to the Declaration, to covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant and/or Association or Section Association, and any other covenant, condition, restriction or obligation within this Declaration is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible value associated with the Property, and does touch and concern, benefit and burden and run with the Property.

16.9 Headings and Captions. The headings and captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provisions hereof.

16.10 Exhibits. All exhibits to this Declaration are incorporated herein by reference and shall be an integral part of this instrument.

16.11 Lender Consent. The Property is currently encumbered by the lien of that deed of trust, executed and delivered by Declarant to Dogwood State Bank, as lender, and recorded in Book 2236, Page 903, Chatham County Registry. A Consent of Lender executed by said lender consenting to the execution and recordation of this Declaration is attached hereto as Exhibit D and made a part of this Declaration.

## ARTICLE XVII

### DISPUTE RESOLUTIONS AND LIMITATION ON LITIGATION

17.1 Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes. The Association, Declarant and its Related Parties, all Owners, all other persons or entities subject to this Declaration, and any person or entity not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Condominium to avoid the emotional and financial costs of litigation. Accordingly, to the extent permitted under applicable law, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the Bylaws, the Association rules, or the Articles of Incorporation (collectively, "Claims"), except for those Claims authorized in Section 17.2, shall be resolved using the procedures set forth in Section 17.3 below in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

17.2 Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 17.1 above:

(a) Any suit by the Association during the Declarant Control Period, and following expiration of the Declarant Control Period, any suit by the Association (i) against any Bound Party to enforce the provisions of the Condominium Documents relating to assessments, fines or fees, or (ii) to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions relating to architectural control or use restrictions;

(b) Any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of North Carolina in the absence of a claim based on the Declaration, Bylaws, Articles of Incorporation or rules of the Association, if the amount in controversy exceeds \$5,000.00;

(c) Any suit arising out of any written contract between Owners and which would constitute a cause of action under the laws of the State of North Carolina in the absence of the Declaration, Bylaws, and Articles of Incorporation; and

(d) Any suit in which all parties are not Bound Parties.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 17.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 17.3 shall require the approval of the Association.

17.3 Mandatory Procedures for All Other Claims. To the extent permitted under applicable law, all claims other than Exempt Claims shall be resolved using the following procedures:

(a) Notice. Any Bound Party having a claim (“Claimant”) against any other Bound Party (“Respondent”), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the “Notice”), stating plainly and concisely:

(i) The nature of the Claim, including date, time, location, persons involved and respondent’s role in Claim;

(ii) The basis of the Claim (i.e., the provisions of this Declaration, the Bylaws, the Articles of Incorporation or rules or other authority out of which the claim arises);

(iii) What Claimant wants Respondent to do or not to do to resolve the Claim;

(iv) That the Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

(i) Each Claimant and Respondent (the “Parties”, and each, a “Party”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good negotiation.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if it believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

(i) If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree.

(ii) If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim,



and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(iii) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

(iv) Each Party shall, within five (5) days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent. The Respondent shall make a formal written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration. To the extent permitted under applicable law, any and all claims, disputes and controversies by and between the Declarant, Association and/or Owners or any combination thereof arising from or related to the Condominium (including Units and Common Elements), any improvements to the Property, the sale of the Property, including, without limitation, any claim of breach of contract or warranty, negligence, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of the AAA in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by, all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement and, notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate

commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by the arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

(e) Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with the above and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any arbitration award (“Award”) following arbitration, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above and, in such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys’ fees and court costs.

17.4 Litigation. To the extent permitted under applicable law, (a) any litigation by the Association other than the Exempt Claims set out above, or (b) any arbitration against the Declarant or its Related Parties, shall both require an affirmative vote of seventy five percent (75%) of the members of the Association prior to the institution of such litigation.

## ARTICLE XVIII

### LIMITATION OF LIABILITY; DISCLOSURES; ARCHITECT, ENGINEER, AND GENERAL CONTRACTOR PROVISIONS

18.1 Limitation of Liability. Owners are informed that Declarant has hired the Architect and Engineer to design and plan, and the General Contractor to construct, the Condominium, and Declarant makes no, and to the maximum extent permitted by applicable law hereby disclaims, any representation or warranty with respect to the design or construction of the Condominium. Owners shall look solely to the Architect, Engineer, and/or General Contractor with respect thereto and, in furtherance thereof, Declarant shall furnish to the Owners or to the Association, all warranties, if any, furnished by the Architect, Engineer, or the General Contractor with respect thereto, and the Owners agree to be bound by, and abide by, the terms thereof. To the maximum extent permitted by applicable law, Declarant expressly disclaims any other implied warranty of habitability or suitability related to the Condominium and any Unit thereof. Declarant further expressly disclaims any implied warranties relating to all building systems and functions including, but not limited to, electrical wiring, fixtures, all materials comprising or supporting the roof, the exterior skin including window systems, all other structural components, all appliances, heating and air conditioning systems (HVAC), plumbing, fire sprinkler, elevators, other equipment and other personal property located in the Condominium and any Unit thereof, but will furnish to the Owner of the applicable Unit or to the Association all manufacturers’ warranties, if any and as available, with respect to those items. Declarant, the Architect, the Engineer, and the General

Contractor shall have no responsibility (i) for the inspection, maintenance and repair of any portion of the Condominium, whether Units or Common Elements, and (ii) for damages arising from any failure to inspect, maintain or repair the Condominium or any Units or Common Elements therein. In addition, Declarant makes no representations or warranties as to the condition or health or appropriateness of any shrubs, trees, or other plantings located within the Condominium, but will deliver to the Association any nursery's warranties with respect to those plants. No additional express or implied warranties of any sort or type regarding any Unit or the Condominium are or will be made by Declarant. None of the Declarant, nor the Architect, nor the Engineer, nor the General Contractor shall be held liable for conditions, or claims arising from such conditions, resulting from the failure of the Association to maintain the Common Elements in accordance with the terms of this Declaration, and the Association hereby covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the Declarant, the Architect, Engineer, and the General Contractor from and against any and all actions or proceedings arising out of the Association's failure to maintain Common Elements in accordance with the terms of this Declaration.

18.2 Disclosures. Owners, present and future, are also informed and by purchasing a Unit thereby acknowledge and accept that the Condominium is a commercial structure in an urban setting. This commercial structure in this urban setting may offer certain benefits to Owners but may also pose certain limitations and/or disadvantages to Owners. Condominium living is a form of shared living, with each Owner purchasing a separate living space that shares many common elements with other units, other people and other building systems: walls, hallways, elevators, fire protection, security, wood-frame, brick and cementitious-sided structure, internal building equipment and systems, and the like. As such, Owners may hear sounds from their neighbors, whether next door or above or below or from the street level due to traffic, pedestrians, trains, and other urban activities; Owners may hear sounds or feel vibrations from building systems transmitting through the structure or exterior or from Unit to Unit of the Building; Owners may hear noises or smell odors or feel vibrations from other Units and/or nearby commercial businesses; Owners may experience variability in performance of building systems, including but not limited to common systems such as HVAC chilled water availability and potable water pressure; Owners' actual Unit square footage may not be the anticipated square footage noted on the unit plan and/or in the plans and specifications for the Unit and/or Condominium, nor may locations and dimensions of walls, doors, electrical outlets, appliances, cabinetry and other items be installed as shown on the plans and specifications, as large scale commercial construction is inherently imprecise due to inexact field measurements, material unavailability and/or labor shortages, substitutions or alterations in designs or materials, and field conditions that result in departures from written plans and specifications to accommodate construction considerations at the discretion of the Architect, Engineer, General Contractor, and/or Declarant, as well as departures from plans and specifications made to comply with then current code and field instructions from municipal building inspections during construction. Owners are purchasing a Unit of general size in a Condominium of general size and general construction quality, not a specific amount of square footage nor according to any specific plans and specifications, and Owners shall not be entitled to collect any monetary award or damage from any departure or deviation from specific plans and specifications, nor make any claim that said plans and specifications were incomplete or inappropriate for the application of construction. Owners may experience, as in any urban mixed use environment, building construction on a nearby or adjacent lot (including, without limitation, within the Community) that creates noise, dust, nighttime

artificial light, view obstructions, changes in public road patterns that affect access to the Property, street noise with pedestrian and vehicular traffic at any time, higher levels of necessary building operation and maintenance expense over time, and other such characteristics. These and other circumstances are common to commercial structures in urban settings and therefore the Declarant makes no expressed or implied warranties or representations therefor.

18.3 General Contractor, Engineer and Architect Provisions. Owners hereby agree to abide by the terms and provisions set forth on Exhibit E attached hereto in connection with all dealings with the General Contractor, Engineer and with the Architect.

*[Signature pages follow.]*

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day first above written.

MOSAIC LOT 6 LLC,  
a North Carolina limited liability company

By: ECO Mosaic LLC,  
a North Carolina limited liability company,  
its sole Manager:

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Lee

I, Katrina D. Garrison, a Notary Public of Lee County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6 LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 10<sup>th</sup> day of Apr: 1, 2023.

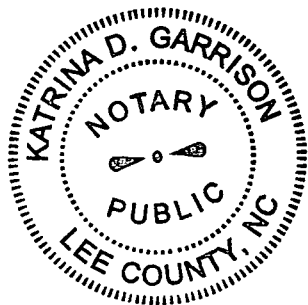
Date: 7/10/23

[Signature]  
Notary Public

[Official Seal]

Print Name: Katrina D. Garrison

My commission expires: October 28, 2023



IN WITNESS WHEREOF, the Board of Directors of the Mosaic Master Owners Association, Inc., a North Carolina nonprofit corporation, hereby approves of this Declaration.

MOSAIC MASTER OWNERS ASSOCIATION, INC.,  
a North Carolina nonprofit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: President

STATE OF NORTH CAROLINA

COUNTY OF Lee

I, Katrina J. Garrison a Notary Public of the County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is President of Mosaic Master Owners Association, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its President. Witness my hand and official stamp or seal, this 10<sup>th</sup> day of April, 2023.

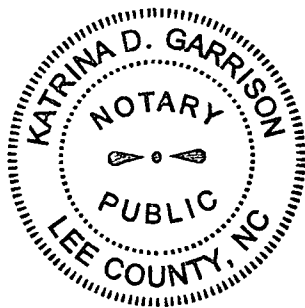
Date: 4/10/23

[Signature]  
Notary Public

[Official Seal]

Print Name: Katrina J. Garrison

My commission expires: October 28, 2023



IN WITNESS WHEREOF, Eco CP Partners, LLC, the Declarant under that certain Master Declaration of Covenants, Conditions, and Restrictions for Mosaic hereby approves of this Declaration.

ECO CP PARTNERS, LLC,  
a North Carolina limited liability company

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Lee

I, Katrina D. Garrison, a Notary Public of Lee County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO CP Partners, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 10<sup>th</sup> day of April, 2023.

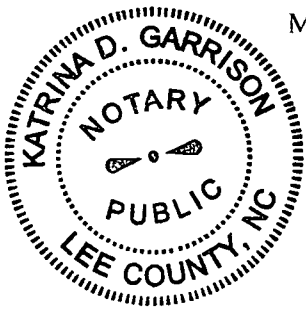
Date: 4/10/23

[Signature]  
Notary Public

[Official Seal]

Print Name: Katrina D. Garrison

My commission expires: October 28, 2023



**EXHIBIT A  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**Legal Description of Property**

All of Lot 6, containing approximately 1.682 acres, more or less, as shown on plat entitled "SUBDIVISION PLAT OF MOSAIC AT CHATHAM PARK – PHASE 1A" dated December 16, 2019, prepared by Jamie Shane Strickland, PLS, of CE Group, Inc., recorded at Book of Maps 2020, Pages 80 through 85, Chatham County Registry, North Carolina.



**EXHIBIT B  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**Common Interest Allocations**

<b>UNIT TYPE</b>	<b>UNIT NUMBER</b>	<b>NET SQUARE FEET</b>	<b>COMMON INTEREST IN ASSOCIATION</b>	<b>COMMON INTEREST IN SECTION ASSOCIATION</b>
<b>Retail</b>	First Floor Unit	14,385	28.13%	100.00%
<b>Office</b>	Basement Unit	8,403	16.43%	35.10%
	Second Floor Unit	15,539	30.38%	64.90%
<b>Master Residential*</b>	Master Residential Unit	12,814	25.06%	100.00%
	<b>TOTALS</b>	<b>51,141</b>	<b>100.00%</b>	

This table may be amended from time to time in accordance with this Declaration. The relative Common Interests will change as Declarant adds additional Units to the Condominium. The net square footages and totals in this table are rounded up or down as appropriate. The net square footage of each Office Unit is based on the approximate leasable square footage of each Office Unit, as determined by Declarant. The net square footage of each Retail Unit is based on the approximate number of leasable square feet within each Retail Unit, as determined by Declarant. The net square footage of the Master Residential Unit is based on the aggregate heated square footage of all the Residential Units, as determined by Declarant. The heated square footage of each Residential Unit is stated on an exhibit to the Residential Declaration and is shown on the Residential Plans.

*\*The Residential Declaration states with specificity the Common Interests and Voting Interests allocated to each Residential Unit within the Master Residential Unit. The Common Interests allocated to each Residential Unit shall be based on the net square footage of each Residential Unit. However, the Voting Interests allocated to each Residential Unit shall not be based on the net square footage of each Residential Unit. For the purposes of voting in a vote of the Association membership, each Residential Unit shall be allocated an equal share of the total Common Interest allocated to the Master Residential Unit. For example, if the sum of the Residential Units comprises 12,814 net square feet out of a total 51,141 net square feet, then the Residential Units' Common Interest shall be 25.06%. The Residential Units' Common Interest of 25.06% shall then be shared among the Residential Units. For example, if there are twelve (12) Residential Units within the Master Residential Unit, then each Residential Unit shall be allocated a Voting Interest of 2.09% in a vote of the Association's membership. Notwithstanding the foregoing, the Residential Declaration shall control in the event of any conflict between this Declaration and the Residential Declaration regarding the Common Interests and Voting Interests allocated to each Residential Unit within the Master Residential Unit.*

**EXHIBIT C  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**Title Encumbrances**

NOTE: All recording references herein are to the office of the Register of Deeds for Chatham County, North Carolina, which also is referred to herein as the "Registry".

1. Ad valorem taxes for the year of 2023 and subsequent years.
2. Easements, rights-of-way, setback lines, covenants, restrictions, agreements, conditions and any other matters shown on plats recorded in Plat Slide 2005-120; Plat Slide 2006-81; and Plat Slides 2020-80 through 2020-85.
3. Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties recorded in Book 2105, Page 322, as amended by a First Amendment to Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties, recorded in Book 2106, Page 199. See Supplemental Declarations (Chatham Park Commercial Properties) recorded in Book 2106, Page 325, Book 2222, Page 959, Book 2269, Page 879, Book 2279, Page 518, Book 2299, Page 745, Book 2310, Page 498, and Book 2342, Page 121. (NOTE: The Declaration reserves the right for the Declarant to execute one or more "Stormwater Agreements", as defined in the Declaration, that may be binding on the subject property.)
4. Declaration of Easements and Covenant to Share Costs for Chatham Park recorded in Book 2098, Page 836.
5. Master Declaration of Covenants, Conditions, and Restrictions for Mosaic recorded in Book 2123, Page 322.
6. Memorandum of Exclusivity, Right of First Offer and Repurchase Rights recorded in Book 2059, Page 756.
7. Memorandum of Lease and Covenant of Exclusivity recorded in Book 2131, Page 509.
8. General Permit to Carolina Telephone and Telegraph Company recorded in Book 470, Page 38.
9. Easement to the Town of Pittsboro as recorded in Book 491, Page 980.
10. Easements to Carolina Power and Light Company as recorded in Book JJ, Page 414; Book JJ, Page 450; Book JJ, Page 451; Book 357, Page 72; Book 367, Page 553; Book GK, Page 311; Book GK, Page 314; Book KN, Page 533; Book KQ, Page 457; Book 357, Page 68; Book 371, Page 34 and Book 809, Page 886.

11. Easement to Duke Energy Progress, LLC recorded in Book 1887, Page 767.
12. Annexation Ordinance by the Town of Pittsboro recorded in Book 2036, Page 248.
13. Utility Easement to Public Service Company of North Carolina, Incorporated, d/b/a Dominion Energy North Carolina recorded in Book 2131, Page 549.
14. Memorandum of Agreement recorded in Book 2057, Page 185.
15. Master Stormwater Control Measures Operations and Maintenance Agreement for Chatham Park PDD recorded in Book 2168, Page 449; and one or more Supplemental Stormwater Agreements with respect to specific stormwater control measures in the sub-watershed in Chatham Park PDD in which the property is located.
16. Planned Development District zoning of the property by the Town of Pittsboro, North Carolina as part of Chatham Park Planned Development District.
17. Any special assessment tax district adopted by the Town of Pittsboro or Chatham County, North Carolina, that includes the property.
18. Installation and service agreement and a marketing agreement between Chatham Park Investors LLC and Carolina Telephone and Telegraph CenturyLink, LLC d/b/a CenturyLink (“CenturyLink”) for CenturyLink to provide infrastructure and serve as a provider of data, voice, and video services (individually and together, “Communication System”) to portions of the Chatham Park Planned Development District, including the property, and that such agreements establish rights and easements for CenturyLink on the property and with respect to the Communication System.
19. Development Agreement for Chatham Park Planned Development District recorded at Book 2257, Page 401.
20. Declaration of Use Restrictions recorded at Book 2307, Page 947.
21. The right of Chatham Park Investors LLC to subject the property to any one or more of the following (the “Rights”), which Rights may be exercised in whole or in part, at any time, and from time to time, and without the consent or joinder of any subsequent owner of the property. Provided, at the request of Chatham Park Investors LLC, the owner of the property shall cooperate with Chatham Park Investors LLC or its successors and assigns in the exercise of the Rights. Provided further, Chatham Park Investors LLC covenants and agrees with the owner of the property that none of the following will include any provisions that would prohibit or materially, adversely interfere with the use of the property for office, retail or other commercial uses, or for residential condominium use.
  - a. “Additional Elements” that are required to be approved by the Town of Pittsboro (“Town”) pursuant to the Master Plan for Chatham Park Planned Development District (“Chatham Park PDD”). Subjection of the property to each of the Additional Elements that have not already been approved by the Town will occur when the Town

approves each such Additional Element, without the necessity of any document being recorded in the Registry to subject the property thereto.

b. A "Small Area Plan" that is required to be approved by the Town pursuant to the Master Plan for Chatham Park PDD. Subjection of the property to a Small Area Plan will occur when the Town approves the applicable Small Area Plan, without the necessity of any document being recorded in the Registry to subject the property to the Small Area Plan. c. A special assessment district pursuant to Sections 160A-292.1 through 160A-292.7 of the North Carolina General Statutes, including amendments thereto and including any successor or replacement statute.

c. Other documents with respect to Chatham Park PDD that are applicable to the property and that are required or allowed by the Town at any time.

22. Deed of Trust in favor of Dogwood State Bank, recorded in Book 2236, Page 903 and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921.

23. Rights and obligations set forth in the Agreement of Access and Parking Easements recorded in Book 2236, Page 638, as amended by that First Amendment to Agreement of Access and Parking Easements recorded in Book 2348, Page 1065.

**EXHIBIT D  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**Consent of Lender**

[A copy of the Consent of Lender for Mosaic Lot 6 Condominium follows this Page.]

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF CHATHAM ) CONSENT OF LENDER

THIS CONSENT OF LENDER is made this 30th day of March, 2023 by Dogwood State Bank, a North Carolina Banking corporation, (“Lender”).

WITNESSETH:

WHEREAS, Lender is the beneficiary of development and construction loan deed of trust recorded in Book 2236, Page 903, and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921 Chatham County Registry (collectively the “Deed of Trust”) which encumbers certain real property located in the Town of Pittsboro, North Carolina, the property encumbered by the Deed of Trust being the property described in Exhibit A (the “Property”) of the Declaration of Mosaic Lot 6 Condominium (the “Declaration”);

NOW, KNOW ALL MEN BY THESE PRESENTS, that Lender joins in the foregoing Declaration of Mosaic Lot 6 Condominium for the sole purposes of confirming its consent to the Declaration and subordinating the lien of its Deed of Trust to the Declaration, except that no violation of the terms of the Declaration shall defeat or render invalid the lien of the Deed of Trust. The Lender makes no representations or warranties as to the validity of the documents creating the Condominium nor the development and physical construction of the Condominium itself. The Lender agrees that the lien of its Deed of Trust on the property being submitted to the Condominium shall hereafter be upon the units, the interests in common elements, and other rights appertaining to those units, and that any subsequent foreclosure of the Lender’s lien shall not extinguish this Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Deed of Trust, any liability Lender shall have for the duties set forth in the Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger the “due-on-sale” clause in the Deed of Trust, should such clause exist; and, that upon full satisfaction of the loans secured by the Deed of Trust and cancellation of the Deed of Trust, the rights of Lender and any trustee (or such successor trustees as permitted by the Deed of Trust) set forth in this Declaration shall terminate. The execution of this Consent of Lender by the Lender shall not have the effect of creating any relationship of partnership or of a joint venture nor shall anything contained hereunder be deemed to impose upon the Lender any of the liabilities, duties or obligations of Declarant under the Declaration. The Lender executes this Consent of Lender solely for the purposes set forth herein.

IN WITNESS WHEREOF, Lender has caused this instrument to be executed and effective as of the day and year first above written.

LENDER:

DOGWOOD STATE BANK, a North Carolina banking corporation

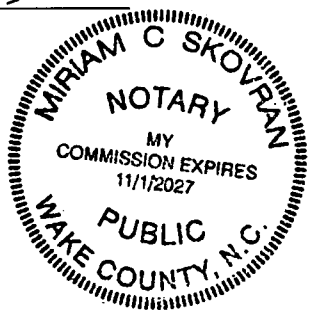
By: *J. Stewart Patch*  
Name: J. Stewart Patch  
Title: Regional President

STATE OF NORTH CAROLINA  
COUNTY OF Wake

I, Miriam C Skovran Notary Public of Wake County, North Carolina, certify that J. Stewart Patch personally came before me this day and acknowledged that he is the Regional President of Dogwood State Bank, a North Carolina banking corporation, and that he, as Regional President, voluntarily executed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: 3/30/23

[Official Seal]



*M C Skovran*  
Notary Public

My commission expires: 11/1/27

**EXHIBIT E  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**ARCHITECT, ENGINEER AND GENERAL CONTRACTOR PROVISIONS**

Notwithstanding any other terms to the contrary within the above Declaration, the following terms and conditions are hereby incorporated into the terms of the Declaration by this reference and shall control over any other inconsistent terms set forth therein. Unless otherwise defined below, all capitalized terms shall have the meaning ascribed to them in the North Carolina Condominium Act, N.C. Rev. Stat. §47C-1 *et. seq.*

1. **Easement to Inspect and Right to Correct.**

(a) **Easement.** Declarant reserves for itself, for Architect, Engineer and for General Contractor (defined below) and such other persons as each may designate, perpetual, non-exclusive easements throughout the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Property, including Units and the Common Elements. Pursuant to this Section and any express warranty provided by Architect, Engineer and General Contractor, Declarant hereby reserves itself, and, at Declarant's direction for Architect, Engineer and General Contractor, the unilateral right, at any time, to redesign, correct, modify or improve any part of the Property, including Units and the Common Elements, to the extent reasonably necessary to correct any design defect, construction-related defect or other construction-related problem, to change or improve the operational efficiency and structural integrity of any improvement located on the Property, and to otherwise provide a modified, superior or enhanced housing product within the Property. In the event that any person has received a notice of claim pursuant to the Declaration, then the rights under the aforementioned easement shall be exercised by such person in accordance with the notice of defect and "opportunity to cure" provisions of the Declaration.

(b) **Right of Entry.** In addition to the above easement, Declarant for itself, for the Architect, Engineer and General Contractor reserves a right of entry onto any Unit upon reasonable notice to the Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Declarant, Architect, Engineer or General Contractor, as applicable, notifies the Owner (or occupant) and agrees with the Owner regarding a reasonable time to enter the Unit to perform such activities. Owner agrees to cooperate in a reasonable manner with Declarant, Architect, Engineer and General Contractor in their exercise of the rights provided to it by this Section. In addition to the above easements and those set forth in Article XII of the Declaration, Declarant reserves for Architect, Engineer and General Contractor the right to enter onto the Common Elements and into any improvements and structures thereon at any time with advance notice to the Association; provided, however, in an emergency, such notice shall not be required and Architect, Engineer and General Contractor shall be permitted to enter upon any portion of the Property without advance notice or consent. In the event that any person receives a notice of claim pursuant to the Declaration, then the above right of entry shall be exercised by such



person in accordance with the statutory notice and “opportunity to cure” provisions of this Declaration.

(c) Notice Requirement. Upon notice, observation, allegation, or suspicion of a design defect, construction-related defect or other construction-related problem with any improvement located on the Property, including the Common Elements and any Unit, the Association immediately shall notify Declarant, Architect, Engineer and General Contractor of such issue in writing and, in the case of a condition posing an imminent threat of damage to person or property, telephonically. Upon such notice, Declarant, Architect, Engineer or General Contractor shall have the right to come onto the Property to observe the defect or problem and Architect, Engineer, or General Contractor shall have the right unilaterally to undertake any corrective measures that it deems appropriate without the additional consent or participation of the Association or the Owner(s). The rights of notice, inspection and correction granted to Declarant, Architect, Engineer and General Contractor pursuant to this Section shall be provided by the Association and any affected Owner prior to the Association and any affected Owner consulting with, hiring or retaining, in any capacity whatsoever, any third party to examine, correct, repair or improve any design defect, construction-related defect or other construction-related problem with the Property, any Common Element or Unit. Failure by the Association or any Owner to provide Declarant, Architect, Engineer and General Contractor with the above described notice, inspection and cure rights granted to it by this Section, automatically shall constitute an absolute and unconditional waiver of any legal claim or other claim or remedy whatsoever, including any warranty claims and any right to file a claim in arbitration, that the Association or the Owner(s) otherwise may have regarding such defect or problem absent such waiver.

(d) Damage. Any damage to the Property, a Unit or the Common Elements resulting from the exercise of the easement and right of entry described in the above subsections of this Section promptly shall be repaired by, and at the expense of, the party exercising this easement; provided, however, the obligation to repair shall be limited to restoring the affected area to the same approximate condition and state of repair which existed prior to the undertaking of the work permitted by this easement and after taking into account the nature of any corrective work or improvement so performed by Architect, Engineer or General Contractor pursuant to this Section.

(e) No Implied Warranty and Enforcement. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR TO THE ASSOCIATION OR ANY OWNER, AND DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY NORTH CAROLINA LAW. Declarant, Architect, Engineer and General Contractor may seek enforcement of the rights afforded to each of them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction in the State of North Carolina and notwithstanding to the contrary any arbitration provision set forth in this Declaration or any other instrument whatsoever.

(f) Notices and Amendment. As used in this Section, (i) the term “Architect” shall mean Finley Design, P.A., a North Carolina professional association, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Architect (or subcontractors of such subcontractors) to perform professional architectural services with respect to the Property, the Common Elements and any Unit, (ii) the term “Engineer” shall mean CE Group, Inc., a North Carolina corporation, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Engineer (or subcontractors of such subcontractors) to perform engineering work with respect to the Property, the Common Elements and any Unit, and (iii) the term “General Contractor” shall mean Montgomery Carolina, LLC, a North Carolina limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work on the Property, the Common Elements and any Unit.

(i) Notices to Architect shall be delivered as follows: 7806 NC Hwy 751, Suite 110, Durham, NC 27713, as such notice address and phone number may be amended from time to time by Architect upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(ii) Notices to Engineer shall be delivered as follows: 301 Glenwood Ave, Suite 220, Raleigh, NC 27603, as such notice address and phone number may be amended from time to time by Engineer upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross reference to this Declaration.

(iii) Notices to General Contractor shall be delivered as follows: 7806 NC Hwy 751, Suite 100, Durham, NC 27713, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

Architect, Engineer and General Contractor each is an express beneficiary of the terms set forth in this Exhibit, and the terms of this Exhibit may not be amended in any manner whatsoever without Architect’s, Engineer’s and General Contractor’s prior written consent. Declarant covenants with Architect, Engineer and General Contractor that it immediately shall forward to Architect, Engineer and General Contractor any notice whatsoever that Declarant receives from the Association or any Owner regarding any alleged design defect, construction-related defect or other construction-related problem whatsoever regardless of whether or not such notice also shall be addressed to Architect, Engineer or General Contractor and regardless of whether or not Declarant determines that such complaint is without merit.

2. Arbitration and Actions. References to an “Owner” in this Section shall not include Declarant, even in the event that Declarant owns one or more Units.

(a) Prerequisites to Actions Against Architect, Engineer or General Contractor. Prior to filing a civil action or arbitration claim of any nature whatsoever against Architect, Engineer or General Contractor, and prior to consulting with, retaining or hiring in any capacity whatsoever, any third party consultant, advisor, property inspector, architect, engineer, contractor

or repairmen to correct the problem or to examine, investigate, or advise the Association or any Owner with respect to any suspected or reasonably inferable design defect, construction-related defect or other construction-related problem with the Property, Common Elements and any Unit, the Association or any Owner desiring to make such a claim shall first (i) secure the written opinion of a licensed architect or general contractor experienced in the design of similar urban residential condominium projects identifying all alleged errors and omissions, and (ii) notify Architect, Engineer and General Contractor of the alleged or suspected problem, including such written opinion. The Association, or the applicable Owner, shall then provide Architect, Engineer and General Contractor with a reasonable opportunity to inspect and repair the problem pursuant to the terms of Section 1, above. For the purposes of this Section, a minimum of sixty (60) days from first notice to Architect, Engineer and General Contractor shall be deemed a reasonable opportunity for Architect, Engineer and General Contractor to inspect and repair any alleged or suspected problem; provided, however, in certain circumstances, this period of time may be longer depending on the complexity of the condition and the length of time reasonably necessary to obtain parts and services from third parties as such additional time shall be communicated to the Association and Owner by Architect, Engineer and General Contractor.

After the above right to inspect and correct period elapses, the Association may bring an action against Architect, Engineer or General Contractor to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements only. Such action may be maintained by the Association only after compliance with the requirements of this Declaration, including, but not limited to, the following conditions precedent:

(i) The Association obtains the written approval of each Owner whose interest in the Common Elements or Limited Common Elements will be the subject of the action;

(ii) The Association obtains the affirmative vote of the Owners to which at least a majority of the votes of the members of the Association are allocated;

(iii) The full Executive Board and Architect, Engineer or General Contractor have met in person and conferred in a good faith attempt to resolve the Association's Claim or Architect, Engineer or General Contractor has definitively declined or ignored the requests to meet with the Executive Board; and

(iv) The Association has otherwise satisfied all of the pre-action requirements for a claimant to commence an action as set forth in this Declaration.

At least three (3) business days in advance of any vote to commence an action by the Association to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements, the attorney representing the Association shall provide to each Owner a written statement that includes, in reasonable detail:

(i) The defects and damages or injuries to the affected Common Elements or Limited Common Elements;

(ii) The cause of the defects, if the cause is known;

(iii) The nature and the extent that is known of the damage or injury resulting from the defects;

(iv) The location of each defect within the affected Common Elements or Limited Common Elements, if known;

(v) A reasonable estimate of the cost of the action or mediation, including reasonable attorneys' fees and costs, expert fees, and the costs of testing; and

(vi) All disclosures that the Owner is required to make upon the sale of the Unit.

The Association or an attorney for the Association shall not employ a person to perform destructive tests to determine any damage or injury to a Unit, Common Element, or Limited Common Element caused by a construction defect unless:

(i) The person is licensed as a contractor pursuant to law;

(ii) The Association has obtained the prior written approval of each Owner whose Unit or interest in the Common Element or Limited Common Element will be affected by such testing;

(iii) The person performing the tests has provided a written schedule for repairs;

(iv) The person performing the tests is required to repair all damage resulting from such tests in accordance with state laws and local ordinances relating thereto;

(v) The Association or the person so employed obtains all permits required to conduct such tests and to repair any damage resulting from such tests; and

(vi) Reasonable prior notice and opportunity to observe the tests is given to Architect, Engineer or General Contractor and any other party against whom an action may be brought as a result of the tests.

The Association may commence an action only upon a vote or written agreement of the Owners to which at least a majority of the votes of the members of the Association are allocated. In such a case, and at least twenty-one (21) calendar days before the meeting, the Association shall provide written notice to the Owner of each Unit of the meeting at which the commencement of an action is to be considered or action is to be taken.

The Association may, without giving notice to the Owners, employ a contractor and such other persons as are necessary to make such immediate repairs to a Unit or Common Element as are required to protect the health, safety, and welfare of the Owners and Occupants.

Similarly, prior to any Owner(s) bringing any Claim against Architect, Engineer or General Contractor, the affected Owner(s) shall first notify the Association of their intent to do so, shall

meet with the Association's Executive Board to discuss the nature and merit of their Claim and whether such Claim concerns the Common Elements, and shall provide the Association with at least sixty (60) days (if requested by the Executive Board) to obtain the consent of the Owners for the Association to join in such Claim against Architect, Engineer or General Contractor with respect to any affected Common Elements only. The provisions of the preceding sentence shall be inapplicable (i) to the Association during the Declarant Control Period, and (ii) to the Declarant at all times.

(b) Notice of Claim. After first complying with the terms and conditions set forth above in subsection (a), if the Association and/or an Owner(s) (singularly or collectively as the context requires, the "Claimant") desires to pursue a legal claim of any nature whatsoever against Architect, Engineer or General Contractor (the "Respondent"), then the Claimant shall, no later than ninety (90) days before initiating an action against Respondent, provide service of written notice of claim on Respondent (the "Notice of Claim"). The Notice of Claim shall state that the Claimant asserts a construction defect claim or claims and is providing notice of the claim or claims pursuant to the requirements of this Declaration. The Notice of Claim shall describe the claim or claims in detail sufficient to explain the nature of the alleged construction defects and the results of the defects. In addition, the claimant shall provide to Architect, Engineer or General Contractor any evidence that depicts the nature and cause of the construction defect, including expert reports, photographs, and videotapes, if that evidence otherwise would be discoverable under evidentiary rules.

For purposes of clarification of the above terms and conditions, an Owner may file a Claim against Respondent for problems or deficiencies with his or her Unit or Limited Common Elements assigned to his or her Unit only, but, except in the case of an Opt-Out Notice or a Claim Delay Exception (each as provided herein), an Owner may not file a Claim against Respondent for problems or deficiencies (a) with the Common Elements or (b) with the Limited Common Elements assigned to more than 10% of the Units, or (c) with respect to more than 10% of the Units (each, a "Representative Claim"). When the Association files a Representative Claim of the type described in clauses (b) or (c) of the preceding sentence, the Association also shall notify all Owners affected or potentially affected by such Representative Claim, and such notice shall provide that each such Owner shall have a period of thirty (30) days from receipt of such notice in which to notify the Association that the Owner desires for its Unit to be withdrawn from said Representative Claim except to the extent that the Representative Claim concerns problems or defects with the Common Elements, so that such Owner may pursue its own Claim(s) of the type described in clauses (b) or (c) of the preceding sentence individually (an "Opt-Out Notice"). All Owners covenant and agree that all their Claim rights with respect to Representative Claims are exclusively those of the Association, except (a) if such Owner shall be entitled to and shall give an Opt-Out Notice, or (b) in the case that the Association shall fail to bring and thereafter diligently prosecute a Representative Claim within sixty (60) days of a notice from Owners of more than 10% of the Units demanding that the Association bring a Representative Claim against Respondent (a "Claim Delay Exception"). Other than in the instance of an Opt-Out Notice or a Claim Delay Exception, all Owners covenant and agree that the Association shall serve in a representative capacity on behalf of all such affected Owners with respect to Representative Claims against Respondent. In the event that two proceedings are brought, one by the Association and another by individual Owners alleging the same Claims, the Association and the involved Owners hereby consent to joinder of those Claims into one proceeding.

(c) Negotiation and Mediation.

Following Claimant's service of its Notice of Claim, the parties acknowledge that their dispute shall be governed by the procedural framework set forth in this Declaration.

If the parties do not resolve the Claim amongst themselves in accordance with the notice and opportunity to cure provisions set forth in this Declaration ("Termination of Negotiations"), then Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of an independent, mutually acceptable agency providing dispute resolution services in the Pittsboro, North Carolina area.

If Claimant does not submit the Claim to mediation within such time period, or does not appear for the mediation, Claimant shall be deemed to have absolutely, unconditionally and forever waived the Claim, and Declarant, Architect, Engineer and General Contractor shall be released and discharged from any and all liability whatsoever to Claimant on account of such Claim.

Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such additional time as determined by the mediator, the mediator shall issue to all parties a written notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the parties are at an impasse and the date that such mediation was terminated.

Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to Respondent, and Respondent shall make a final written settlement offer ("Settlement Offer") to Claimant. If Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If Respondent fails to make a Settlement Offer, they shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration.

If the parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, then the Claimant shall have fifteen (15) additional days thereafter (i.e., thirty (30) days from the date of Termination of Mediation) to submit the Claim to arbitration before the American Arbitration Association pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association.

If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, then the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability whatsoever to Claimant arising out of such Claim.

This Section is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of North Carolina. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it to the fullest extent permitted under the laws of the State of North Carolina.

(e) Allocation of Costs of Resolving Claims.

Each party (regardless of the outcome of the arbitration proceeding) shall bear its own costs, including attorneys' fees, arbitration filing fees and arbitration case service fees. The parties shall share equally in all arbitrator compensation and expenses and compensation of the mediator and mediation service. Under no circumstances whatsoever shall one party be entitled to receive reimbursement from the other party for the above described costs, expenses and fees, including but not limited to attorneys' fees.

(f) Enforcement of Resolution.

After resolution of any Claim, if any party fails to abide by the terms of any settlement agreement or Award, then any other party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above. In such event, the party enforcing the agreement or Award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

(g) Notices. As used in this Section, (i) the term "Architect" shall mean Finley Design, P.A., a North Carolina professional association, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Architect (or subcontractors of such subcontractors) to perform professional architectural services with respect to the Property, the Common Elements and any Unit, (ii) the term "Engineer" shall mean CE Group, Inc., a North Carolina corporation, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Engineer (or subcontractors of such subcontractors) to perform engineering work with respect to the Property, the Common Elements and any Unit, and (iii) the term "General Contractor" shall mean Montgomery Carolina, LLC, a North Carolina limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work on the Property, the Common Elements and any Unit.

(i) Notices to Architect shall be delivered as follows: 7806 NC Hwy 751, Suite 110, Durham, NC 27713, as such notice address and phone number may be amended from time to time by Architect upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(ii) Notices to Engineer shall be delivered as follows: 301 Glenwood Ave, Suite 220, Raleigh, NC 27603, as such notice address and phone number may be amended from time to time by Engineer upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross reference to this Declaration.

(iii) Notices to General Contractor shall be delivered as follows: 7806 NC Hwy 751, Suite 100, Durham, NC 27713, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(h) Miscellaneous. Any Notice of Claim furnished to Respondent pursuant to this Declaration shall be served in accordance with Rule 4 of the North Carolina Rules of Civil Procedure. Architect, Engineer and General Contractor are express beneficiaries of the terms set forth in this Section, and the terms of this Section may not be amended in any manner whatsoever without Architect's, Engineer's and General Contractor's prior written consent. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR TO THE ASSOCIATION OR ANY OWNER, AND DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY NORTH CAROLINA LAW. Architect, Engineer and General Contractor may seek enforcement of the rights afforded to them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction in the State of North Carolina and notwithstanding to the contrary any arbitration provision set forth in this Declaration or any other instrument whatsoever. Nothing in this Declaration will be deemed (a) to modify any provision of or rights conferred by any contract with the Architect, Engineer or General Contractor, or the Architect's, Engineer's or General Contractor's right to enforce said contract pursuant to its terms or in accordance with applicable law, or (b) to extend applicable statutes of limitation or repose, concerning work performed under said contract.



FILED May 19, 2023  
AT 04:10:50 PM  
BOOK 02362  
START PAGE 1091  
END PAGE 1116  
INSTRUMENT # 04339  
EXCISE TAX \$0.00

**FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM  
(Book 2356, Page 418, Condominium Book 1, Pages 106 through 115 and Condominium  
Book 1, Pages 116 through 125, Chatham County Registry)**

**PREPARED BY AND RETURN TO:**  
Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

**STATE OF NORTH CAROLINA  
COUNTY OF CHATHAM**

This First Amendment to Declaration of Mosaic Lot 6 Condominium (“First Amendment”) is made this the 19<sup>th</sup> day of May 2023, by Mosaic Lot 6 LLC, a North Carolina limited liability company (“Master Declarant”).

WHEREAS, Master Declarant filed a Declaration of Condominium for Mosaic Lot 6 Condominium dated April 10, 2023, and recorded on April 11, 2023, in Book 2356, Page 418, together with plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Page 106 through 115, (“Plans”) each in the Chatham County Registry (“Master Declaration”) thereby creating the “Master Condominium” (the Master Declaration and this First Amendment are collectively referred to as the “Master Declaration”).

WHEREAS, Master Declarant has the authority to amend the Declaration pursuant to North Carolina General Statutes 47C-2-117 and Article XIV of the Master Declaration.

WHEREAS, Master Declarant conveyed the Residential Units to Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company (“Residential Declarant”) pursuant to a General Warranty Deed dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 492, Chatham County Registry.

WHEREAS, the Residential Declarant filed a Declaration of Mosaic Lot 6 Residential Condominium dated April 10, 2023, and recorded on April 11, 2023 in Book 2356, Page 496,

Submitted electronically by "Bradshaw Robinson Slawter & Rainer LLP" in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Chatham County Register of Deeds.

Chatham County Registry (“Residential Declaration”) together with the Plans that were incorporated by reference thereby creating the “Residential Condominium”.

WHEREAS, Master Declarant owns all the Commercial Units in the Master Condominium.

WHEREAS, the Residential Declarant and the Residential Unit Owners own all of the Residential Units in the Residential Condominium.

WHEREAS, the Residential Declarant owns Residential Units 302, 307, 309 and 310.

WHEREAS, Residential Unit Owners identified in Exhibit A, which is attached hereto and incorporated herein by reference, own Residential Units 301, 303, 304, 305, 306, 308 and 311.

WHEREAS, Master Declarant desires to (i) expand the size and reconfigure the Residential Storage Area, (ii) reassign and relocate Residential Storage Units among the Master Declarant and certain Residential Unit Owners, (iii) reduce the size and reconfigure the Basement Unit and (iv) reallocate the Common Interests in the Association among the Commercial Units and Residential Units.

WHEREAS, Master Declarant desires to amend the Master Declaration and the Plans to memorialize the amendments set out herein.

WHEREAS, the Residential Declarant, and Residential Unit Owners desire to consent to (i) expand the size and reconfigure the Residential Storage Area, (ii) reassign and relocate Residential Storage Units among the Master Declarant and certain Residential Unit Owners, (iii) reduce the size and reconfigure the Basement Unit and (iv) reallocate the Common Interests among the Commercial Units and Residential Units.

WHEREAS, each of Mosaic Lot 6 Condominium Association, Inc, Mosaic Lot 6 Residential Association, Inc., Mosaic Lot 6 Office Association, Inc. and Mosaic Lot 6 Retail Association, Inc., each a North Carolina nonprofit corporation, enter into this First Amendment to certify the approval of the entirety of the Unit Owners.

WHEREAS, each of Mosaic Master Owners Association, Inc. a North Carolina limited liability company, and ECO Partners, LLC, a North Carolina limited liability company, as Declarant, pursuant to that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, approves of this First Amendment.

NOW, THEREFORE, Master Declarant hereby declares that the Property shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions and restrictions set forth herein.

1. Recitals; Defined Terms. The foregoing recitals are true, accurate and are incorporated herein by reference. The defined terms set out in this First Amendment shall have the same meanings as defined in the Master Declaration, unless otherwise defined in this First Amendment.

2. Storage Units. Sections 4.3 (d)(i) and (ii) are deleted in the entirety. The following is substituted in place of the original language:

(d) Storage Units. Storage Units in the Condominium are available to all uses on a nonexclusive basis except (i) where specifically allocated as Limited Common Elements to various Sections and Units and as shown on the Plans, and (ii) where specifically reserved as Declarant Storage Units as follows:

(i) Residential Storage Units. The Residential Storage Area is a Residential Limited Common Element. There are seventeen (17) Residential Storage Units in the Residential Storage Area that are reserved for the exclusive use of the Declarant and/or Residential Owners. Eleven (11) Residential Units are allocated twelve (12) Storage Units with at least one (1) Storage Unit each, serving only that Residential Unit. One (1) Residential Unit (Unit 310) is allocated two (2) Storage Units and ten (10) Residential Units (Units 301-309 and Unit 311) are allocated one (1) Storage Unit each. Declarant reserves the right to use five (5) Residential Storage Units, labeled on the Amended Plans as Residential Storage Units A, B, C, D and E, that are not allocated as a Limited Common Element to a Residential Unit. Attached as an exhibit to the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium is a table showing which Residential Storage Units are allocated to which Residential Units and which Residential Storage Units are reserved for Declarant's use. Declarant's right to use the Declarant Residential Storage Units shall terminate upon the earlier of: (i) the expiration of Declarant's Special Declarant Rights, or (ii) at Declarant's election. Upon the termination of the Declarant's right to use the Residential Storage Units, the rights of the Declarant in and to the Residential Storage Units described in this Section 4.3(d)(i), shall be assigned to and assumed by the Residential Association.

(ii) Declarant Storage Units. Subject to the provisions of Section 2.5, Declarant reserves the right to use any Storage Units, in addition to the right to use Residential Storage Units in the Residential Storage Area, located within the Condominium and not allocated as a Limited Common Element to a specific Section or Unit ("Declarant Storage Units") pursuant to Declarant's exercise of its Special Declarant Rights at no charge to the Declarant. The Declarant may use the Declarant Storage Units for any reasonable purpose, including without limitation transferring any Declarant Storage Units to Unit Owners or exchanging any Declarant Storage Units for other Storage Units as is reasonably necessary to support Declarant's exercise of its Special Declarant Rights. Declarant's right to use the Declarant Storage Units shall terminate upon the earlier of: (i) the expiration of Declarant's Special Declarant Rights, or (ii) at Declarant's election. Upon the termination of the Declarant's right to use Storage Units, if any, the Declarant Storage Units and the rights of the Declarant in and to the Declarant Storage Units described in this Section 4.3(d)(ii), shall be assigned to and assumed by the Office Association.

3. Common Interests. The allocation of Common Interests as set out in the Master Declaration Exhibit B, is deleted in its entirety and the Common Interest are hereby reallocated as set out in this First Amendment Exhibit B of this First Amendment, which is attached hereto and incorporated herein by reference.

4. Plans. The Plans as depicted in Condominium Book 1, Pages 106 through 115 and recorded in the Chatham County Registry, are hereby amended to memorialize the (i) increased size and reconfiguration of the Residential Storage Area, (ii) reassignment and relocation of the Residential Storage Units among the Master Declarant and Residential Unit Owners and (iii) reduced size and reconfiguration of the Basement Unit, described in this First Amendment. The amended Plans consist of ten (10) sheets and are recorded in the Chatham County Registry in Condominium Book 1, Page 116 through 125. The Amended Plans are hereby incorporated herein by reference as if the same were attached hereto

5. Nature of Amendment. Except as amended herein, the Declaration shall remain in full force and effect.

**(Signature pages follow)**

IN WITNESS WHEREOF, Master Declarant has executed this First Amendment as of the day and year first above written.

**Mosaic Lot 6 LLC,**  
a North Carolina limited liability company

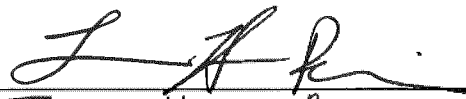
By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager

By:   
Kirk J. Bradley, Manager

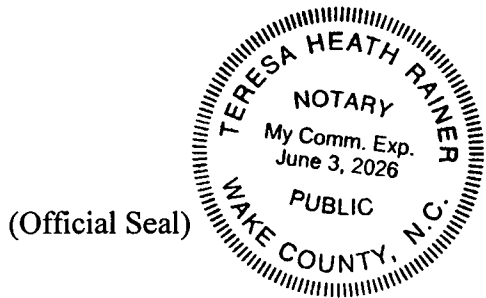
STATE OF NORTH CAROLINA  
COUNTY OF Chatham

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and, in the capacity, indicated: Kirk J. Bradley as Manager of ECO Mosaic LLC, a North Carolina limited liability company, Manager of Mosaic Lot 6 LLC, a North Carolina limited liability company.

Date: May 17<sup>th</sup>, 2023

  
Teresa Heath Rainer  
Notary Printed Name

My Commission Expires: 6/3/2026



CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned owner of the basement office unit, the office unit and the retail unit (all of the Commercial Units) hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

**MOSAIC LOT 6, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager:

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Teresa Heath Rainer a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17, 2023

[Signature]  
Notary Public  
Print Name: Teresa Heath Rainer

My commission expires: 6/3/2026



(Official Seal)

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 301:

James D. Walden  
JAMES D. WALDEN

Leslie L. Walden  
LESLIE L. WALDEN

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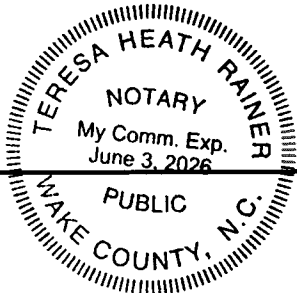
Chatham County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JAMES D. WALDEN, LESLIE L. WALDEN

Date: May 5, 2023

Teresa Heath Rainer  
Teresa Heath Rainer, Notary Public

(Seal)



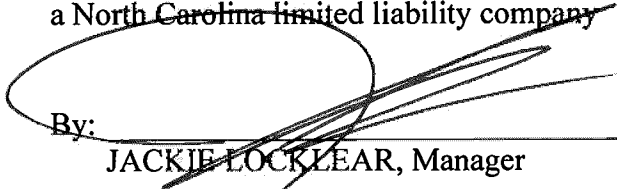
My commission expires: June 3, 2026

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 303:

JJKL INVESTMENTS LLC I,  
a North Carolina limited liability company

By:   
JACKIE LOCKLEAR, Manager

Chatham County, State of North Carolina

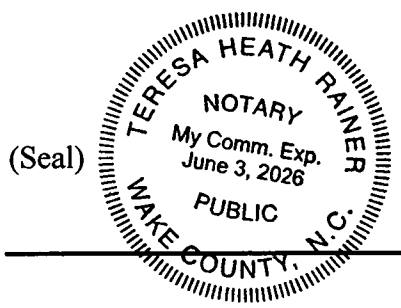
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JACKIE LOCKLEAR

Date: April 24, 2023

  
Signature of Notary Public

Teresa H. Rainer  
Printed Name of Notary Public

My commission expires: 6/3/2026





CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 304:

MOSAIC HOSPITALITY, LLC,  
a North Carolina limited liability company

By: THE MALCOLM BRYANT CORPORATION,  
a Kentucky corporation, its Manager

By: [Signature]  
MADISON SILVERT, President

Chatham County, State of NC

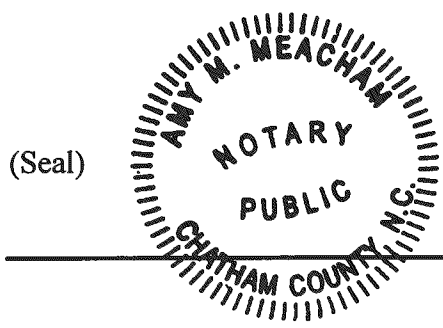
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: MADISON SILVERT

Date: May 11, 2023

Amy M. Meacham  
Signature of Notary Public

Amy M. Meacham  
Printed Name of Notary Public

My commission expires: 3-3-2026



(Seal)

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 305:

John Reyes  
JOHN REYES

Linda Reyes  
LINDA REYES

Chatham County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JOHN REYES; LINDA REYES

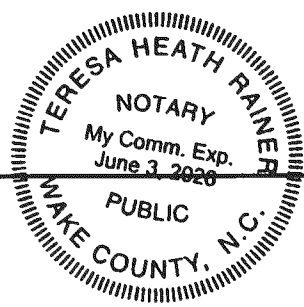
Date: May 10, 2023

[Signature]  
Signature of Notary Public

Teresa Heath Rainer  
Printed Name of Notary Public

My commission expires: 6/3/2026

(Seal)

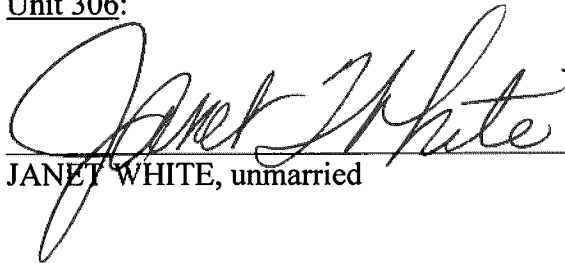


\_\_\_\_\_

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

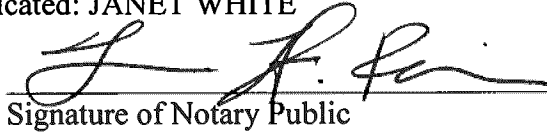
Unit 306:

  
\_\_\_\_\_  
JANET WHITE, unmarried

Chatham County, State of North Carolina

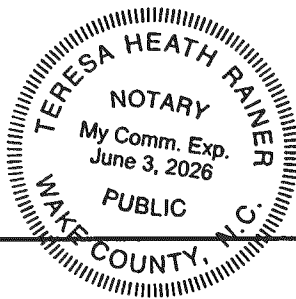
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JANET WHITE

Date: May 4th, 2023

  
\_\_\_\_\_  
Signature of Notary Public

Teresa Heath Rainer  
\_\_\_\_\_  
Printed Name of Notary Public

(Seal)



My commission expires: 6/3/2026

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 306:

*Juliana Catherine White*  
JULIANNA CATHERINE WHITE, unmarried

Chatham County, State of NC

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JULIANNA CATHERINE WHITE

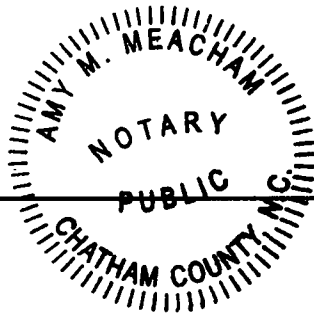
Date: May 18, 2023

*Amy M. Meacham*  
Signature of Notary Public

Amy M. Meacham  
Printed Name of Notary Public

My commission expires: 3-3-2026

(Seal)



\_\_\_\_\_

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 308:

Gail Matthews Darden  
GAIL MATTHEWS DARDEN, unmarried

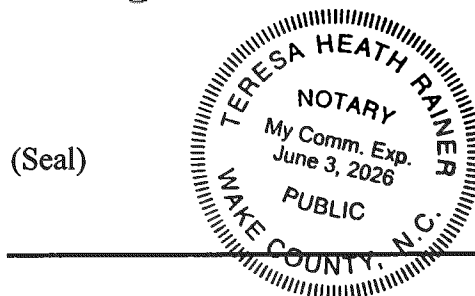
Chatham County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: GAIL MATTHEWS DARDEN

Date: May 1, 2023

Teresa Heath Rainer  
Signature of Notary Public

Teresa Heath Rainer  
Printed Name of Notary Public



My commission expires: 6/3/2026

CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

Unit 311:

CRYSTAL INVESTMENTS LLC,  
a North Carolina limited liability company

By: [Signature]  
Name: Kuntal Gandhi  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

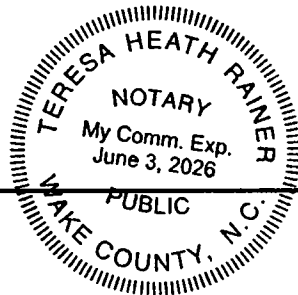
I, Teresa Heath Rainer a Notary Public of Wake County, North Carolina, certify that Kuntal Gandhi personally came before me this day and acknowledged that he is the Manager of CRYSTAL INVESTMENTS LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 1st day of May, 2023.

Date: 5/1/2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026




CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned residential unit owner of units 302, 307, 309 and 310 hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium.

**MOSAIC LOT 6 RESIDENTIAL, LLC,**  
a North Carolina limited liability company

By: ECO Mosaic LLC,  
a North Carolina limited liability company,  
its sole Manager:


By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

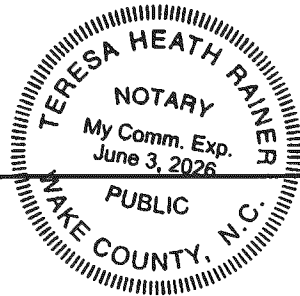
I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17, 2023

  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026



CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 CONDOMINIUM  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

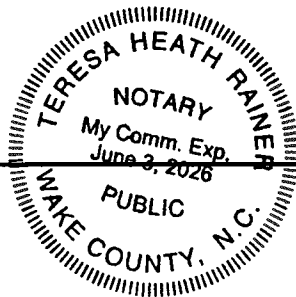
I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Condominium Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17<sup>th</sup>, 2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026






CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 RESIDENTIAL  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

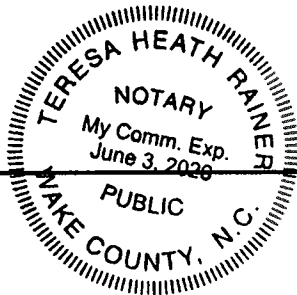
I, Teresa Heath Rainer a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Residential Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17<sup>th</sup>, 2023

  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026



CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 RETAIL ASSOCIATION,  
INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

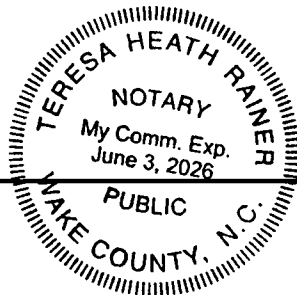
COUNTY OF Chatham

I, Teresa Heath Rainey a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Retail Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17th day of May, 2023.

Date: May 17th, 2023

[Signature]  
Notary Public

[Official Seal]




Print Name: Teresa Heath Rainey  
My commission expires: 6/3/2026

CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 OFFICE ASSOCIATION,  
INC.,**  
a North Carolina non-profit corporation

By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

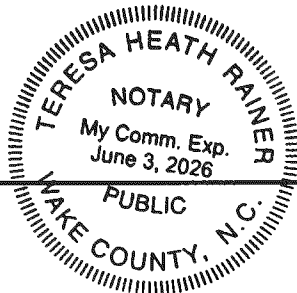
I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Office Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17<sup>th</sup>, 2023

  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026



CERTIFICATION OF APPROVAL OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned property owner's association formed pursuant to that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, hereby certifies that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been duly approved by its governing board.

**MOSAIC MASTER OWNERS ASSOCIATION,  
INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: President

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Teresa Heath Rainor a Notary Public of Wake County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is President of Mosaic Master Owners Association, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its President. Witness my hand and official stamp or seal, this 17<sup>th</sup> day of May, 2023, 2023 TR

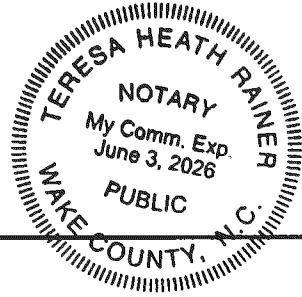
Date: May 17<sup>th</sup>, 2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainor

My commission expires: 6/3/2026



CERTIFICATION OF APPROVAL OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM

The undersigned Declarant under that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, hereby certifies that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium has been approved by the Declarant.

**ECO CP PARTNERS, LLC,**  
a North Carolina limited liability company

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Teresa Heath Rainer a Notary Public of <sup>Wake (TR)</sup> ~~the~~ County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO CP Partners, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official stamp or seal, this 17<sup>th</sup> day of May, 2023.

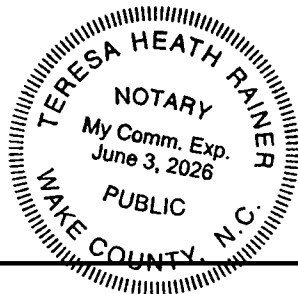
Date: May 17<sup>th</sup>, 2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer

My commission expires: 6/3/2026



**EXHIBIT A**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM**

**Individual Residential Unit**

Unit #	Owner Name
301	James D. Walden and Leslie C. Walden
303	JJKL Investments LLC I
304	Mosaic Hospitality, LLC
305	John Reyes and Linda Reyes
306	Janet White and Julianna Catherine White
308	Gail Matthews Darden
311	Crystal Investments LLC

**EXHIBIT B****FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM****Common Interest Allocations**

<b>UNIT TYPE</b>	<b>UNIT NUMBER</b>	<b>NET SQUARE FEET</b>	<b>COMMON INTEREST IN ASSOCIATION</b>	<b>COMMON INTEREST IN SECTION ASSOCIATION</b>
<b>Retail</b>	First Floor Unit	14,385	28.62%	100.00%
<b>Office</b>	Basement Unit	7,532	14.98%	32.65%
	Second Floor Unit	15,539	30.91%	67.35%
<b>Master Residential*</b>	Master Residential Unit	12,814	25.49%	100.00%
	<b>TOTALS</b>	<b>50,270</b>	<b>100.00%</b>	

This table may be amended from time to time in accordance with this Declaration. The relative Common Interests will change as Declarant adds additional Units to the Condominium. The net square footages and totals in this table are rounded up or down as appropriate. The net square footage of each Office Unit is based on the approximate leasable square footage of each Office Unit, as determined by Declarant. The net square footage of each Retail Unit is based on the approximate number of leasable square feet within each Retail Unit, as determined by Declarant. The net square footage of the Master Residential Unit is based on the aggregate heated square footage of all the Residential Units, as determined by Declarant. The heated square footage of each Residential Unit is stated on an exhibit to the Residential Declaration and is shown on the Residential Plans.

*\*The Residential Declaration states with specificity the Common Interests and Voting Interests allocated to each Residential Unit within the Master Residential Unit. The Common Interests allocated to each Residential Unit shall be based on the net square footage of each Residential Unit. However, the Voting Interests allocated to each Residential Unit shall not be based on the net square footage of each Residential Unit. For the purposes of voting in a vote of the Association membership, each Residential Unit shall be allocated an equal share of the total Common Interest allocated to the Master Residential Unit. For example, if the sum of the Residential Units comprises 12,814 net square feet out of a total 50,270 net square feet, then the Residential Units' Common Interest shall be 25.49%. The Residential Units' Common Interest of 25.49% shall then be shared among the Residential Units. For example, if there are twelve (12) Residential Units within the Master Residential Unit, then each Residential Unit shall be allocated a Voting Interest of 2.12% in a vote of the Association's membership. Notwithstanding the foregoing, the Residential Declaration shall control in the event of any conflict between this Declaration and the Residential Declaration regarding the Common Interests and Voting Interests allocated to each Residential Unit within the Master Residential Unit.*

**EXHIBIT C**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 CONDOMINIUM**

**Consent of Lender**

[The Consent of Lender for Mosaic Lot 6 Condominium follows this page.]



STATE OF NORTH CAROLINA )

)

CONSENT OF LENDER

COUNTY OF CHATHAM )

THIS CONSENT OF LENDER is made this 17<sup>th</sup> day of May, 2023 by Dogwood State Bank, a North Carolina Banking corporation, ("Lender").

WITNESSETH:

WHEREAS, Lender is the beneficiary of development and construction loan deed of trust recorded in Book 2236, Page 903, and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921 Chatham County Registry (collectively the "Deed of Trust") which encumbers certain real property located in the Town of Pittsboro, North Carolina, the property encumbered by the Deed of Trust being the property described in Exhibit A (the "Property") of the Declaration of Mosaic Lot 6 Condominium (the "Declaration"), which Declaration is being amended herein by the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium (the "First Amendment"), the First Amendment and Declaration are collectively referred to as the "Master Declaration";

NOW, KNOW ALL MEN BY THESE PRESENTS, that Lender joins in this First Amendment for the sole purposes of confirming its consent to this First Amendment and subordinating the lien of its Deed of Trust to the Master Declaration, as amended by this First Amendment, except that no violation of the terms of the Master Declaration shall defeat or render invalid the lien of the Deed of Trust. The Lender makes no representations or warranties as to the validity of the documents creating the Condominium nor the development and physical construction of the Condominium itself. The Lender agrees that the lien of its Deed of Trust on the property being submitted to the Condominium shall hereafter be upon the units, the interests in common elements, and other rights appertaining to those units, and that any subsequent foreclosure of the Lender's lien shall not extinguish the Master Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Deed of Trust, any liability Lender shall have for the duties set forth in the Master Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Master Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger the "due-on-sale" clause in the Deed of Trust, should such clause exist; and, that upon full satisfaction of the loans secured by the Deed of Trust and cancellation of the Deed of Trust, the rights of Lender and any trustee (or such successor trustees as permitted by the Deed of Trust) set forth in the Master Declaration shall terminate. The execution of this Consent of Lender by the Lender shall not have the effect of creating any relationship of partnership or of a joint venture nor shall anything contained hereunder be deemed to impose upon the Lender any of the liabilities, duties or obligations of Declarant under the Master Declaration. The Lender executes this Consent of Lender solely for the purposes set forth herein.

IN WITNESS WHEREOF, Lender has caused this instrument to be executed and effective as of the day and year first above written.

LENDER:

DOGWOOD STATE BANK, a North Carolina banking corporation

By: [Signature]  
Name: J. Stewart Patch  
Title: Regional President

STATE OF NORTH CAROLINA  
COUNTY OF Walle

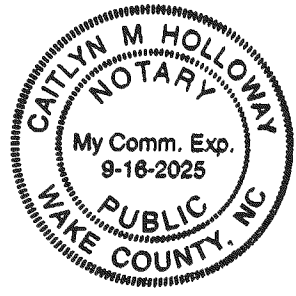
I, Caitlyn M Holloway, a Notary Public of Walle County, North Carolina, certify that J. Stewart Patch personally came before me this day and acknowledged that he is the Regional President of Dogwood State Bank, a North Carolina banking corporation, and that he, as Regional President, voluntarily executed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: May 17 2023

[Signature]  
Notary Public

[Official Seal]

My commission expires: September 16 2025



FILED Nov 03, 2023  
AT 04:09:58 PM  
BOOK 02388  
START PAGE 0380  
END PAGE 0391  
INSTRUMENT # 09641  
EXCISE TAX \$0.00

**SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM  
(Book 2356, Page 496, Book 2362, Page 1117,  
Condominium Book 1, Pages 106 through 115 and  
Condominium Book 1, Pages 116 through 125,  
Chatham County Registry)**

**PREPARED BY AND RETURN TO:**

Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

**STATE OF NORTH CAROLINA  
COUNTY OF CHATHAM**

This Second Amendment to Declaration of Mosaic Lot 6 Residential Condominium (“Second Amendment”) is made this the 27th day of October, 2023, by Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company (“Residential Declarant”).

WHEREAS, Mosaic Lot 6 LLC, a North Carolina limited liability company (“Master Declarant”) filed a Declaration of Condominium for Mosaic Lot 6 Condominium dated April 10, 2023, and recorded on April 11, 2023 in Book 2356, Page 418, as amended by that certain First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium dated May 19, 2023 and recorded on May 19, 2023 in Book 2363, Page 1091 (collectively, the “Master Declaration”), together with plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Pages 106 through 115 as amended by those certain plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Pages 116 through 125 (collectively, the “Plans”), each in the Chatham County Registry thereby creating the “Master Condominium”.

WHEREAS, Master Declarant has the authority to amend the Master Declaration pursuant to North Carolina General Statutes 47C-2-117 and Article XIV of the Master Declaration.

WHEREAS, Master Declarant conveyed the Master Residential Unit to the Residential Declarant pursuant to a General Warranty Deed dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 492, Chatham County Registry.

WHEREAS, the Residential Declarant filed a Declaration of Mosaic Lot 6 Residential Condominium dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 496, as amended by that certain First Amendment to the Declaration of Mosaic Lot 6 Residential Condominium dated May 19, 2023 and recorded on May 19, 2023 in Book 2362, Page 1117 Chatham County Registry (collectively, the “Residential Declaration”) together with the Plans that were incorporated by reference thereby creating the “Residential Condominium” on the Master Residential Unit.

WHEREAS, Residential Declarant and Residential Unit Owners own all the Residential Units in the Residential Condominium.

WHEREAS, the Residential Declarant owns Residential Unit 307.

WHEREAS, Residential Unit Owners identified in Exhibit A, attached hereto and incorporated herein by reference, own Residential Units 301, 302, 303, 304, 305, 306, 308, 309, 310 and 311.

WHEREAS, In accordance with Section 14.1(a) of the Residential Declaration, Unit Owners representing at least sixty-seven percent (67.0%) of the total Voting Interest in the Residential Association, desire and consent to amend the Residential Declaration and Plans to relax certain restrictions on leasing the Residential Units.

WHEREAS, Mosaic Lot 6 Residential Association, Inc. desires to certify the validity of the amendments set out in this Second Amendment.

NOW, THEREFORE, the Residential Declaration is hereby amended as set forth herein.

1. Recitals; Defined Terms. The foregoing recitals are true, accurate and are incorporated herein by reference. The defined terms set out in this Second Amendment shall have the same meanings as defined in the Residential Declaration, unless otherwise defined in this Second Amendment.

2. Leases of Units. Section 6.1(j) is hereby deleted in the entirety. The following is substituted in place of the original language:

6.1(j) Leases of Units. The leasing of Units shall be governed by the restrictions set forth herein. Except as provided herein, the leasing of Units shall be prohibited. “Leasing,” for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Unit as such Owner’s primary residence shall not constitute leasing hereunder. Any lease of any Unit shall expressly provide that occupancy thereunder must be in a manner consistent with the Bylaws and shall likewise provide

that the terms and conditions of the Condominium Documents shall be complied with by the lessee. Any lease entered into by a Unit Owner shall be in writing and be deemed to contain the requirements set forth herein whether or not they are actually contained therein and the lessor and the lessee of any such lease shall be bound by these provisions. All leases shall be for terms of twelve (12) months or longer and shall be subject to approval of the Residential Board, in accordance with its rules and policies adopted from time to time with respect to leasing of Residential Units. Declarant shall have the right and privilege of leasing any or all Residential Units owned by it on a short- or long-term basis.


3. Nature of Amendment. Except as amended herein, the Declaration shall remain in full force and effect.

**(Signature pages follow)**

IN WITNESS WHEREOF, Declarant in its capacity as Declarant and in its capacity as Unit Owner of Unit 307 (Voting Interest of 8.33%) has executed this Second Amendment as of the day and year first above written.

**Mosaic Lot 6 Residential, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager

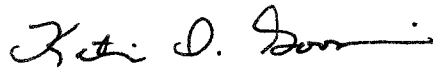
By:   
Kirk J. Bradley, Manager

STATE OF NORTH CAROLINA

COUNTY OF Lee

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and, in the capacity, indicated: Kirk J. Bradley as Manager of ECO Mosaic LLC, a North Carolina limited liability company, Manager of Mosaic Lot 6 Residential LLC, a North Carolina limited liability company.

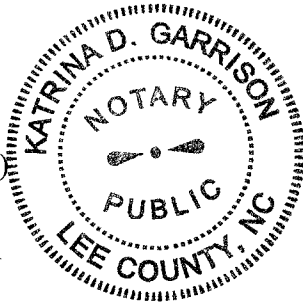
Date: September 27, 2023



Katrina D. Garrison  
Notary Printed Name

My Commission Expires: October 25, 2023

(Official Seal)



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owners in the Mosaic Lot 6 Condominium hereby consent to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 301 (Voting Interest of 8.33%) and Unit 310  
(Voting Interest of 16.67%):

James D. Walden  
JAMES D. WALDEN

Leslie L. Walden  
LESLIE L. WALDEN

STATE OF North Carolina  
COUNTY OF Chatham

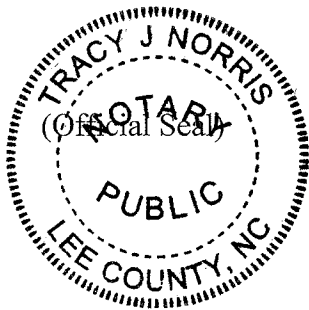
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JAMES D. WALDEN; LESLIE L. WALDEN.

Date: 9/29, 2023

[Signature]  
Signature of Notary Public

Tracy J Norris  
Printed Name of Notary Public

My commission expires: 9/3/24

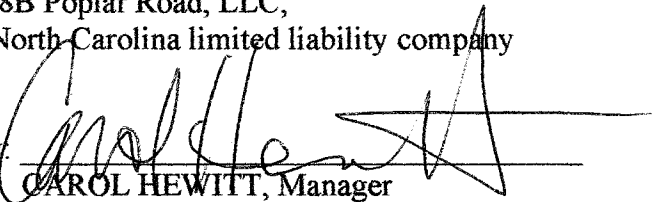


CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 302 (Voting Interest of 8.33%):


228B Poplar Road, LLC,  
a North Carolina limited liability company

By:   
CAROL HEWITT, Manager

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: CAROL HEWITT.

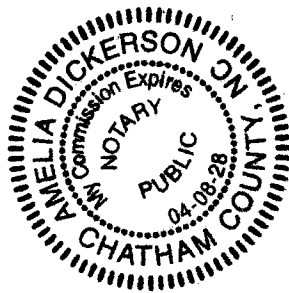
Date: 10-13, 2023

  
Signature of Notary Public

Amelia Dickerson  
Printed Name of Notary Public

My commission expires: 04-08-2028

(Seal)





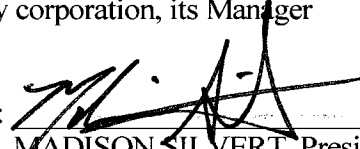
CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 304 (Voting Interest of 8.33%):

MOSAIC HOSPITALITY, LLC,  
a North Carolina limited liability company

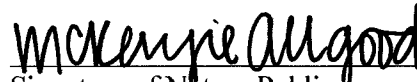
By: THE MALCOLM BRYANT CORPORATION,  
a Kentucky corporation, its Manager

By:   
MADISON SILVERT, President

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: MADISON SILVERT.

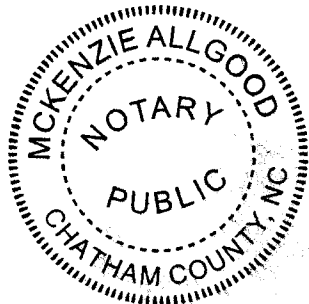
Date: October 18, 2023

  
Signature of Notary Public

McKenzie Allgood  
Printed Name of Notary Public

My commission expires: August 30, 2024

(Seal)



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owners in the Mosaic Lot 6 Condominium hereby consent to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 305 (Voting Interest of 8.33%):

John Keller Reyes  
JOHN REYES

Linda Gail Reyes  
LINDA REYES

STATE OF North Carolina

COUNTY OF Chatham

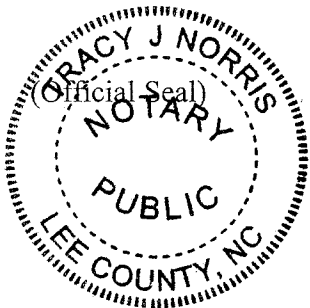
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JOHN REYES, LINDA REYES.

Date: 10/4, 2023

[Signature]  
Signature of Notary Public

Tracy J Norris  
Printed Name of Notary Public

My commission expires: 9/3/24



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 308 (Voting Interest of 8.33%):

Gail Matthews Darden  
GAIL MATTHEWS DARDEN, unmarried

STATE OF North Carolina  
COUNTY OF Chatham

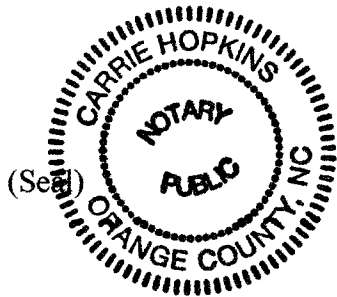
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: GAIL MATTHEWS DARDEN.

Date: September 29, 2023

Carrie Hopkins  
Signature of Notary Public

Carrie Hopkins  
Printed Name of Notary Public

My commission expires: October 3, 2027



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 309 (Voting Interest of 8.33%):

Lee-Moore Capital Company,  
a North Carolina corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: President

STATE OF NORTH CAROLINA

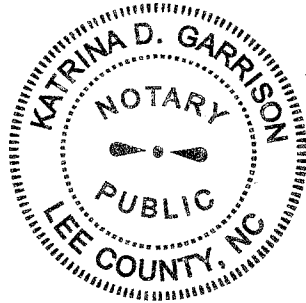
COUNTY OF Lee

I, Katrina D. Garrison, a Notary Public of Lee County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he/she is the President of LEE-MOORE CAPITAL COMPANY, a North Carolina corporation, and that he/she, as President, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 27<sup>th</sup> day of September, 2023.

Date: 9/27/22

[Signature]  
Notary Public

[Official Seal]

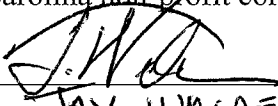


Print Name: Katrina D. Garrison  
My commission expires: October 28, 2023

CERTIFICATION OF VALIDITY OF SECOND AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been duly approved by the Unit Owners representing at least 67.0% of the total Voting Interest in the Residential Association as evidenced by the consent attached hereto.

**MOSAIC LOT 6 RESIDENTIAL  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By:   
Name: JAY WALDEN  
Title: PRESIDENT

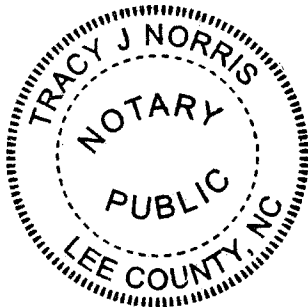
STATE OF NORTH CAROLINA


COUNTY OF Chatham

I, Tracy J Norris, a Notary Public of Chatham County, North Carolina, certify that Jay Walden personally came before me this day and acknowledged that s/he is the President of Mosaic Lot 6 Residential Association, Inc., a North Carolina non-profit corporation, and that in such capacity, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 27<sup>th</sup> day of October, 2023.

Date: 10/27/23

[Official Seal]



  
Notary Public

Print Name: Tracy J Norris

My commission expires: 9/3/24

**EXHIBIT A**

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Individual Residential Unit**

Unit #	Owner Name
301	James D. and Leslie L. Walden
302	228B Poplar Road, LLC
303	JJKL Investments LLC I
304	Mosaic Hospitality, LLC
305	John Reyes and Linda Reyes
306	Janet White and Julianna Catherine White
308	Gail Matthews Darden
309	Lee-Moore Capital Company
310	James D. and Leslie L. Walden
311	Crystal Investments LLC

FILED Nov 03, 2023  
AT 04:09:58 PM  
BOOK 02388  
START PAGE 0380  
END PAGE 0391  
INSTRUMENT # 09641  
EXCISE TAX \$0.00

**SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM  
(Book 2356, Page 496, Book 2362, Page 1117,  
Condominium Book 1, Pages 106 through 115 and  
Condominium Book 1, Pages 116 through 125,  
Chatham County Registry)**

**PREPARED BY AND RETURN TO:**

Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

**STATE OF NORTH CAROLINA  
COUNTY OF CHATHAM**

This Second Amendment to Declaration of Mosaic Lot 6 Residential Condominium (“Second Amendment”) is made this the 27th day of October, 2023, by Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company (“Residential Declarant”).

WHEREAS, Mosaic Lot 6 LLC, a North Carolina limited liability company (“Master Declarant”) filed a Declaration of Condominium for Mosaic Lot 6 Condominium dated April 10, 2023, and recorded on April 11, 2023 in Book 2356, Page 418, as amended by that certain First Amendment to Declaration of Condominium for Mosaic Lot 6 Condominium dated May 19, 2023 and recorded on May 19, 2023 in Book 2363, Page 1091 (collectively, the “Master Declaration”), together with plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Pages 106 through 115 as amended by those certain plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Pages 116 through 125 (collectively, the “Plans”), each in the Chatham County Registry thereby creating the “Master Condominium”.

WHEREAS, Master Declarant has the authority to amend the Master Declaration pursuant to North Carolina General Statutes 47C-2-117 and Article XIV of the Master Declaration.

WHEREAS, Master Declarant conveyed the Master Residential Unit to the Residential Declarant pursuant to a General Warranty Deed dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 492, Chatham County Registry.

WHEREAS, the Residential Declarant filed a Declaration of Mosaic Lot 6 Residential Condominium dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 496, as amended by that certain First Amendment to the Declaration of Mosaic Lot 6 Residential Condominium dated May 19, 2023 and recorded on May 19, 2023 in Book 2362, Page 1117 Chatham County Registry (collectively, the “Residential Declaration”) together with the Plans that were incorporated by reference thereby creating the “Residential Condominium” on the Master Residential Unit.

WHEREAS, Residential Declarant and Residential Unit Owners own all the Residential Units in the Residential Condominium.

WHEREAS, the Residential Declarant owns Residential Unit 307.

WHEREAS, Residential Unit Owners identified in Exhibit A, attached hereto and incorporated herein by reference, own Residential Units 301, 302, 303, 304, 305, 306, 308, 309, 310 and 311.

WHEREAS, In accordance with Section 14.1(a) of the Residential Declaration, Unit Owners representing at least sixty-seven percent (67.0%) of the total Voting Interest in the Residential Association, desire and consent to amend the Residential Declaration and Plans to relax certain restrictions on leasing the Residential Units.

WHEREAS, Mosaic Lot 6 Residential Association, Inc. desires to certify the validity of the amendments set out in this Second Amendment.

NOW, THEREFORE, the Residential Declaration is hereby amended as set forth herein.

1. Recitals; Defined Terms. The foregoing recitals are true, accurate and are incorporated herein by reference. The defined terms set out in this Second Amendment shall have the same meanings as defined in the Residential Declaration, unless otherwise defined in this Second Amendment.

2. Leases of Units. Section 6.1(j) is hereby deleted in the entirety. The following is substituted in place of the original language:

6.1(j) Leases of Units. The leasing of Units shall be governed by the restrictions set forth herein. Except as provided herein, the leasing of Units shall be prohibited. “Leasing,” for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Unit as such Owner’s primary residence shall not constitute leasing hereunder. Any lease of any Unit shall expressly provide that occupancy thereunder must be in a manner consistent with the Bylaws and shall likewise provide



that the terms and conditions of the Condominium Documents shall be complied with by the lessee. Any lease entered into by a Unit Owner shall be in writing and be deemed to contain the requirements set forth herein whether or not they are actually contained therein and the lessor and the lessee of any such lease shall be bound by these provisions. All leases shall be for terms of twelve (12) months or longer and shall be subject to approval of the Residential Board, in accordance with its rules and policies adopted from time to time with respect to leasing of Residential Units. Declarant shall have the right and privilege of leasing any or all Residential Units owned by it on a short- or long-term basis.


3. Nature of Amendment. Except as amended herein, the Declaration shall remain in full force and effect.

**(Signature pages follow)**

IN WITNESS WHEREOF, Declarant in its capacity as Declarant and in its capacity as Unit Owner of Unit 307 (Voting Interest of 8.33%) has executed this Second Amendment as of the day and year first above written.

**Mosaic Lot 6 Residential, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager

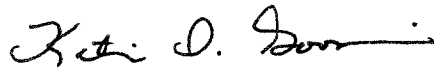
By:   
Kirk J. Bradley, Manager

STATE OF NORTH CAROLINA

COUNTY OF Lee

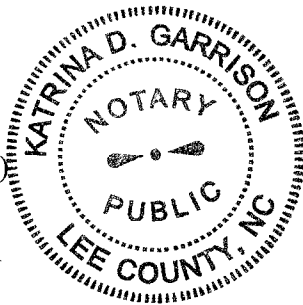
I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and, in the capacity, indicated: Kirk J. Bradley as Manager of ECO Mosaic LLC, a North Carolina limited liability company, Manager of Mosaic Lot 6 Residential LLC, a North Carolina limited liability company.

Date: September 27, 2023

  
Katrina D. Garrison  
Notary Printed Name

My Commission Expires: October 25, 2023

(Official Seal)



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owners in the Mosaic Lot 6 Condominium hereby consent to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 301 (Voting Interest of 8.33%) and Unit 310  
(Voting Interest of 16.67%):

James D. Walden  
JAMES D. WALDEN

Leslie L. Walden  
LESLIE L. WALDEN

STATE OF North Carolina  
COUNTY OF Chatham

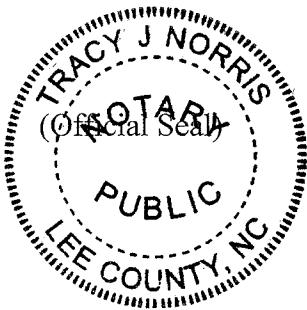
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JAMES D. WALDEN; LESLIE L. WALDEN.

Date: 9/29, 2023

[Signature]  
Signature of Notary Public

Tracy J Norris  
Printed Name of Notary Public

My commission expires: 9/3/24

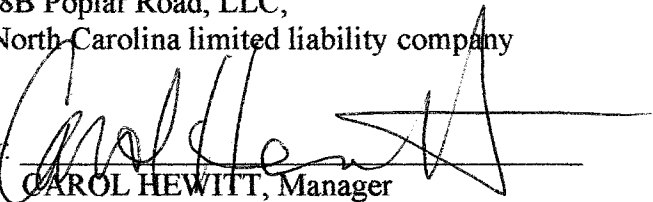


CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 302 (Voting Interest of 8.33%):

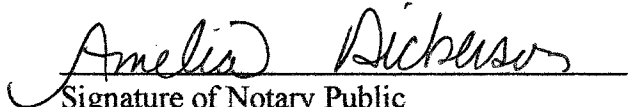
228B Poplar Road, LLC,  
a North Carolina limited liability company

By:   
CAROL HEWITT, Manager

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: CAROL HEWITT.

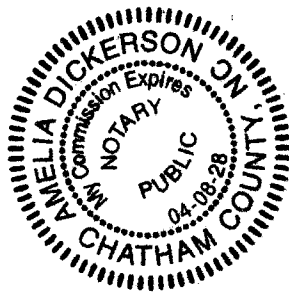
Date: 10-13, 2023

  
Signature of Notary Public

Amelia Dickerson  
Printed Name of Notary Public

My commission expires: 04-08-2028

(Seal)



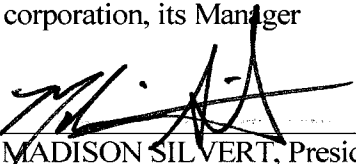
CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 304 (Voting Interest of 8.33%):

MOSAIC HOSPITALITY, LLC,  
a North Carolina limited liability company


By: THE MALCOLM BRYANT CORPORATION,  
a Kentucky corporation, its Manager

By:   
MADISON SILVERT, President

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: MADISON SILVERT.

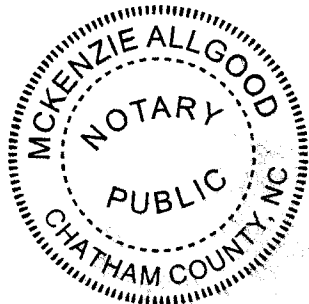
Date: October 18, 2023

  
Signature of Notary Public

McKenzie Allgood  
Printed Name of Notary Public

My commission expires: August 30, 2024

(Seal)



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owners in the Mosaic Lot 6 Condominium hereby consent to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 305 (Voting Interest of 8.33%):

John Heller Reyes  
JOHN REYES

Linda Gaike Reyes  
LINDA REYES

STATE OF North Carolina

COUNTY OF Chatham

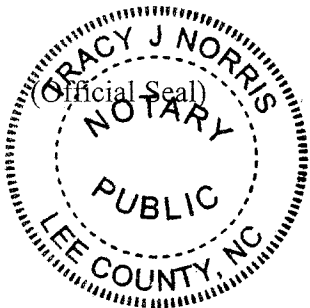
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JOHN REYES, LINDA REYES.

Date: 10/4, 2023

[Signature]  
Signature of Notary Public

Tracy J Norris  
Printed Name of Notary Public

My commission expires: 9/3/24



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 308 (Voting Interest of 8.33%):

Gail Matthews Darden  
GAIL MATTHEWS DARDEN, unmarried

STATE OF North Carolina  
COUNTY OF Chatham

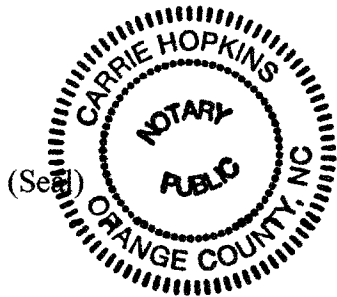
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: GAIL MATTHEWS DARDEN.

Date: September 29, 2023

Carrie Hopkins  
Signature of Notary Public

Carrie Hopkins  
Printed Name of Notary Public

My commission expires: October 3, 2027



CONSENT TO THE SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consents to adoption of the Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 309 (Voting Interest of 8.33%):

Lee-Moore Capital Company,  
a North Carolina corporation

By: [Signature]

Name: Kirk J. Bradley

Title: President

STATE OF NORTH CAROLINA

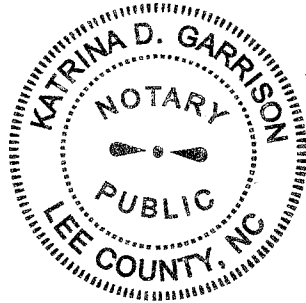
COUNTY OF Lee

I, Katrina D. Garrison, a Notary Public of Lee County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he/she is the President of LEE-MOORE CAPITAL COMPANY, a North Carolina corporation, and that he/she, as President, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 27<sup>th</sup> day of September, 2023.

Date: 9/27/22

[Signature]  
Notary Public

[Official Seal]



Print Name: Katrina D. Garrison  
My commission expires: October 28, 2023



CERTIFICATION OF VALIDITY OF SECOND AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing Second Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been duly approved by the Unit Owners representing at least 67.0% of the total Voting Interest in the Residential Association as evidenced by the consent attached hereto.

**MOSAIC LOT 6 RESIDENTIAL  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: JAY WALDEN  
Title: PRESIDENT

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Tracy J Norris, a Notary Public of Chatham County, North Carolina, certify that Jay Walden personally came before me this day and acknowledged that s/he is the President of Mosaic Lot 6 Residential Association, Inc., a North Carolina non-profit corporation, and that in such capacity, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 27<sup>th</sup> day of October, 2023.

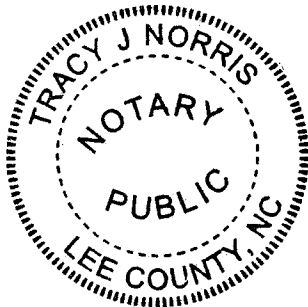
Date: 10/27/23

[Signature]  
Notary Public

[Official Seal]

Print Name: Tracy J Norris

My commission expires: 9/3/24



**EXHIBIT A**

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Individual Residential Unit**

Unit #	Owner Name
301	James D. and Leslie L. Walden
302	228B Poplar Road, LLC
303	JJKL Investments LLC I
304	Mosaic Hospitality, LLC
305	John Reyes and Linda Reyes
306	Janet White and Julianna Catherine White
308	Gail Matthews Darden
309	Lee-Moore Capital Company
310	James D. and Leslie L. Walden
311	Crystal Investments LLC

FILED Apr 11, 2023  
AT 04:15:16 pm  
BOOK 02356  
START PAGE 0496  
END PAGE 0558  
INSTRUMENT # 03053  
EXCISE TAX (None)

Prepared by and return to Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

PINs:

-----  
**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AND THE FLAG OF THE STATE OF NORTH CAROLINA.**

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

**COUNTY OF CHATHAM**

**DECLARATION OF MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

THIS DECLARATION OF MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM (this "Declaration") is made this 10<sup>th</sup> day of April, 2023, by MOSAIC LOT 6 RESIDENTIAL, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant" or "Residential Declarant"). Declarant hereby states and declares as follows:

WITNESSETH:

WHEREAS, Mosaic Lot 6 LLC ("Master Declarant") is the owner of certain real property located in the Town of Pittsboro, Chatham County, North Carolina upon which is situated a building intended to contain residential condominium units, commercial condominium units and certain other improvements, and Master Declarant has encumbered this property with the Declaration of Mosaic Lot 6 Condominium which created these various condominium units, including the "Master Residential Unit" described therein; and

WHEREAS, Declarant is the owner of the Master Residential Unit and desires to submit the Master Residential Unit to the terms and provisions of the North Carolina Condominium Act pursuant to this Declaration and by so doing intends to protect the value and the desirability of the Residential Units created herein, further a plan for condominium ownership of such Residential

Units, and create a residential community that operates harmoniously with the larger mixed-use Mosaic development, while promoting and safeguarding the health, comfort, safety, convenience and welfare of the Owners of the Residential Units.

NOW, THEREFORE, Declarant hereby declares that all of the Residential Units located within the Residential Condominium hereby created shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the Residential Units and be binding on all parties having any right, title or interest in the Residential Condominium or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

## ARTICLE I

### DEFINITIONS

The capitalized terms used in this Declaration and in the Exhibits hereto shall have the meanings stated in the North Carolina Condominium Act and as follows, unless the context otherwise requires:

Act or North Carolina Condominium Act means the North Carolina Condominium Act as currently set forth in N.C.G.S., Chapter 47C, Articles 1 through 4, as amended.

Additional Association means a condominium association or other property owners association, if any, having jurisdiction over any portion of the Property concurrent with, but subject to, the jurisdiction of the Residential Association.

Building means the physical structure located within the Property containing the Residential Units created hereunder, the Commercial Units and certain Common Elements. The location of the Building is shown on the Master Plans.

Chatham Park, Chatham Park Planned Development District, or Chatham Park PDD means all of the real property from time to time included in a planned development district zoning adopted by the Town of Pittsboro, whether or not such real property has been subjected to this Residential Declaration or to the Master Declaration. Such real property generally is described or depicted in a "Master Plan" adopted by the Town of Pittsboro as part of the zoning of Chatham Park PDD.

Chatham Park Declaration means that Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties, recorded in Book 2105, Page 0322, Chatham County Registry, as amended, modified, and supplemented from time to time in accordance with its terms.

Commercial Unit means any unit in the Master Condominium that is designated for nonresidential use and is not a Residential Unit.

Common Elements means all portions of the Residential Condominium other than the Residential Units. Master Common Elements shall mean all portions of the Master Condominium other than the units created under the Master Condominium. For purposes of this Residential Declaration and to facilitate the management and operation of the Master Condominium by the

Master Association, those portions of the Master Residential Unit which are common elements in the Residential Condominium shall be deemed to be common elements under the Master Declaration. Common Elements are further described in Article IV of this Declaration.

Common Expenses means the expenses for which the Unit Owners are liable to the Residential Association consisting of expenditures made by, or financial liabilities of, the Residential Association including, but not limited to, expenses of administration, maintenance, insurance, operations, repair or replacement of the Residential Condominium, allocations to general operating reserves and any authorized additions thereto, any amount for general working capital and general operating reserves, amounts for a reserve fund for replacements, and to make up any deficit in assessments for Common Expenses for any prior year and any expense or liability covered by the levy of a special assessment. Without limiting the generality of the foregoing, Common Expenses as used hereunder shall include that portion of the common expenses under the Master Condominium for which the Residential Owners are responsible, as well as all assessments applicable to the Property, but not billed specifically to a unit, under the Covenant to Share Costs, the Chatham Park Declaration as well as under the Community Declaration.

Common Interest means each Unit Owner's undivided interest in the Common Elements (and the common elements under the Master Declaration) which is appurtenant to each Unit, and each Unit Owner's proportionate share in the revenues, if any, and Common Expenses (and the common expenses under the Master Declaration). See the definition below of Voting Interest with respect to each Residential Unit's voting interest in the Master Association and the Residential Association.

Community means the real property subject to that certain Community Declaration, which real property includes the Property.

Community Association means the property owner's association formed pursuant to the Community Declaration, which is known as Mosaic Master Owners Association, Inc. by the Community Declaration.

Community Declaration means that certain Master Declaration of Covenants, Conditions, and Restrictions for Mosaic recorded in Book 2123, Page 322, Chatham County Registry, as amended, modified and supplemented from time to time in accordance with its terms.

Co-owner means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns a Unit. The term "Owner" or "Co-owner" shall have the same connotation as the term "Unit Owner" as used in the Act.

Condominium Documents means collectively the Master Condominium Documents and the Residential Condominium Documents.

Covenant to Share Costs means that Declaration of Easements and Covenant to Share Costs for Chatham Park, recorded in Book 2098, Page 0836, Chatham County Registry, as amended, modified and supplemented from time to time in accordance with its terms.

Declarant or Residential Declarant means Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company, with its principal place of business located in Chatham County, North Carolina, and its successors and assigns.

Development Rights means and refers to the rights preserved by Declarant in Article XIII of this Declaration.

Eligible Holder means any holder, insurer or guarantor of a mortgage upon a Unit (i) which has been identified as such in writing by a Unit Owner to the Residential Association or (ii) which has given to the Residential Association a written notice stating the name and address of such Eligible Holder and specifying the Unit on which it has a mortgage.

Environmental Laws means all now existing or hereafter enacted or issued Legal Requirements pertaining to environmental matters or regulating, prohibiting or otherwise having to do with asbestos, lead and all other toxic, radioactive, or Hazardous Substances including, but not limited to, the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended.

Hazardous Substances means biologically active or other toxic or hazardous substances, wastes, or materials (including flammables), or any other substance that is prohibited, limited or regulated by any governmental authority, or that, even if not so regulated, could or does pose a hazard to health and safety of the occupants of the Unit or surrounding property.

Legal Requirement means any or all of the following, as applicable: any law, ordinance, regulation, policy or other requirement of any governmental authority having jurisdiction over the Property or any portion thereof, and specifically including the following: the applicable Town of Pittsboro zoning for the Property; the Chatham Park Master Plan; all "Additional Elements" (as defined in the Master Plan) for Chatham Park adopted by the Town of Pittsboro, any applicable "Small Area Plan" (as defined in the Master Plan) adopted by the Town of Pittsboro for any portion of the Property; and any Development Agreement applicable to the Property adopted by the Town of Pittsboro in accordance with N.C.G.S. § 160A-400.20 *et seq.* (or any successor statute). Legal Requirements apply to the exercise of all rights or the taking of all actions under this Residential Declaration by Declarant, the Residential Association, or any other person, whether or not this Residential Declaration states that a specific right or action is subject to a Legal Requirement or must be exercised or taken in accordance with any Legal Requirement.

Limited Common Elements or LCEs means the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by this Residential Declaration or by operation of N.C.G.S. § 47C-2-102(2) and (4). The portions of the Master Condominium allocated for the exclusive use by some or all of the Residential Owners are referred to herein as Residential LCEs. Master Limited Common Elements or Master LCEs shall mean those limited common elements of the Master Condominium as designated by the Master Declaration.

Master when used as a descriptive prefix shall refer to the Master Condominium as the context may require.

Master Association means Mosaic Lot 6 Condominium Association, Inc. which is responsible for operating the Master Condominium in accordance with the Master Condominium Documents.

Master Board means the executive board of the Master Association.

Master Bylaws means the bylaws of the Master Association.

Master Condominium or Condominium means the real estate described in Exhibit A to the Master Declaration, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.

Master Condominium Documents means the Master Declaration, the articles of incorporation, bylaws, and rules of conduct for the Master Association.

Master Declaration means the Declaration of Mosaic Lot 6 Condominium, as it may be amended from time to time, which shall be recorded in the Chatham County Registry together with the Master Plans, thereby establishing Mosaic Lot 6 Condominium. The Master Declaration is recorded immediately before this Residential Declaration in Book 2356, Page 418, together with plats and plans depicted in Condominium Book 1, Pages 106 through 115 recorded in the Chatham County Registry and is hereby incorporated herein by reference as if the same were attached hereto.

Master Plans means the survey of the Property and the plans for the Master Condominium. The Master Plans consist of 10 sheets and are recorded in the Chatham County Registry in Condominium Book 1, Pages 106 through 115, inclusive. The Master Plans are hereby incorporated herein by reference as if the same were attached hereto.

Master Residential Unit means the unit located within the Master Condominium that is created by, and defined in, the Master Declaration as depicted in Condominium Book 1, Pages 106 through 115, inclusive, recorded in the Chatham County Registry and further encumbered by this Residential Declaration for the purpose of creating Residential Units.

Owner or Unit Owner has the same definition as Co-owner.

Parking Space means a vehicular parking space in the Master Condominium.

Parking Zone means a portion of the Parking Spaces within the Master Condominium which is allocated to the use of a particular Section.

Period of Declarant Control means the period during which the Declarant shall control the Residential Association, which period shall commence on the date hereof and continue until the earlier of (i) 120 days after conveyance of seventy-five percent (75%) of the Units (including Units that may be created pursuant to an exercise of Special Declarant Rights) to Unit Owners other than Declarant; (ii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iii) two years after any development right to add new units was last exercised; or (iv) the date upon which Declarant voluntarily surrenders control of the Residential Condominium to the Residential Association.

Property means and includes all that real property described on Exhibit A to the Master Declaration, which description is incorporated herein by reference. The Property is more particularly shown on the Master Plans.

Residential when used as a descriptive prefix shall refer to the Residential Condominium and the residential use within Mosaic.

Related Parties means a party's managers, members, shareholders, officers, directors, employees, agents, attorneys, successors and assigns and affiliates.

Residential Articles or Residential Articles of Incorporation means the articles of incorporation filed with the office of the North Carolina Secretary of State which establishes Mosaic Lot 6 Residential Association, Inc. as a North Carolina not-for-profit corporation.

Residential Association means the Unit Owners' association as defined by the Act, and also means the Mosaic Lot 6 Residential Association, Inc., the not-for-profit corporation by which the Unit Owners' association shall operate the Residential Condominium in accordance with the Residential Condominium Documents.

Residential Board means the group of persons selected, authorized and directed to operate the Residential Association as provided by the Act, this Residential Declaration and the Residential Bylaws.

Residential Bylaws means the bylaws of the Residential Association.

Residential Condominium means the condominium created by the filing of this Declaration which encumbers the Master Residential Unit or a part thereof, and which creates the Residential Units.

Residential Condominium Documents means collectively this Residential Declaration, the Residential Articles, the Residential Bylaws, and the Residential Rules of Conduct.

Residential Declaration or Declaration means this Declaration of Mosaic Lot 6 Residential Condominium which encumbers the Master Residential Unit created by the Master Declaration, and which, together with the Residential Plans, creates the Residential Units.

Residential LCE means a Limited Common Element allocated for the exclusive use of one or more of the Residential Units. For purposes of this Declaration and to facilitate the management and operation of the Master Condominium by the Master Association and the Residential Condominium by the Residential Association, those portions of the Master Residential Unit which are limited common elements in the Master Condominium shall be deemed to be Residential LCEs under this Declaration. The Master Plans and the Residential Plans locate certain Residential LCEs with particularity.

Residential Plans means the survey of, and the plans and specifications for, the Residential Condominium. The Residential Plans consist of 10 sheets and are recorded in the Chatham County Registry in Condominium Book 1, Pages 106 through 115, inclusive. The Residential Plans are hereby incorporated herein by reference as if the same were attached hereto.



Residential Section means the portion of the Master Condominium comprised of the Master Residential Unit, which contains the Residential Units and the Residential LCEs created by this Declaration.

Residential Signage Plan means the plan for the signage of the Residential Condominium as developed by the Declarant and maintained by the Residential Association.

Residential Unit means any unit within the Residential Condominium and has the same meaning as Unit hereunder.

Residential Unit Owner or Residential Owner means an Owner of a Residential Unit and has the same meaning as Owner or Unit Owner hereunder.

Rooftop Terrace means the exterior rooftop terrace located on the roof of the Building, which is a part of the Residential Limited Common Elements, as shown on the Master Plans.

Section shall mean a portion of the Master Condominium comprised of and designated for a particular use and shall include the units and the limited common elements allocated to those units which are within that use, as shown on the Master Plans. There are three (3) Sections within the Master Condominium: the Office Section, the Retail Section, and the Residential Section, as such terms are defined in the Master Declaration.

Special Declarant Rights means all of Declarant's reserved rights as defined in Section 2.5 of this Residential Declaration.

Storage Area means the storage units within the Master Condominium located on the basement floor of the Building.

Storage Unit means a storage unit within the Storage Area which is allocated to the use of a particular Section.

Unit or Condominium Unit means the physical portions of the Residential Condominium which are designated for separate ownership, the boundaries of which are described in Section 3.3 hereof and which are shown on the Residential Plans.

Voting Interest means the interest allocated to each Residential Unit as set forth on the Exhibit B attached hereto for the purposes of voting in the Residential Association or the Master Association, as applicable. The Voting Interest allocated to each Residential Unit is different than the Common Interest allocated to each Residential Unit.

Notwithstanding the foregoing definitions, all definitions set forth in N.C.G.S. § 47C-1-103 are hereby incorporated by reference and the terms defined therein shall have the meanings set forth therein when used in this Residential Declaration or in other Condominium Documents, unless the applicable terms are expressly defined otherwise in this Residential Declaration or unless the context otherwise plainly requires a different meaning.

ARTICLE II

SUBMISSION OF PROPERTY TO CONDOMINIUM ACT

2.1 Submission of Property. Declarant hereby submits the Master Residential Unit to the provisions of the Act, thus creating the Residential Condominium. The Residential Condominium will be administered in accordance with the provisions of the Act and the Condominium Documents.

2.2 Residential Condominium Name. The name of the Residential Condominium shall be "Mosaic Lot 6 Residential Condominium."

2.3 Plats and Plans. The Residential Condominium is located in the Town of Pittsboro, Chatham County, North Carolina and is legally described on the attached Exhibit A. The Residential Condominium is more particularly shown on the Residential Plans. The improvements within the Residential Condominium have been constructed in accordance with certain architectural plans which are filed as part of the Residential Plans.

2.4 Association Membership. Each Owner shall be a member of the Residential Association and the Master Association by virtue of owning a portion of the Master Residential Unit. An Owner shall be entitled to a vote in the Residential Association and in the Master Association for each Unit owned in accordance with the Voting Interests set forth on the attached Exhibit B.

2.5 Special Declarant Rights. Declarant reserves the following Special Declarant Rights as to the entirety of the Residential Condominium:

- (a) To complete any and all improvements indicated on the Residential Plans;
- (b) To construct and maintain any sales office, management office, or model or guest rooms in any of the Units owned by Declarant or its affiliate or on any of the Common Elements shown on the Residential Plans;
- (c) To exercise any Development Rights;
- (d) During the Period of Declarant Control, to appoint and remove any officers or Residential Board members; provided, however, that: (i) not later than sixty (60) days after the conveyance of 25% of the Units (including Units which may be created pursuant to Declarant's Special Declarant Rights) to Owners other than Declarant, at least one (1) member and not less than 25% of the members of the Residential Board shall be elected by Owners other than Declarant; and (ii) not later than sixty (60) days after conveyance of 50% of the Units (including Units which may be created pursuant to Declarant's Special Declarant Rights) to Owners other than Declarant, not less than 33% of the members of the Residential Board shall be elected by Owners other than Declarant;
- (e) To use those easements through any Common Elements which are reasonably necessary for the purpose of making any improvement to the Residential Condominium

or otherwise necessary for the exercise of these Special Declarant Rights or otherwise discharging its obligations or rights hereunder;

(f) To place "For Sale" or "For Rent" signs advertising Units on any part of the Common Elements or within any Units owned by the Declarant;

(g) To assign, collaterally or otherwise, in whole or in part, to its successors in title, any of Declarant's Units hereunder, or to its agent, or to an independent third party, or to the Master Association or the Residential Association, any of the rights reserved in this Declaration, including these Special Declarant Rights. All references to Declarant and Declarant's rights hereunder shall be deemed to include any specific assignee of Declarant;

(h) To reserve Declarant Parking Spaces; and

(i) The right to exercise any other rights granted to or reserved by Declarant in the Condominium Documents expressly including, without limitation, the Development Rights.

These Special Declarant Rights shall expire at the earlier of: 1) the date that is fifty (50) years following the date of recording of this Declaration; or 2) at such time as Declarant may determine by recording an instrument to that effect. Notwithstanding the expiration of the Special Declarant Rights, the Declarant may retain ownership of any number of the Units for any amount of time. Certain of the aforementioned Special Declarant Rights are further described in more detail in other Articles of this Residential Declaration. The Special Declarant Rights may be exercised by Declarant at Declarant's sole discretion without the consent of the Residential Association or any Unit Owner.

Declarant may transfer any Special Declarant Rights created or reserved hereunder to any person or entity by an instrument evidencing the transfer duly recorded in the office of the Register of Deeds of Chatham County, North Carolina. The instrument shall not be effective unless it is executed by the transferor and the transferee. Upon the transfer of any Special Declarant Rights, the liability of the transferor and the transferee shall be as set forth in N.C.G.S. §47C-3-104.

2.6 Master Condominium Concept. The Master Declaration establishes a "master" condominium which contains different units intended for different uses. One of the units created by the Master Declaration is the Master Residential Unit, which is the portion of the Property designated to contain Residential Units. The Residential Units are created by the recording of this Residential Declaration in the Chatham County Registry immediately after the Master Declaration. The Master Declaration is intended to facilitate the governance and operation of the entire Condominium, and how the uses relate to each other within the development. The Residential Declaration is intended to facilitate the governance and operation of the Residential Condominium, which is the residential portion of the development containing the Residential Units. By virtue of owning a Residential Unit, and by virtue of the provisions of the Condominium Documents, Residential Owners share certain Master Common Expenses and have Voting Interests in the Master Association. The Commercial Units may be subdivided into individual office and/or retail Units as provided in Article X and XIII in this Declaration.

2.7 Condominium Subject to Matters of Record. The Units and the Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein governing the use thereof and setting forth the obligations and responsibilities incident to ownership of each Unit and its Common Interest, and said Units and Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Property, including, without limitation, assessment obligations, architectural controls and use restrictions set forth in the Chatham Park Declaration, the Community Declaration and in the Covenant to Share Costs. Listed on Exhibit D, attached hereto is the recording data for all restrictions, easements and licenses which have been recorded prior to this Residential Declaration and which now affect the entire Condominium.

### ARTICLE III

#### DESCRIPTION OF UNITS

3.1 Number of Units. There are hereby created by the recording of this Residential Declaration the following number and types of Units, each of which are hereby designated for separate ownership:

Eleven (11) Residential Units.

The Residential Condominium shall be comprised of a maximum of eleven (11) Residential Units, subject to Declarant's right to reconfigure, subdivide, combine or recombine existing Units. Identifying Unit numbers are shown on the Residential Plans.

3.2 General Description of Units. The Residential Plans show the location of the Residential Condominium, the Residential Units, and the Unit boundaries and Unit numbers of those Units. The Residential Plans also show the net square footages of area in each Unit. Reference is hereby made to Section 4.3 for a description of the Limited Common Elements appurtenant to certain Units.

3.3 Unit Boundaries. The vertical and horizontal perimetric boundaries of each Unit shall consist of planes in space located and described on the Residential Plans. The boundaries of each Unit are as follows:

(a) Upper Boundary: The horizontal plane of the top surface of the wallboard in the ceilings within each Unit. As depicted on the Residential Plans, the ceilings in certain portions of the Unit may be at different elevations. In such cases, the upper boundary of such Unit shall not be a single horizontal plane but shall vary with the differing finished ceiling elevations within different portions of the Unit.

(b) Lower Boundary: The horizontal plane of the top surface of the subflooring within each Unit. As depicted on the Residential Plans, the floor in certain portions of the Unit may be at different elevations. In such cases, the lower boundary of such Unit shall not be a single horizontal plane but shall vary with the differing finished floor elevations within different portions of the Unit.

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

As provided in N.C.G.S. § 47C-2-102(l), all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the perimeter walls, floors, and ceilings are part of the Unit. As provided in N.C.G.S. § 47C-2-102(2), if any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be a Limited Common Element allocated to that Unit, as provided herein below, and any portion thereof serving more than one Unit, or any portion of the Common Elements, shall be a Common Element.

3.4 Monuments as Boundaries. Notwithstanding the description of the boundaries set forth in this Declaration or anything herein to the contrary, the existing and actual physical boundaries of a Unit or the physical boundaries of a Unit reconstructed in substantial accordance with the description contained in this Declaration are its legal boundaries, rather than the boundaries derived from the description contained in this Declaration, regardless of vertical or lateral movement of the Building or minor variance between those boundaries and the boundaries derived from the description contained in this Declaration. This section does not, however, relieve a Unit Owner of liability for willful misconduct or relieve the Declarant or any other person of liability for failure to adhere to the Plans as set forth herein.

## ARTICLE IV

### COMMON ELEMENTS; LIMITED COMMON ELEMENTS

4.1 Common Elements. The real estate which comprises the Common Elements as of the recording of this Declaration is all of the Residential Condominium except the Units, including without limitation, improvements on the Property and outside the building such as sidewalks, steps, walkways, and related streetscape improvements. In addition to all of the rights reserved to Declarant hereunder, Declarant specifically reserves the right to improve, upgrade, expand, modify and enlarge the Common Elements, including the addition of certain easement rights in favor of Declarant.

4.2 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Residential Association if the Owners entitled to cast at least eighty percent (80%) of the votes in the Residential Association, including eighty percent (80%) of the votes allocated to Units not owned by Declarant, agree to that action; provided, that all the Unit Owners to which any Limited Common Element is allocated must agree in order to convey such Limited Common Element or subject it to a security interest. The procedure for conveying or encumbering a portion of the Common Elements and distributing the proceeds, if any, shall be that set forth in N.C.G.S. § 47C-3-112. Notwithstanding the foregoing, Master Declarant Parking Spaces are not subject to the restrictions on conveyance or encumbrance set forth in this Section 4.2.

4.3 Limited Common Elements. The Limited Common Elements are identified and allocated as follows:

(a) General Rules.

(i) The Limited Common Elements specified in N.C.G.S. § 47C-2-102(2) (being any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit, or any portion thereof serving only that Unit) are allocated to the Units served by those Limited Common Elements.

(ii) The Limited Common Elements specified in N.C.G.S. § 47C-2-102(4) (being any shutter, awning, window box, doorstep, stoop, deck, porch, balcony, patio and all exterior doors, windows or other fixtures designated to serve a single Unit but located outside the Unit's boundaries) are allocated to the Units served by those Limited Common Elements.

(iii) All other portions of the Residential Condominium which benefit and serve exclusively one or more but fewer than all the Residential Units shall be allocated to those Residential Units so served, such as lobbies, stairwells, hallways, elevator shafts, mechanical closets, any portions of heating, ventilation and air conditioning systems, including fans, compressors, return air grills and thermostats, whether located inside or outside the designated boundaries of a Residential Unit, but serving exclusively that Residential Unit shall be a Residential LCE allocated exclusively to the Unit or Units served, and those other areas labeled on the Master Plans or the Residential Plans as Residential LCEs. Some portions of the Master Condominium lie outside of the Residential Condominium but are nevertheless allocated for the exclusive use and benefit of the Residential Units by the Master Declaration. These areas are included within the definition of Residential LCEs in the Master Declaration and the principal LCEs are the Rooftop Terrace, the Residential Parking Zone, and the Residential Storage Area.

(b) Residential Parking Zone. The Residential Parking Zone is a Residential Limited Common Element under the Master Declaration. Because a portion of the Residential Parking Zone is located on the adjacent property known as "Lot 14," a perpetual easement right has been granted by the owner of Lot 14 for the exclusive use and benefit of the Residential Units as set out in the Agreement of Access and Parking Easements recorded in Book 2257, Page 401 as amended by that First Amendment of Agreement of Access and Parking Easements recorded in Book 2348, Page 1065, Chatham County Registry. There are sixteen (16) Parking Spaces in the Residential Parking Zone that are reserved for the exclusive use of the Master Declarant or the Residential Owners, on the terms and conditions set forth in the Master Declaration. Eleven (11) Residential Units are allocated thirteen (13) Parking Spaces with at least one (1) Parking Space each, serving only that Residential Unit. Two (2) Residential Units (Units 309 and 310) are allocated two (2) Parking Spaces each and nine (9) Residential Units (Units 301-308 and Unit 311) are allocated one (1) Parking Space each. Once a Parking Space has been allocated as a Limited Common Element to a particular Residential Unit, that Parking Space may not be transferred by the Owner of that Residential Unit except in connection with a conveyance of his Residential Unit, or a conveyance to another Owner pursuant to N.C.G.S. § 47C-2-108(b), and any such attempted transfer in violation of this provision shall be null and void. Attached as Exhibit C to this

Residential Declaration is a table showing which Parking Spaces are allocated to which Residential Units.

(c) Master Declarant Parking Spaces. Pursuant to the Master Declaration, the Master Declarant has reserved the right to use Parking Spaces located within the Residential Parking Zone and not allocated as a Limited Common Element to a Residential Unit (“Master Declarant Parking Spaces”). The Master Declarant may use the Master Declarant Parking Spaces for any reasonable purpose, including without limitation transferring any Master Declarant Parking Spaces to Unit Owners or exchanging any Master Declarant Parking Spaces for other Parking Spaces as is reasonably necessary to support Master Declarant’s exercise of its special declarant rights. Master Declarant’s right to use the Master Declarant Parking Spaces shall terminate upon the earlier of: (i) the expiration of Master Declarant’s special declarant rights as set forth in the Master Declaration, or (ii) at Master Declarant’s election. Upon the termination of the Master Declarant Parking Spaces, if any, the Master Declarant Parking Spaces and the rights of the Master Declarant in and to the Master Declarant Parking Spaces described in this Section 4.3(c), shall be assigned to and assumed by the Residential Association.

(d) Residential Storage Units. The Storage Units located in the Residential Storage Area are reserved for the exclusive use of the Owners of Residential Units, on the terms and conditions set forth in the Master Declaration. Each Residential Unit is allocated at least one (1) Storage Unit serving only that Residential Unit. Unit 310 is allocated two (2) Storage Units. Once a Storage Unit has been allocated as a Limited Common Element to a particular Residential Unit, that Storage Unit may not be transferred by the Owner of that Residential Unit except in connection with a conveyance of his Residential Unit, or a conveyance to another Owner pursuant to N.C.G.S. § 47C-2-108(b), and any such attempted transfer in violation of this provision shall be null and void. Attached as Exhibit C to this Residential Declaration is a table showing which Storage Units are allocated to which Residential Units.

4.4 Reallocation of Residential LCEs by Declarant. All parking areas, storage areas and other areas designated on the Residential Plans as LCEs and not otherwise allocated to a specific Unit shall be deemed LCEs allocated to all Units available to all Residential Unit Owners on a nonexclusive basis provided, however, such LCE’s are subject to Declarant’s rights as described herein. Notwithstanding the foregoing, Declarant may allocate all or a portion of such Limited Common Elements by (i) assignment or license to a specific Unit or Units or third party or (ii) reserve the Limited Common Elements to Declarant’s use.

## ARTICLE V

### MAINTENANCE, REPLACEMENT, AND REPAIR

#### 5.1 Unit Owners’ Responsibilities for Maintenance.

(a) Each Owner shall be responsible for the maintenance and repair of his Unit.

(b) Each Owner shall be responsible for any damage to his Unit or to any other Unit or any of the Common Elements caused by any action or inaction of that Owner, his lessee, invitee, or agent (i.e., actions other than what is customarily considered normal wear and tear),

damage attributable to keeping pets, smoking, and similar kinds of activity, which directly or indirectly causes damage to any other Unit or to any of the Common Elements.

(c) In the event that the Residential Association determines that any Owner has failed or refused to discharge properly his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under this Residential Declaration, then, in that event, the Residential Association, except in the event of an emergency situation, shall give such Unit Owner written notice of the Residential Association's intent to provide such necessary maintenance, cleaning, repair, or replacement at such Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Unit Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the event such maintenance, cleaning repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement in a good and workmanlike manner within fifteen (15) days and diligently pursue completion. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Residential Association may provide any such maintenance, cleaning, repair, or replacement at such Owner's sole cost and expense, and said cost shall be added to and become a part of the assessment to which such Owner and his Unit are subject and shall become a lien against such Unit as provided herein.

5.2 Maintenance of Common Elements and Residential LCEs. Subject to the other provisions of this Residential Declaration, the Residential Association shall be responsible for the maintenance, replacement and repair of the Common Elements and the Residential LCEs and the cost for such maintenance, repair or replacement shall be borne by all the Residential Unit Owners pursuant to the Condominium Documents.

5.3 Maintenance of Limited Common Elements.

(a) Except as expressly provided in this Residential Declaration, the Residential Association (unless otherwise delegated by the Residential Association) shall be responsible for the maintenance, replacement and repair of the Limited Common Elements and the cost for such maintenance, repair or replacement shall be borne by the Residential Owner(s) so benefited.

(b) The Master Association (unless otherwise delegated by the Master Association) shall be responsible for the maintenance, replacement and repair of the windows, Parking Spaces (including all surface Parking Spaces) and the Storage Area.

(c) Each Owner shall be responsible for cleaning the interior surfaces of the windows and doors serving his Unit. Each Owner shall be responsible for the routine cleaning of the balcony, if any, serving his Unit.

(d) All Unit Owners shall be directly responsible for the maintenance, repair and replacement of the heating, ventilation and air conditioning systems and any water heating systems which serve their Unit, whether lying within the Unit or outside the Unit.

5.4 Standard for Maintenance, Repair, and Replacement. In order to protect the value of all the units in the Condominium, the Residential Condominium shall be maintained to a



standard which is equivalent or better than that of other higher end, first class mixed-use developments in the Raleigh-Durham-Chapel Hill, Pittsboro area. All repairs and replacements within the Residential Condominium shall be made in a good and workmanlike manner with a grade of materials and finishes equivalent to or higher than the grade initially installed and shall be harmonious with and complement the existing architecture and finishes within the entire Condominium. All work shall be properly permitted and conducted by properly licensed trades as may be applicable. The Residential Association shall be the final arbiter as to whether the foregoing standards are met with respect to work performed in the Residential Condominium.

5.5 Board to Decide Responsible Parties. If the application of the rules regarding the party responsible for the maintenance, repair, and replacement as set forth in this Article V is unclear as to any specific component of the Residential Condominium, then the Residential Board shall have the authority to determine the responsible party based on a reasonable reading of the Condominium Documents.

## ARTICLE VI

### USE RESTRICTIONS

6.1 Use Restrictions. It is the intent of both the Master Declarant and the Residential Declarant that the Property be developed and maintained as a first class mixed-use, development. To that end, the following covenants, conditions and restrictions are hereby placed on the Residential Condominium, including all Residential Units:

(a) Compliance with Chatham Park Use Restrictions. No portion of the Residential Condominium shall be used for any use prohibited under the Chatham Park Declaration, as may be amended from time to time, and in the event of a conflict between use restrictions set forth in the Chatham Park Declaration and use restrictions set forth in this Declaration (including without limitation in this Section 6.1 and its subsections), the terms of the Chatham Park Declaration shall be controlling on such topic; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Chatham Park Declaration.

(b) Compliance with Mosaic Community Use Restrictions. No portion of the Residential Condominium shall be used for any use prohibited under the Community Declaration, as may be amended from time to time, and in the event of a conflict between use restrictions set forth in the Community Declaration and use restrictions set forth in this Declaration (including without limitation in this Section 6.1 and its subsections), the terms of the Community Declaration shall be controlling on such topic; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Community Declaration.

(c) Compliance with Laws. The Owners shall each comply with all Legal Requirements.

(d) Taxes. The Owners shall each make all payments of taxes and other charges, the nonpayment of which entitles the unpaid party to assert a lien on an Owner's property, or if

noncompliance or nonpayment by one Owner with respect to his Unit or any part thereof would subject the other Owner to civil or criminal liability, or would jeopardize the full force or effect of any certificate of occupancy issued to such other Owner or for the Building itself or would jeopardize such other Owner's right to occupy or use beneficially his respective Unit or any part thereof, or would result in the imposition of a lien against any other property of an Owner.

(e) Indemnification. Each Owner (hereinafter for the purposes of this subsection, "Indemnifying Owner") covenants and agrees, at its sole cost and expense, to indemnify and hold harmless any other Owner, its partners, agents, directors, officers, employees and members (collectively referred to for the purposes of this subsection as the "Indemnitee") from and against any and all claims against Indemnitee for losses, liabilities, damages, judgments, costs and expenses and any actions or proceedings arising therefrom, by or on behalf of any person, firm, corporation or governmental authority, other than the Indemnitee (a "Permittee"), arising from the Indemnifying Owner's or its Permittee's use, possession, or management of the Indemnifying Owner's Unit or activities therein or arising out of the Indemnifying Owner's or its Permittee's use, exercise or enjoyment of an easement and from and against all costs, reasonable attorney's fees, expenses and liabilities incurred with respect to any such claim, action or proceeding brought against the Indemnitee by reason of any such claim, Indemnifying Owner, upon notice from Indemnitee, covenants to resist or defend such action or proceeding with attorneys reasonably satisfactory to Indemnitee. (Any counsel for the insurance company providing insurance against such claim, action or proceeding shall be presumed reasonably satisfactory to Indemnitee.)

(f) Nuisance. No Unit Owner shall do, suffer, or permit to be done, anything in his Unit or anywhere on the Common Elements which would impair the soundness or safety of the Residential Condominium, or which would be noxious or offensive or an interference (including noise) with the peaceful possession and proper use of other Units or Common Elements, or which would require any alteration of or addition to any of the Common Elements (except as required by Legal Requirements), which would obstruct or interfere with the rights of other occupants of the Residential Condominium, or which would otherwise be in violation of Legal Requirements, or which would cause the insurance rates for the insurance carried by the Master Association, or the Residential Association, or by any other Unit Owner on his Unit or personal property kept on the Property, to increase above the commercially reasonable rates available for similar purposes.

(g) Environmental Matters. No Owner shall (either with or without negligence) cause or permit the escape, disposal or release of any Hazardous Substances or allow the storage or use of Hazardous Substances anywhere in the Property, except as allowed by Legal Requirements for the temporary storage and use of such Hazardous Substances. Each Owner shall maintain his Unit so as to comply with Environmental Laws.

(h) Satellite Dishes and Antennas. Except as permitted by Legal Requirements, including regulations of the Federal Communications Commission, no television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed in the exterior portion of any Unit or to the Common Elements without the express written permission of the Residential Association, which may be withheld or conditioned in its sole discretion.

(i) Garbage. All garbage and items to be recycled shall be placed only in the designated receptacles.

(j) Leases of Units. In order to preserve the character of the Condominium as predominantly owner-occupied, the leasing of Units shall be governed by the restrictions set forth herein. Except as provided herein, the leasing of Units shall be prohibited. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Unit as such Owner's primary residence shall not constitute leasing hereunder. Owners desiring to lease their Unit may do so only if they have applied for and received from the Board either a "Leasing Permit" or a "Hardship Leasing Permit." Such a permit, upon its issuance, will allow an Owner to lease his Unit provided that such leasing is in strict accordance with the terms of this Declaration, the Bylaws and the rules of conduct promulgated by the Residential Board. Except for emergency situations or undue hardships approved by the Residential Board, the maximum number of Residential Units that may be leased at any one time shall not exceed four (4) Residential Units (the "Leasing Cap"). The Residential Board shall have the authority to establish additional conditions as to the number, duration and use of such permits consistent with this paragraph. All Leasing Permits and Hardship Leasing Permits shall be valid only as to a specific Owner and shall not be transferrable between either Units or Owners of Units, but shall be transferrable to successors in title to the same Unit. Any lease of any Unit shall expressly provide that occupancy thereunder must be in a manner consistent with the Bylaws and shall likewise provide that the terms and conditions of the Condominium Documents shall be complied with by the lessee. Any lease entered into by a Unit Owner shall be in writing and be deemed to contain the requirements set forth herein whether or not they are actually contained therein and the lessor and the lessee of any such lease shall be bound by these provisions. All leases shall be for terms of twelve (12) months or longer. Declarant shall have the right and privilege of leasing any or all Residential Units owned by it on a short or long term basis. Any lease entered into by the Declarant in accordance with this paragraph shall not count towards the Leasing Cap.

(k) No Day Care or Group Homes. No Unit may be used as a day care or group home unless mandated by law.

(l) No Smoking or Vaping. Smoking and/or vaping is prohibited in the Residential Condominium, including the Units, the interior Common Elements and Limited Common Elements of the Building.

(m) Signs. No Owner, tenant, real estate agent or broker, contractor or subcontractor or any other person shall erect or maintain signs, banners, or flags of any nature (including "for rent", "for sale", and political signs) on or in the Common Elements, or within a Unit if such sign or flag is visible from the outside of the Unit (except as may be required by legal proceedings), without the prior written consent of the Residential Association. The Residential Association shall refer to the Residential Signage Plan to determine whether a proposed sign is permissible. The Master Declaration also contains signage rules that apply to the Residential Condominium.

(n) No Time Shares. No interest in any Unit shall be subjected to any time share program, as that term is defined in N.C.G.S. § 93A-41(10).

(o) Noncommercial Use. The Residential Units shall be used only for residential, noncommercial purposes; provided, however, subject to the terms of this Residential Declaration, Residential Unit Owners may “work from home” so long as there are no customers or employees visiting or otherwise working in such Residential Unit or deliveries to the Residential Unit or Condominium which exceed that number incidental to a residence.

(p) Animals. A maximum of two (2) domestic pets (i.e., dog, house cat) per Residential Unit is allowed subject to the provisions of this Residential Declaration. No pet shall weigh more than sixty (60) pounds. Non-domestic pets and pets weighing in excess of sixty (60) pounds shall not be allowed in any Residential Unit. Pets shall not be kept or maintained for commercial purposes or for breeding. Any pet causing or creating a nuisance or unreasonable disturbance or noise at the sole discretion of the Residential Association may be permanently removed from the Property upon ten (10) days written notice from the Residential Association. All pets shall be kept on a leash except when in a Residential Unit and the Residential Unit Owner shall be responsible for removing all feces left on the Property by any pets residing with such Residential Unit Owner.

(q) Balconies. No Residential Unit Owner shall sweep or throw any debris, dirt or other substance from any window or balcony, patio or terrace or permit any occupant or guest to engage in such activities. All balconies attached to the Residential Units shall be kept in a clean, neat and orderly condition at all times, and shall not be used for the overnight storage of garbage, or the drying of towels or laundry. Neither towels nor banners shall be hung on balcony railings, and any dead plants shall be promptly removed. Balconies shall not be used for the storage of any bicycles, or for exercise or other equipment. No gas or charcoal grills shall be permitted on the balconies attached to the Residential Units. No floor covering of any sort may be used or installed on any balcony, without the prior written consent of the Residential Association. The Residential Association shall have the right to require removal of any items on the balcony that the Residential Association feels may either (i) detract from the appearance of the Building or (ii) create a hazard because of a threat that such item is of such insufficient weight that aloft winds may dislodge them from the balcony and thus cause a hazard.

(r) Windows. No curtains or draperies shall be installed or hung in any window of any Unit unless they have a white lining or backing on the side exposed to the window. No storm doors or windows shall be installed in any Unit.

(s) Storage Units. Storage Units shall be used solely for the purpose of storing any personal property or inventory belonging to the Unit Owner or occupant of the Unit to which such Storage Unit is assigned as a Limited Common Element. No Unit Owner or occupant shall store any perishable items, explosives, or any flammable, odorous, noxious, corrosive, hazardous, or pollutant materials or any other goods in the space that would cause danger or nuisance to the Storage Unit or the Building. The Storage Unit shall not be used for any purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. If hazardous substances are stored, used, generated, or disposed of on or in the Storage Unit or if the Storage Unit becomes contaminated in any manner for which the Unit Owner or occupant therefore is legally liable, Unit Owner shall indemnify and hold harmless Declarant, the Residential Association, the Master Declarant and the Master Association from any and all claims, damages, fines, judgements, penalties, costs, liabilities, or losses and any and all sums paid from settlement or claims, attorneys’

fees, consultant and experts' fees arising as a result of that contamination by Unit Owner or occupant.

(t) Parking. No Residential Unit Owner shall park or store any boat, camper, trailer, or similar vehicle anywhere on the Property. No trucks shall be permitted except for standard 1-ton or less pickup trucks or smaller sized trucks. The Master Declaration contains specific rules about parking and the use, operation, and maintenance of the Parking Spaces. The Residential Association (unless otherwise delegated by the Residential Association) shall have the right to tow any vehicle in violation of the applicable rules at the owner's expense.

(u) Architectural Control. No building, landscaping, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, change or alteration to either a Unit or the Common Elements be made, until the plans and specification showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved, in its sole discretion, in writing by the Residential Association. Review and approval of any application hereunder may be made on any basis, including solely the basis of aesthetic considerations only and the Residential Association shall not bear any responsibility for ensuring the design quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements.

6.2 Restrictions to Run with Land. The Declarant hereby declares and affirms that the covenants, conditions and restrictions set forth in this Residential Declaration shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Unit Owner and upon the Declarant, upon all future Unit Owners, upon Owner's lessees, invitees, permittees, licensees, guests or any other person or entity having any right, title or interest in the Residential Condominium.

6.3 No Right of First Refusal. The right of a Unit Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal in favor of Declarant or the Residential Association.

6.4 Owner's Indemnity. Each Owner and the Residential Association (each hereinafter referred to as the "Indemnifying Owner") covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the other Owners, the Residential Association and the Declarant and its Related Parties (hereinafter referred to collectively as the "Indemnitee") from and against any and all actions or proceedings arising out of (i) the Indemnifying Owner's use, possession or management of the Indemnifying Owner's Unit or activities therein, or (ii) the Indemnifying Owner's use, exercise or enjoyment of the easements and licenses granted hereunder, and as applicable to the proceedings described in the preceding clauses (i) and (ii), from and against all costs, fees (including attorneys' fees) expenses and liabilities incurred with respect to any such claim, action or proceeding arising therefrom.

6.5 Association's Indemnity. The Residential Association covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the Indemnitee from and against any and all actions or proceedings arising out of a failure of the Residential Association to inspect, maintain, repair and replace the Common Elements in accordance with (A) the recommendations

of any maintenance manual for all or any part of the Common Elements, or (B) maintenance inspections and recommended repairs arising therefrom, and as applicable, from and against all costs, fees (including attorneys' fees) expenses and liabilities incurred with respect to any such claim, action or proceeding arising therefrom.

## ARTICLE VII

### ALLOCATION OF COMMON INTERESTS

7.1 Interests in the Residential Condominium and Residential Association. Each Residential Unit is allocated a Common Interest in the Residential Condominium and a Voting Interest in the Residential Association, and those interests are calculated as follows:

(a) Common Interests in Residential Condominium. Each Residential Unit Owner shall have an interest in the Common Elements of the Residential Condominium and share in the liability for Common Expenses of the Residential Condominium. The Common Interest of each Residential Unit for the purpose of determining the interest in the Common Elements and liability for Common Expense for each Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of the net square footage of each Residential Unit by the aggregate net square footage of all the Residential Units within the Residential Condominium. The Common Interests in the Residential Condominium allocated to the Residential Units are set forth on the attached Exhibit B.

(b) Voting Interests in Residential Association. Each Residential Unit Owner shall have a vote in the Residential Association equal to every other Residential Unit Owner. The Voting Interest of each Residential Unit for the purpose of determining the vote in the Residential Association allocated to each Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of one (1) Residential Unit by the total number of Residential Units. The Voting Interests in the Residential Association allocated to the Residential Units are set forth on the attached Exhibit B.

7.2 Interests in the Master Condominium. Each Residential Unit is encumbered by the Master Condominium. Therefore, each Residential Unit is allocated a Common Interest in the Master Condominium and a Voting Interest in the Master Association, and those interests are calculated as follows:

(a) Common Interests in Master Condominium. The Common Interest of each Residential Unit for the purpose of determining the interest in the Master Common Elements and liability of Common Expense for each Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of the net square footage of each Residential Unit by the aggregate net square footage of all the Units within the Condominium. The Common Interests in the Master Condominium allocated to the Residential Units are set forth on the attached Exhibit B.

(b) Voting Interests in Master Association. With respect to the Master Association, the vote of each Residential Unit Owner shall be equal to the vote of every other Residential Unit Owner. The Voting Interest in the Master Association allocated to each

Residential Unit shall be expressed as a percentage which is the quotient resulting from the division of the percentage of the net square footage contained in the Residential Condominium (i.e., the aggregate net square footage of all the Residential Units) as it relates to the aggregate net square footage contained in the Master Condominium by the total number of Residential Units. The Voting Interests in the Master Association allocated to the Residential Units are set forth on the attached Exhibit B.

## ARTICLE VIII

### ADMINISTRATION AND GOVERNANCE

8.1 Residential Association. The Residential Condominium shall be administered and governed by the Residential Association in accordance with the Residential Condominium Documents, but subject to the provisions of the Master Declaration. The Articles of the Residential Association as filed in the Office of the North Carolina Secretary of State are incorporated herein by reference. Each Unit Owner shall have voting rights in the Residential Association equal to such Unit Owner's Voting Interest as set forth on Exhibit B. The administration of the Residential Condominium by the Residential Association shall be in accordance with its Bylaws. All powers granted in this Residential Declaration or the Residential Bylaws to the Residential Association shall be exercisable by the Residential Board, except as otherwise expressly provided in the Residential Condominium Documents.

8.2 Automatic Membership in Residential Association. Each Unit Owner shall automatically become and be a member of the Residential Association upon being conveyed a fee interest in a Unit. The Residential Unit Owners shall also be members of the Master Association in accordance with the Master Declaration. In the event that a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all the record Owners of said Unit and filed with the Secretary of the Residential Association and shall exercise such share of his vote in all matters. Further, should such Unit Owner be a corporation, limited liability company, partnership, trust, unincorporated association or other entity, said corporation, limited liability company, partnership, trust, unincorporated entity or other entity must designate, in a certificate signed by an officer, manager, partner or other authorized representative of such entity, the name of the individual authorized to vote on behalf of such entity, which certificate shall be filed with the Secretary of the Residential Association. All such certificates shall be valid until revoked, superseded by a subsequent certificate, or until there has been a change in ownership of the Unit concerned. If such certificate is not filed with the Secretary of the Residential Association, the Residential Association shall be entitled to recognize and rely upon the authority of any individual who states that he or she represents such entity with respect to matters involving such entity's membership in the Residential Association, including the right to vote, unless the lack of authority of such individual is manifest.

8.3 Automatic Membership in Master Association. The Residential Unit Owners shall also be members of the Master Association in accordance with the Master Declaration.

8.4 Rules of Conduct. The Residential Association may adopt and enforce reasonable rules of conduct not in conflict with this Residential Declaration or the Master Declaration and supplementary thereto, as more fully provided in the Residential Bylaws. The rules of conduct for

the Residential Association that exist as of the filing of this Residential Declaration are attached to the Residential Bylaws. Upon notice from the Master Association to the Residential Association of a violation of the rules of conduct and a failure of the Residential Association to take action upon said violation within thirty (30) days, the Master Association may undertake the enforcement of the rules of conduct at its own expense.

8.5 Enforcement by Residential Association and Master Association. The Residential Association shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Residential Condominium Documents. The enforcement powers of the Residential Association shall include the power to fine Unit Owners as described in the Residential Bylaws. Failure by the Residential Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter. The Master Association also has certain enforcement rights pursuant to the Master Condominium Documents, and some of these powers are or may be delegated to the Residential Association.

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

8.7 Cancellation of Contracts by Association. Prior to the election of the Residential Board by the Unit Owners, Declarant may on behalf of the Residential Association enter into (i) management contracts, employments, contracts, and leases of recreational or parking areas or facilities, licenses and other contracts, and (ii) contracts or leases between the Residential Association and Declarant or an affiliate of Declarant; provided, however, that in accordance with N.C.G.S. § 47C-3-105, upon not less than ninety (90) days' notice to the other party to such contract, license or lease the Residential Association may terminate, without penalty, any of the foregoing at any time after the Residential Board elected by the Unit Owners takes office. As used in herein, "affiliate of Declarant" shall mean any person or entity which controls, is controlled by, or is under common control with, Declarant. A person or entity shall be deemed to control Declarant if that person or entity (i) is a general partner, member, director, officer or employee of Declarant; (ii) directly or indirectly or acting in concert with one or more person, or through one or more subsidiaries owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares or membership interests of Declarant; (iii) controls in any manner the election of a majority of the directors of Declarant; or (iv) has contributed more than twenty percent (20%) of the capital of Declarant. A person or entity shall be deemed to be controlled by Declarant if the Declarant (i) is a general partner, officer, director or employee of that person or entity; (ii) directly or indirectly or acting in concert with one or more persons or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing more than twenty percent (20%) of the voting share of that person or entity; (iii) controls in any manner the election of a majority of the directors of that person or entity; (iv) has contributed more than twenty percent (20%) of the capital of that person or entity.

8.8 Nature of Interest in Unit. Every Unit, together with its allocated interest in the Common Elements, shall for all purposes be and is hereby declared to be a separate parcel of real property. The Owner of each Unit shall be entitled to the exclusive fee simple ownership and



possession of his Unit subject only to the covenants, conditions, restrictions, easements, uses, limitations, obligations, rules and regulations set forth in the Condominium Documents or adopted by the Master Board or by the Residential Board.

8.9 Security. The Residential Association or the Declarant may, but shall not be required to, from time to time, provide measures or take actions that directly or indirectly improve security for the Residential Condominium; however, each Owner and occupant, for himself and his tenants, guests, licensees, invitees, and other permittees, acknowledges and agrees that neither the Residential Association nor the Declarant is a provider of security and neither party shall have a duty to provide security for the Residential Condominium. Furthermore, the Residential Association does not guarantee that non-owners and non-occupants will not gain access to the Residential Condominium and commit criminal acts in the Residential Condominium nor does the Residential Association guarantee that criminal acts in the Residential Condominium will not be committed by other Owners or occupants. It shall be the responsibility of each Owner and occupant to protect his person and property and all responsibility to provide such security shall lie solely with each Owner and occupant. Neither Declarant nor its Related Parties nor the Residential Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

## ARTICLE IX

### ASSESSMENTS

9.1 Periodic Assessments for Common Expenses. The Residential Association shall have the power to levy, and all Unit Owners shall be obligated to pay, periodic assessments imposed by the Residential Association to meet all Common Expenses. Except as provided in Section 9.10 hereof, payment of the periodic assessments shall be in equal monthly installments on or before the first day of each month, or in such other reasonable manner as the Residential Board shall designate so long as made at least annually. The procedures for budget proposal and ratification are set forth in the Residential Bylaws.

9.2 Increase in Assessments. The total budget for the Residential Association shall contain a maximum increase each year which is the amount that is twenty percent (20%) per year over the previous year. This maximum increase shall not apply where the Residential Board reasonably determines that the operations and needs of the Residential Association can be fully funded with a lesser increase. The omission by the Residential Board before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Residential Condominium Documents or a release of any Unit Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year as increased by operation of this Section 9.2 shall continue until a new assessment is fixed. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

9.3 Special Assessments by Residential Association. All Unit Owners shall be obligated to pay special assessments imposed by the Residential Association to meet the costs of, among other things, capital improvements, repair or replacement of the Common Elements,

allocations to reserves and other extraordinary expenses. Such special assessments must be approved by the Residential Board but shall not be payable if Unit Owners holding seventy five percent (75%) of the Voting Interest present at any meeting at which there is a quorum vote against such assessment at a special meeting held within forty-five (45) days of delivery of notice of the special assessment to Unit Owners. If a vote against the proposed special assessment is not sustained, the special assessment shall be due and payable ten (10) days after expiration of the forty-five (45) day period in which the Unit Owners may consider action to veto a special assessment.

9.4 Assessments of Additional Associations. All or portions of the Residential Condominium is subject to the Chatham Park Declaration, the Covenant to Share Costs, and the Community Declaration. The Residential Association is obligated to collect certain assessments from Unit Owners pursuant to the Chatham Park Declaration, the Covenant to Share Costs, and the Community Declaration, and any such assessments, which the Residential Association is obligated to collect shall constitute assessments collectible by the Residential Association for purposes of this Declaration, even though such amounts shall not be applied by the Residential Association to pay Common Expenses but instead shall be delivered to the applicable Additional Association.

9.5 Records. The Residential Board shall keep records of its revenues and expenditures in accordance with the Residential Bylaws.

9.6 Default in Payment of Assessments. To the maximum extent allowable under the Act, Unit Owners shall be personally liable for all assessments and other charges payable pursuant to the Residential Condominium Documents, and such assessments and other charges shall constitute liens upon the Units subject to foreclosure pursuant to the Residential Condominium Documents and the Act. The Residential Board shall have the right and duty to attempt to recover unpaid assessments in accordance with the Residential Bylaws.

9.7 Statement of Assessments or Other Charges. The Residential Association, upon written request, shall provide any Owner, the Owner's authorized agent, or the Owner's mortgagee with a written statement of all unpaid assessments and other charges against the Owner's Unit. This statement shall be furnished within ten (10) business days after receipt of the request and for a reasonable administrative fee in an amount determined by the Residential Board from time to time.

9.8 Initial Working Capital Assessment for Residential Units. Upon the conveyance of every Residential Unit from the Declarant to the first purchaser, such purchaser shall pay to the Residential Association an initial working capital assessment in the amount of two (2) months' Common Expense for the purpose of capitalizing the Master Association and the Residential Association. The Residential Association may authorize the Master Association to collect and remit the initial working capital assessment on its behalf.

9.9 Initial Payment of Assessments at Closing. If the Residential Association has begun assessing the Units, each initial purchaser of a Unit shall pay upon the conveyance of the Unit (from Declarant to purchaser) his share of the prorated assessments for the Residential Association

for the month in which the conveyance occurs and, in addition, the full assessments for the Residential Association for the following month.

**ARTICLE X**

**ALTERATIONS TO UNITS**

10.1 Improvements within Units. Subject to the provisions of above Section 2.5 and this Article X, an Owner may make improvements or alterations within his Unit that do not in any way change the Common Elements or otherwise impair the structural integrity or mechanical systems or lessen the support of any portion of the Building. Any work must be done in compliance with the applicable provisions of the Master Declaration.

10.2 Relocation of Unit Boundaries; Subdivision of Units. Relocation of Residential Unit boundaries is prohibited. Subdivision of Residential Units is prohibited. This section shall not be interpreted to impair the Declarant's reserved rights to add Units, Common Elements, and Limited Common Elements to the Residential Condominium.

10.3 Removal and Rebuilding of Partitions between Units. Owners may remove or rebuild partitions dividing the Units in accordance with the applicable provisions of the Master Declaration.

All the activities described in this Article X shall be Special Declarant Rights which the Declarant is entitled to perform unilaterally at its sole discretion without approval of the Residential Association at any time prior to the expiration of Declarant's Special Declarant Rights.

**ARTICLE XI**

**INSURANCE; RECONSTRUCTION AND REPAIR**

11.1 Insurance Obtained by Master Association. In accordance with the Master Declaration, the Master Association, acting through the Master Board, is required to obtain as a Common Expense, and maintain at all times, insurance which meets or exceeds the insurance requirements for condominium associations set forth in N.C.G.S. § 47C-3-113 for the Condominium and of every Eligible Holder. This insurance may consist of one or more standalone policies obtained by the Master Association or a master or group insurance policy or program available to an Owner provided that such policy or program meets or exceeds the requirements set forth in the Master Declaration.

In the event the Residential Association cannot be added as an additional insured under the comprehensive public liability insurance policy of the Master Association, the Residential Board shall cause to be obtained comprehensive public liability insurance with the minimum coverages established by the Master Declaration, directors' and officers' liability insurance, and umbrella liability insurance with limits and provisions as it deems desirable and as may be obtainable. Coverage under the liability insurance policy shall include legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Residential Condominium and legal liability arising out of lawsuits related to employment contracts of the Residential Association. All such policies shall contain severability

of interest clauses or endorsements extending coverage to liabilities of the Residential Association to a Residential Unit Owner and to liabilities of one Residential Unit Owner to another Residential Unit Owner.

11.2 Property Coverage. The Residential Board shall cause any of the personal property owned or acquired by the Residential Association to be insured against loss or damage due to all risks of direct physical loss commonly insured against, including fire and extended coverage perils, in an amount not less than the maximum insurable replacement value of such property as determined by the Residential Board upon recommendation made by the Residential Condominium's insurer, it being understood that the Residential Board, at its discretion, may have an appraisal made of such property for this purpose, or in the amount reasonably obtainable as it relates to certain perils. Notwithstanding anything in this Article XI to the contrary, the Residential Association shall not be responsible for insuring improvements and betterments made to the Units.

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

11.4 Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon his improvements and betterments to his Unit, his personal property, including his automobile, public liability insurance, and such other insurance coverage as he may desire. Each Residential Owner shall obtain and maintain public liability insurance coverage in the amount of at least One Hundred Thousand and No/100 Dollars (\$100,000.00) for bodily injury, including death, of persons and property damage, arising out of a single occurrence. All such insurance policies shall include, to the extent commercially available, provisions waiving (i) any right of the insurer to subrogation claims against the Master Association, the Residential Association, and against Unit Owners and their household members, employees and invitees, as well as their tenants and such tenant's employees and invitees; and (ii) any right of the insurer to contribution or proration because of the Master Association's or the Residential Association's, if any, casualty and public liability policy. At the request of the Residential Association, each Owner shall certify at the closing of the purchase of a Unit that such an insurance policy has been obtained.

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

11.6 Premiums. Premiums upon insurance policies purchased by the Residential Association, and any amounts paid as a result of a deductible, shall be paid by the Residential Association and charged as a Common Expense. Notwithstanding the preceding sentence to the contrary, in the event that a casualty occurs wholly within the boundaries of a Unit and does not affect any other Units or Common Elements, the Owner of such Unit shall be wholly responsible for any deductible amount in such policy of insurance relating to such claims.

11.7 Distribution of Insurance Proceeds. All insurance policies procured by the Residential Association shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Residential Association as insurance trustee for the benefit of all Residential Owners collectively, and their mortgagees, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Residential Association as trustee, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the provisions of the Master Declaration and the Act.

11.8 Reconstruction and Repair. The provisions of the Master Declaration concerning reconstruction and repair in the event of casualty loss or damage shall govern all matters pertaining to reconstruction and repair within the Residential Condominium.

11.9 Condemnation. The Residential Association shall represent all Unit Owners in any such action or any negotiation, settlement or agreement with the condemning authority for acquisition of the Common Elements, or part thereof by the condemning authority. By accepting a deed to a Unit each Unit Owner appoints the Residential Association as its attorney-in-fact to represent it in such condemnation proceedings. In the event of an action for eminent domain or a condemnation of all or a portion of the Residential Condominium, the award for such taking shall be payable to the Residential Association, or any trustee, to be held in trust for the Unit Owners and their first mortgage holders as their interests may appear, and shall be distributed in accordance with the procedure set forth in N.C.G.S. § 47C-1-107.

## ARTICLE XII

### EASEMENTS

12.1 General Reserved Easements. The Declarant expressly reserves such easements through the Common Elements as described in N.C.G.S. § 47C-2-116. There is reserved for the benefit of the Residential Association the right to grant easements at any time for utility purposes for the benefit of the Residential Condominium, including the right to install, lay, maintain, repair and replace water lines, pipes, ducts, sewer lines, gas lines, telephone, and television or cable television, and other forms of communication wiring, cables and equipment, electrical conduits, and wires over, under, along and on any portion of the Common Elements. Easements for installation and maintenance of utilities and drainage facilities, if any, are also reserved as shown on the Residential Plans. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

12.2 Other Condominium Easements. Each Unit Owner shall have a nonexclusive easement in common with all Unit Owners to use the Common Elements, including all pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. To the extent that there are Common Elements within Units, each Unit shall be subject to a nonexclusive easement in favor of all other Unit Owners to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. Each Unit Owner shall have a nonexclusive easement across and over the Common Elements for the purposes of ingress to and egress from his Unit, which easement shall be perpetual and appurtenant to the ownership of such

Unit. The Residential Association shall have the right of access to each Unit to inspect the same to remove violations therefrom and to maintain, repair or replace Common Elements contained therein or elsewhere in the Residential Condominium. In addition, pursuant to the Master Declaration, the Residential Association shall have a perpetual, non-exclusive easement throughout the Master Condominium to the extent reasonably necessary for the purposes of accessing, repairing, maintaining, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Master Condominium that may affect the intended use and operation of the Residential Condominium and to the extent reasonably necessary for the Residential Association to exercise any of its obligations set forth in this Declaration. Provided that, the Residential Association shall provide the Master Association with reasonable, advance notice of its intent to exercise its easements rights throughout the Master Condominium and an opportunity for the Master Association to first cure the same within a reasonable time period.

12.3 Construction Easement. Declarant reserves for itself and such other persons as Declarant may designate, perpetual, non-exclusive easements throughout the Residential Condominium to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Residential Condominium, including Units and the Common Elements. Declarant hereby reserves for itself, and its designees, perpetual, non-exclusive easements throughout the Residential Condominium, at any time, to redesign, correct, modify or improve any part of the Residential Condominium, including Units and the Common Elements, to the extent reasonably necessary to correct any design defect, construction related defect or other construction related problem, to change or improve the operational efficiency and structural integrity of any improvement located in the Residential Condominium, and to otherwise provide a modified, superior or enhanced housing product within the Residential Condominium. Declarant and its designees shall also have such easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising any Special Declarant Rights as provided herein. The easements reserved in favor of Declarant herein shall be construed expansively.

In addition, Declarant for itself and its designees reserves a right of entry onto any Unit upon reasonable notice to the Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Declarant or its designee, as applicable, notifies the Owner (or occupant) and agrees with the Owner regarding a reasonable time to enter the Unit to perform such activities. Owner agrees to cooperate in a reasonable manner with Declarant and its designees in their exercise of the rights provided to it by this Section.

12.4 Emergency Easement. In case of any emergency originating in or threatening any Unit, or any portion of the Common Elements, regardless of whether the Owner, any tenant, or their invitees, if any, are present at the time of such emergency, the Residential Board and all managerial personnel shall have the right to authorize access to such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Residential Association, shall deposit a key to such Unit under the control of the Residential Association.

12.5 Repair Easements. The Residential Association shall have a right of entry upon the Units and any Limited Common Elements to affect emergency repairs, and a reasonable right of

entry upon the Units to affect other repairs, improvements, replacement or maintenance made for the benefit of the Unit entered or another Unit.

12.6 No Easement for Light, View or Air. It is expressly agreed that no Unit or Owner shall have any right, easement or license for light, view or air, and neither Declarant nor the Residential Association shall be liable for any damage any Owner may sustain, nor shall any Owner be entitled to any compensation as a result of light, views or air being altered, obstructed or blocked, including as a result of construction on adjacent or nearby lots (including, without limitation, any other buildings or improvements located within the Community).

12.7 Easements Appurtenant. All easements granted herein are appurtenant to and shall run with the land and shall inure to the benefit of and be binding upon the Declarant, the Residential Association, Owners, occupants, mortgagees, and any other person or entity having an interest in the Residential Condominium as described herein.

12.8 Other Easements and Agreements. There are certain other recorded easements and agreements which encumber or are appurtenant to the Residential Condominium, including but not limited to: (i) the Chatham Park Declaration, (ii) the Covenant to Share Costs, (iii) the Community Declaration, (iv) the Master Declaration, and (v) the Agreement of Access and Parking Easements recorded in Book 2257, Page 401, as amended by that First Amendment to Agreement of Access and Parking Easements recorded in Book 2348, Page 1065, Chatham County Registry.

### ARTICLE XIII

#### RESERVED DEVELOPMENT RIGHTS

Declarant hereby reserves the following rights and options, in its sole and absolute discretion, each of which may be exercised by Declarant at any time to and from time to time from and after the date of the recording of this Declaration to and including the date that is fifty (50) years following the date of recording of this Declaration, (i) to create new Units and to reconfigure, refurbish, renovate, subdivide, combine or recombine existing Units; (ii) to create or construct new, or reconfigure existing, Common Elements and/or Limited Common Elements; (iii) to convert Units into Common Elements or to convert Common Elements into Units or into Limited Common Elements; (iv) to subdivide Units; (v) to withdraw from the Residential Condominium any portion or all of the Common Elements in accordance with the terms of the Act (including but not limited to the right to subdivide any such portion of the Residential Condominium to be withdrawn); and (vi) other development rights as may be provided in the Act (collectively, the "Development Rights", individually, a "Development Right"). Declarant may exercise any or all of the Development Rights within the fifty (50) year period specified above without the consent or approval of the Residential Association or any other Unit Owner or Eligible Holder, by executing and recording an amendment(s) to this Declaration. Any such amendments shall conform to the various provisions and conditions precedent established in this Declaration and in the Act. The provisions of this Declaration which reserve and establish Declarant's Development Rights shall be interpreted expansively in favor of Declarant to permit it maximum flexibility in its development of the Residential Condominium.

ARTICLE XIV

AMENDMENT; TERMINATION OF CONDOMINIUM

14.1 Amendment of Residential Declaration.

(a) Declarant reserves the right to amend this Declaration unilaterally without the consent of any other party in order to exercise its Special Declarant Rights. Except in cases of amendments by the Declarant, the Residential Association, or certain Unit Owners pursuant to the exceptions provided in N.C.G.S. § 47C-2-117(a) and (f), the Declaration may be amended only by vote or agreement of Owners representing at least sixty-seven percent (67%) of the total Voting Interest in the Residential Association. Provided, however, where the Act or approval of a greater percentage of the vote of Unit Owners is expressly required by this Residential Declaration, the Act, or the Residential Association's Articles of Incorporation or Bylaws, this Residential Declaration may not be amended to decrease such greater percentage of votes without the consent of Unit Owners holding that greater percentage of votes.

(b) With the exception of those amendments to this Residential Declaration which may be executed solely by Declarant under this Residential Declaration or the Act, every amendment shall be prepared, executed, recorded and certified by the Residential Association. Any amendment to this Declaration shall be effective only when recorded in the Chatham County Registry.

(c) Subject to the Special Declarant Rights reserved in Section 2.5 above and the exceptions of N.C.G.S. § 47C-2-117(a) and (f), no amendment which changes the boundaries of any Unit (if permitted) or alters the Common Interest (or Voting Interest) for a Unit shall be valid unless the same has been signed or consented to by the Owner(s) so affected.

(d) Notwithstanding anything herein to the contrary, this Residential Declaration may be amended by the Declarant or Residential Association without the consent of any Owner in order to comply with any Legal Requirements or to correct manifest errors herein; and any such amendment, upon execution and certification by the Declarant or Residential Association and recording by the Chatham County Registry, shall be effective upon recording.

(e) Notwithstanding any other provision for amending this Residential Declaration, no amendment shall modify, reduce or impair any rights reserved by Declarant or impose any obligations on Declarant without the consent and joinder of Declarant.

(f) Notwithstanding anything herein to the contrary, this Residential Declaration may be amended by judicial reformation pursuant to N.C.G.S. § 47C-2-117.1.

14.2 Termination. With the exception of any exercise by Declarant of its Special Declarant Rights, the dedication of the Master Residential Unit to the Residential Condominium herein shall not be revoked, or the Master Residential Unit removed from the Act except that the Residential Condominium may be terminated and the Master Residential Unit removed from the provisions of the Act by the agreement of Unit Owners to whom at least eighty percent (80%) of the votes in the Residential Association are allocated, as evidenced by execution of a termination



agreement, or ratification thereof, by such Owners, provided that all the Eligible Holders of mortgages on Units (including those Eligible Holders who did not consent) are provided with thirty (30) days' prior written notice of such termination. Except as otherwise provided for herein, termination of the Residential Condominium shall be in accordance with the Act.

Foreclosure or enforcement of a lien or encumbrance against the entire Residential Condominium does not of itself terminate the Residential Condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the Residential Condominium, other than withdrawable real estate, does not withdraw that portion from the Residential Condominium. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not of itself withdraw that real estate from the Residential Condominium, but the person taking title thereto has the right to require from the Residential Association, upon request, an amendment excluding the real estate from the Residential Condominium.

14.3 Statutory Compliance. No amendment or termination that is contrary to, or inconsistent with, any requirements or provisions of the Act shall be valid.

14.4 Mortgagee Approval. Notwithstanding anything herein to the contrary, certain types of amendments to this Residential Declaration must be approved by Eligible Holders as set forth in Article XV hereof.

## ARTICLE XV

### RIGHTS OF FIRST LIEN HOLDERS

15.1 General Provisions. This Article XV establishes certain standards and covenants for the benefit of Eligible Holders. This Article XV is supplemental to, and not in substitution for, any other provisions of the Residential Condominium Documents, but in the event of any conflict between the provisions of the Residential Condominium Documents and the provisions of this Article XV, the provisions of this Article XV shall control.

15.2 Notices of Action. An Eligible Holder will be entitled, and the Residential Board shall cause to be delivered at least sixty (60) days prior written notice of the following:

(a) any proposed amendment of the Residential Condominium Documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses thereto; (iii) the Common Interests allocated to any Unit; or (iv) the purposes to which any Unit or the Common Elements are restricted;

(b) any proposed termination of the Residential Condominium;

(c) any condemnation loss or any casualty loss which affects a material portion of the Residential Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by an Eligible Holder;

(d) any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage that is held, insured or guaranteed by an Eligible Holder, where such delinquency has continued for a period of sixty (60) days;

(e) any lapse, cancellation or material modification of any insurance policy maintained by the Residential Association pursuant to Article XI hereof; or

(f) any proposed action by the Residential Association, the Residential Board, or the Owners, which under the terms of the Residential Condominium Documents requires the consent of all or any portion of the Eligible Holders.

15.3 Approval Rights of Eligible Holders. The approval of Eligible Holders shall be required in the instances hereinafter set forth:

(a) Termination of Residential Condominium. Any election to terminate the Residential Condominium after substantial destruction or a substantial taking in condemnation of the Residential Condominium or for other reasons requires the approval of the Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

(b) Amendment of Residential Condominium Documents. The approval of the Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a mortgage appertain, shall be required to materially amend any provisions of the Residential Condominium Documents or to add any material provisions thereto, including, without limitation, those which establish, provide for, govern or regulate any of the following:

(i) Voting;

(ii) Increases in assessments that raise the previous calendar year's assesses amount by more than twenty-five percent (25%), assessment liens or the priority of assessment liens;

(iii) Reductions in required reserves for maintenance, repair and replacement of the Common Elements;

(iv) Insurance or fidelity bonds;

(v) Rights to the use of Common Elements;

(vi) Responsibility for maintenance and repair of the Common Elements;

(vii) Except for Declarant's exercise of any Special Declarant Rights, expansion or contraction of the Residential Condominium or the addition, annexation or withdrawal of property to or from the Residential Condominium;

(viii) Redefinition of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only the Unit Owners of those Units and the

Eligible Holders holding mortgages on those Units must approve such action;

(ix) Except for the exercise of Special Declarant Rights, reallocation of interests in the Common Elements or the Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owners, then only those Unit Owners and only the Eligible Holders holding mortgages on those Units need approve such reallocations;

(x) Except for the exercise of Special Declarant Rights, convertibility of Units into Common Elements or of Common Elements into Units;

(xi) The imposition of any restrictions on the leasing of Units, above and beyond the restrictions set forth in this Declaration;

(xii) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit in the Residential Condominium;

(xiii) The restoration or repair of any portion of the Residential Condominium after casualty damage or partial condemnation in a manner other than that specified in the Residential Condominium Documents;

(xiv) Any amendment to a provision in the Residential Condominium Documents which is for the express benefit of Eligible Holders.

15.4 Notices to Eligible Holders. All notices and requests for approval sent by the Residential Association to an Eligible Holder pursuant to this Article XV shall be sent by certified or registered United States mail, postage prepaid, return receipt requested to the most recent mailing address of the Eligible Holder provided to the Residential Association by the Eligible Holder. If an Eligible Holder fails to approve or disapprove a request for approval presented to it pursuant to this Article XV within sixty (60) days following its receipt thereof, the Eligible Holder shall be deemed to have approved the request.

15.5 Rights of Eligible Holders to Examine Books and Records. Any Eligible Holder shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Residential Association, including copies of the Residential Condominium Documents, as amended, and the financial statements of the Residential Association.

15.6 Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage encumbering a Unit, such acquirer of title, his or its heirs, successors, assigns or grantees, shall not be liable for assessments by the Residential Association which became due prior to the acquisition of title by such acquirer, it being understood however, that this section shall not be construed to prevent the Residential Association from filing and claiming liens for such unpaid assessments and enforcing the same as provided by law, and provided that such assessments shall be subordinate to such mortgage. Any sale or transfer of a Unit pursuant to a foreclosure shall not

relieve the purchaser or transferee of a Unit from liability for, nor the Unit so sold or transferred from, any Common Expenses thereafter becoming due.

**ARTICLE XVI**

**GENERAL CONDITIONS; MISCELLANEOUS MATTERS**

16.1 Units Subject to Condominium Documents. All present and future Owners, tenants, and occupants of the Units shall be subject to and shall comply with the provisions of the Master Declaration, this Declaration, the Master Bylaws, the Residential Bylaws, and any rules and regulations as may be adopted by the Master Association or the Residential Association, as all of the foregoing may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Master Declaration, this Declaration, the Master Bylaws, the Residential Bylaws and any rules and regulations which may be adopted are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease. This Declaration is subject and subordinate to the provisions of the Chatham Park Declaration and the Community Declaration and that in the event of a conflict between the provisions of this Declaration and the Chatham Park Declaration or the Community Declaration, the Chatham Park Declaration or the Community Declaration, as the case may be, shall control; provided, however, nothing herein shall be construed to prevent the enforcement of additional covenants, conditions restrictions and easements therein contained that do not contravene the provisions of the Chatham Park Declaration or the Community Declaration.

16.2 Common Elements Not Partitioned. Except as provided, the Common Elements and Limited Common Elements shall remain undivided and no Unit Owner shall bring any action for partition and/or division of same.

16.3 Common Elements Not Severable from Units. The undivided interest in the Common Elements and Limited Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

16.4 Provisions and Covenants Applicable to Units. Each Unit Owner shall comply with the provisions of this Residential Declaration, all exhibits hereto, and authorized amendments hereto. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief. The Units shall be conveyed subject to the recorded Residential Plans and amendments thereto. The acceptance of a deed of conveyance or the entering into of a lease for any portion of the Residential Condominium or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Condominium Documents are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

16.5 All Users of Residential Condominium Subject to Declaration. All present or future Unit Owners and any other person that might use the facilities of the Residential Condominium in any manner, including those who may lease a Unit from the Declarant, are subject to the provisions of this Residential Declaration and any authorized amendments thereto, and the mere acquisition or rental of any of the Units shall signify that the provisions of this Residential Declaration and any authorized amendment thereto are accepted and ratified.

16.6 Non-waiver. No provision contained in this Residential Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

16.7 Gender and Number. The use of the masculine gender in this Residential Declaration shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

16.8 Applicable Law; Interpretation. This Residential Declaration is set forth to comply with the requirements of the Act as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of the Act, the provisions of the Act shall control. In all cases, the provisions of this Residential Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property and the Residential Condominium, which will carry out the intent of the Declarant as expressed herein, and which will preserve the Residential Condominium as an integral part of an attractive, well-maintained, mixed-use community.

Should any provision of this Residential Declaration or any section, paragraph sentence, clause, phrase or term in this Residential Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matters and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Contrary to the restrictive common law rule of construction, this Residential Declaration shall by this covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Owners who take subject to the Declaration, to covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant or the Residential Association, and any other covenant, condition, restriction or obligation within this Residential Declaration is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible value associated with the Property, and does touch and concern, benefit and burden and run with the Property.

16.9 Headings and Captions. The headings and captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Residential Declaration or the intent of any provisions hereof.

16.10 Exhibits. All exhibits to this Residential Declaration are incorporated herein by reference and shall be an integral part of this instrument.

16.11 Lender Consent. The Property is currently encumbered by the lien of that deed of trust, executed and delivered by Master Declarant to Dogwood State Bank, as lender, and recorded in Book 2236, Page 903, Chatham County Registry. A Consent of Lender executed by said lender consenting to the execution and recordation of this Declaration is attached hereto as Exhibit E and made a part of this Residential Declaration.

## ARTICLE XVII

### DISPUTE RESOLUTIONS AND LIMITATION ON LITIGATION

17.1 Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes. The Residential Association, Declarant and its Related Parties, all Owners, all other persons or entities subject to this Declaration, and any person or entity not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Residential Condominium to avoid the emotional and financial costs of litigation. Accordingly, to the extent permitted under applicable law, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the Residential Bylaws, the Residential Association rules, or the Residential Articles (collectively, "Claims"), except for those Claims authorized in Section 17.2, shall be resolved using the procedures set forth in Section 17.3 below in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

17.2 Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 17.1 above:

(a) Any suit by the Residential Association during the Period of Declarant Control, and following expiration of the Period of Declarant Control, any suit by the Residential Association (i) against any Bound Party to enforce the provisions of the Condominium Documents relating to assessments, fines or fees, or (ii) to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Residential Association's ability to enforce the provisions relating to architectural control or use restrictions;

(b) Any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of North Carolina in the absence of a claim based on the Declaration, Residential Bylaws, Residential Articles or rules of the Residential Association, if the amount in controversy exceeds \$5,000.00;

(c) Any suit arising out of any written contract between Owners and which would constitute a cause of action under the laws of the State of North Carolina in the absence of the Declaration, Residential Bylaws, and Residential Articles; and

(d) Any suit in which all parties are not Bound Parties.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 17.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Residential Association to the alternative dispute resolution procedures of Section 17.3 shall require the approval of the Residential Association.

17.3 Mandatory Procedures for All Other Claims. To the extent permitted under applicable law, all claims other than Exempt Claims shall be resolved using the following procedures:

(a) Notice. Any Bound Party having a claim (“Claimant”) against any other Bound Party (“Respondent”), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the “Notice”), stating plainly and concisely:

(i) The nature of the Claim, including date, time, location, persons involved and respondent’s role in Claim;

(ii) The basis of the Claim (i.e., the provisions of this Declaration, the Residential Bylaws, the Residential Articles or rules or other authority out of which the claim arises);

(iii) What Claimant wants Respondent to do or not to do to resolve the Claim;

(iv) That the Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

(i) Each Claimant and Respondent (the “Parties”, and each, a “Party”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good negotiation.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if it believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

(i) If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by

the Parties) (“Termination of Negotiations”), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree.

(ii) If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(iii) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

(iv) Each Party shall, within five (5) days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand (“Settlement Demand”) to the Respondent. The Respondent shall make a formal written settlement offer (“Settlement Offer”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant’s original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer.

(d) Final and Binding Arbitration. To the extent permitted under applicable law, any and all claims, disputes and controversies by and between the Declarant, the Residential Association and/or Owners or any combination thereof arising from or related to the Residential Condominium (including Units and Common Elements), any improvements to the Property, the sale of the Property, including, without limitation, any claim of breach of contract or warranty, negligence, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of the AAA in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by, all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys’ fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a



waiver of the right to enforce this arbitration agreement and, notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by the arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

(e) Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with the above and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any arbitration award ("Award") following arbitration, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above and, in such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

17.4 Litigation. To the extent permitted under applicable law, (a) any litigation by the Residential Association other than the Exempt Claims set out above, or (b) any arbitration against the Declarant or its Related Parties, shall both require an affirmative vote of seventy five percent (75%) of the members of the Residential Association prior to the institution of such litigation.

## ARTICLE XVIII

### LIMITATION OF LIABILITY; DISCLOSURES; ARCHITECT, ENGINEER, AND GENERAL CONTRACTOR PROVISIONS

18.1 Limitation of Liability. Owners are informed that the Architect and Engineer have been hired to design and plan, and the General Contractor has been hired to construct, the Residential Condominium, and the Declarant makes no, and to the maximum extent permitted by applicable law hereby disclaims, any representation or warranty with respect to the design or construction of the Residential Condominium. Owners shall look solely to the Architect, Engineer, and/or the General Contractor with respect thereto and, in furtherance thereof, Declarant shall furnish to the Owners or to the Residential Association, all warranties, if any, furnished by the Architect, Engineer, or the General Contractor with respect thereto, and the Owners agree to be bound by, and abide by, the terms thereof. To the maximum extent permitted by applicable law, the Declarant expressly disclaims any other implied warranty of habitability or suitability related

to the Residential Condominium and any Unit thereof. The Declarant further expressly disclaims any implied warranties relating to all building systems and functions including, but not limited to, electrical wiring, fixtures, all materials comprising or supporting the roof, the exterior skin including window systems, all other structural components, all appliances, heating and air conditioning systems (HVAC), plumbing, fire sprinkler, elevators, other equipment and other personal property located in the Residential Condominium and any Unit thereof, but will furnish to the Owner of the applicable Unit or to the Residential Association all manufacturers' warranties, if any and as available, with respect to those items. The Declarant, the Architect, the Engineer, and the General Contractor shall have no responsibility (i) for the inspection, maintenance and repair of any portion of the Residential Condominium, whether Units or Common Elements, and (ii) for damages arising from any failure to inspect, maintain or repair the Residential Condominium or any Units or Common Elements therein. In addition, Declarant makes no representations or warranties as to the condition or health or appropriateness of any shrubs, trees, or other plantings, if any, located within the Residential Condominium, but will deliver to the Residential Association any nursery's warranties with respect to those plants. No additional express or implied warranties of any sort or type regarding any Unit or the Residential Condominium are or will be made by Declarant. None of the Declarant, nor the Architect, nor the Engineer, nor the General Contractor shall be held liable for conditions, or claims arising from such conditions, resulting from the failure of the Residential Association to maintain the Common Elements in accordance with the terms of this Declaration, and the Residential Association hereby covenants and agrees, at its sole cost and expense, to indemnify, defend and hold harmless the Declarant, the Architect, the Engineer, and the General Contractor from and against any and all actions or proceedings arising out of the Residential Association's failure to maintain Common Elements in accordance with the terms of this Declaration.

18.2 Disclosures. Owners, present and future, are also informed and by purchasing a Unit thereby acknowledge and accept that the Residential Condominium is part of a commercial structure in an urban setting. This commercial structure in this urban setting may offer certain benefits to Owners but may also pose certain limitations and/or disadvantages to Owners. Condominium living is a form of shared living, with each Owner purchasing a separate living space that shares many common elements with other units, other people and other building systems: walls, hallways, elevators, fire protection, security, wood-frame, brick and cementitious-sided structure, internal building equipment and systems, and the like. As such, Owners may hear sounds from their neighbors, whether next door or above or below or from the street level due to traffic, pedestrians, trains, and other urban activities; Owners may hear sounds or feel vibrations from building systems transmitting through the structure or exterior or from Unit to Unit of the Building; Owners may hear noises or smell odors or feel vibrations from other Units and/or nearby commercial businesses; Owners may experience variability in performance of building systems, including but not limited to common systems such as HVAC chilled water availability and potable water pressure; Owners' actual Unit square footage may not be the anticipated square footage noted on the unit plan and/or in the plans and specifications for the Unit and/or the Residential Condominium, nor may locations and dimensions of walls, doors, electrical outlets, appliances, cabinetry and other items be installed as shown on the plans and specifications, as large scale commercial construction is inherently imprecise due to inexact field measurements, material unavailability and/or labor shortages, substitutions or alterations in designs or materials, and field conditions that result in departures from written plans and specifications to accommodate construction considerations at the discretion of the Architect, the Engineer, the General Contractor,

and the Declarant, as well as departures from plans and specifications made to comply with then current code and field instructions from municipal building inspections during construction. Owners are purchasing a Unit of general size in a condominium of general size and general construction quality, not a specific amount of square footage nor according to any specific plans and specifications, and Owners shall not be entitled to collect any monetary award or damage from any departure or deviation from specific plans and specifications, nor make any claim that said plans and specifications were incomplete or inappropriate for the application of construction. Owners may experience, as in any urban, mixed-use environment, building construction on a nearby or adjacent lot (including, without limitation, within the Community) that creates noise, dust, nighttime artificial light, view obstructions, changes in public road patterns that affect access to the Property, street noise with pedestrian and vehicular traffic at any time, higher levels of necessary building operation and maintenance expense over time, and other such characteristics. These and other circumstances are common to commercial structures in urban settings and therefore the Declarant makes no expressed or implied warranties or representations therefor.

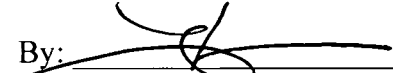
18.3 General Contractor, Engineer and Architect Provisions. Owners hereby agree to abide by the terms and provisions set forth on Exhibit F attached hereto in connection with all dealings with the General Contractor, Engineer and with the Architect.

*[Signature page follows.]*

IN WITNESS WHEREOF, Declarant has caused this Residential Declaration to be executed as of the date first above written.

**MOSAIC LOT 6 RESIDENTIAL, LLC,**  
a North Carolina limited liability company

By: ECO Mosaic LLC,  
a North Carolina limited liability company,  
its sole Manager:

By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

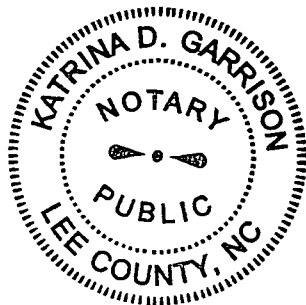
COUNTY OF Lee

I, Katrina D. Garrison a Notary Public of Lee County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 10<sup>th</sup> day of April, 2023.

Date: 4/10/23

  
Notary Public

[Official Seal]



Print Name: Katrina D. Garrison  
My commission expires: October 28, 2023

IN WITNESS WHEREOF, the Board of Directors of the Mosaic Master Owners Association, Inc., a North Carolina nonprofit corporation, hereby approves of this Residential Declaration.

MOSAIC MASTER OWNERS ASSOCIATION, INC.,  
a North Carolina nonprofit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: President

STATE OF NORTH CAROLINA  
COUNTY OF Lee

I, Katrina D. Garrison a Notary Public of the County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is President of Mosaic Master Owners Association, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its President. Witness my hand and official stamp or seal, this 10<sup>th</sup> day of April, 2023.

Date: 4/10/23

[Signature]  
Notary Public

[Official Seal]



Print Name: Katrina D. Garrison

My commission expires: October 28, 2023

IN WITNESS WHEREOF, Eco CP Partners, LLC, the Declarant under that certain Master Declaration of Covenants, Conditions, and Restrictions for Mosaic hereby approves of this Residential Declaration.

ECO CP PARTNERS, LLC,  
a North Carolina limited liability company

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Lee

I, Katrina D. Garrison, a Notary Public of the County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO CP Partners, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official stamp or seal, this 10<sup>th</sup> day of April, 2023.

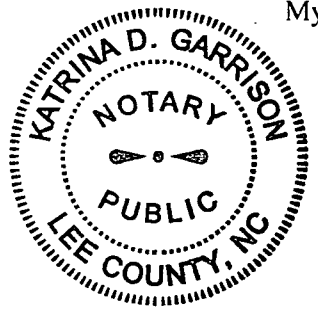
Date: 4/10/23

[Signature]  
Notary Public

[Official Seal]

Print Name: Katrina D. Garrison

My commission expires: October 28, 2023



**EXHIBIT A  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Legal Description of the Residential Condominium**

Being all of the third floor of Building H located on the real property known as Lot 6, which lot contains approximately 1.682 acres, more or less, as shown on plat entitled "SUBDIVISION PLAT OF MOSAIC AT CHATHAM PARK – PHASE 1A" dated December 16, 2019, prepared by Jamie Shane Strickland, PLS, of CE Group, Inc., recorded at Book of Maps 2020, Pages 80 through 85, Chatham County Registry, North Carolina.

**EXHIBIT B  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

The following table states the Common Interest and Voting Interest allocations to the Residential Units for the Residential Condominium and Residential Association and the Master Condominium and Master Association. This table may be amended from time to time in accordance with the Residential Declaration.

Unit Number	Net Square Feet	Common Interest in Residential Condominium	Voting Interest in Residential Association	Common Interest in Master Condominium	Voting Interest in Master Association
301	1,237	9.66%	8.33%	2.42%	2.09%
302	1,123	8.76%	8.33%	2.20%	2.09%
303	1,187	9.26%	8.33%	2.32%	2.09%
304	821	6.41%	8.33%	1.61%	2.09%
305	1,190	9.29%	8.33%	2.33%	2.09%
306	1,188	9.26%	8.33%	2.32%	2.09%
307	1,045	8.16%	8.33%	2.04%	2.09%
308	812	6.34%	8.33%	1.59%	2.09%
309	1,622	12.66%	8.33%	3.17%	2.09%
310	1,766	13.78%	16.67%	3.45%	4.18%
311	823	6.42%	8.33%	1.61%	2.09%
<b>TOTALS</b>	<b>12,814</b>	<b>100.00%</b>	<b>100.00%</b>	<b>25.06%</b>	<b>25.06%</b>

**Common Interests in the Master Condominium and Voting Interests in the Master Association:**

The totals of the Common Interest of the Residential Units in the Master Condominium and Voting Interest of the Residential Units in the Master Association are shown as 25.06%. These interests are derived from the relationship of the Residential Section to the Master Condominium ( $(12,814 \div 51,141) \times 100 = 25.0562$ , which when rounded equals 25.06%). The Common Interest allocated to each Residential Unit in the Master Condominium is based on the net square footage of each Residential Unit in the Master Condominium. For example, the Common Interest for Unit 308 in the Master Condominium is calculated as follows:  $(812 \div 51,141) \times 100 = 1.5877$ , which equals 1.59%. The Voting Interest allocated to each Residential Unit in the Master Association shall be an equal share of the total Common Interest allocated to all Residential Units in the Master Association. The only exception being with regards to Unit 310, which Unit shall be treated as two Units for the purpose of calculating its Voting Interest in the Master Association. For example, the Voting Interest allocated to each Residential Unit in the Master Association is calculated as follows:  $(25.06\% \div 12) = 2.0883$ , which equals 2.09%. Notwithstanding the foregoing, Unit 310 will have a Voting Interest of 4.13% ( $2.0883 \times 2 = 4.1776$ , which equals 4.18%).

**Common Interests in the Residential Condominium and Voting Interests in the Residential Association:**

The Common Interest allocated to each Residential Unit in the Residential Condominium is based on the net square footage of each Residential Unit in the Residential Condominium. For example,



the Common Interest for Unit 308 in the Residential Condominium is calculated as follows:  $(812 \div 12,814) \times 100 = 6.34\%$ . The Voting Interest allocated to each Residential Unit in the Residential Association is calculated as follows:  $(100.00\% \div 12) = 8.3333$ , which equals 8.33%. The only exception being Unit 310, which Unit shall be treated as two separate Units for the purposes of calculating its Voting Interest in the Residential Association. Therefore, Unit 310 shall have a Voting Interest of 16.67% ( $8.3333 \times 2 = 16.6666$ , which equals 16.67%).

The “net square feet” or “net square footage” of each Residential Unit is based on the heated square footage within that Unit as stated on the Residential Plans. The aggregate net square footage of the Residential Units in the Master Condominium is stated in the Master Declaration.

The Common Interests and Voting interests set out herein have been rounded up or down as appropriate.

This Exhibit may be amended from time to time in accordance with this Declaration and the Master Declaration. The relative Common Interests and Voting Interests will change if (i) the Master Declarant and/or the Residential Declarant adds additional Units to the Condominium, or (ii) the Residential Declarant reconfigures, subdivides, combines or recombines any existing Residential Units within the Condominium.

**EXHIBIT C  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Parking Space and Storage Unit Allocation for Residential Units**

<b>UNIT #</b>	<b>PARKING SPACE*</b>	<b>STORAGE UNIT**</b>
301	P-1	301
302	P-2	302
303	P-3	303
304	P-4	304
305	P-5	305
306	P-6	306
307	P-7	307
308	P-10	308
309	P-8/P-11	309
310	P-9/P-12	310/310
311	P-13	311

*\*Units 309 and 310 are allocated two (2) parking spaces each.*

*\*\* Unit 310 is allocated two (2) Storage Units, each one numbered "310".*

**EXHIBIT D  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 CONDOMINIUM**

**Title Encumbrances**

NOTE: All recording references herein are to the office of the Register of Deeds for Chatham County, North Carolina, which also is referred to herein as the "Registry".

1. Ad valorem taxes for the year of 2023 and subsequent years.
2. Easements, rights-of-way, setback lines, covenants, restrictions, agreements, conditions and any other matters shown on plats recorded in Plat Slide 2005-120; Plat Slide 2006-81; and Plat Slides 2020-80 through 2020-85.
3. Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties recorded in Book 2105, Page 322, as amended by a First Amendment to Declaration of Covenants, Conditions, and Restrictions for Chatham Park Commercial Properties, recorded in Book 2106, Page 199. See Supplemental Declarations (Chatham Park Commercial Properties) recorded in Book 2106, Page 325, Book 2222, Page 959, Book 2269, Page 879, Book 2279, Page 518, Book 2299, Page 745, Book 2310, Page 498, and Book 2342, Page 121. (NOTE: The Declaration reserves the right for the Declarant to execute one or more "Stormwater Agreements", as defined in the Declaration, that may be binding on the subject property.)
4. Declaration of Easements and Covenant to Share Costs for Chatham Park recorded in Book 2098, Page 836.
5. Master Declaration of Covenants, Conditions, and Restrictions for Mosaic recorded in Book 2123, Page 322.
6. Memorandum of Exclusivity, Right of First Offer and Repurchase Rights recorded in Book 2059, Page 756.
7. Memorandum of Lease and Covenant of Exclusivity recorded in Book 2131, Page 509.
8. General Permit to Carolina Telephone and Telegraph Company recorded in Book 470, Page 38.
9. Easement to the Town of Pittsboro as recorded in Book 491, Page 980.
10. Easements to Carolina Power and Light Company as recorded in Book JJ, Page 414; Book JJ, Page 450; Book JJ, Page 451; Book 357, Page 72; Book 367, Page 553; Book GK, Page 311; Book GK, Page 314; Book KN, Page 533; Book KQ, Page 457; Book 357, Page 68; Book 371, Page 34 and Book 809, Page 886.

11. Easement to Duke Energy Progress, LLC recorded in Book 1887, Page 767.
12. Annexation Ordinance by the Town of Pittsboro recorded in Book 2036, Page 248.
13. Utility Easement to Public Service Company of North Carolina, Incorporated, d/b/a Dominion Energy North Carolina recorded in Book 2131, Page 549.
14. Memorandum of Agreement recorded in Book 2057, Page 185.
15. Master Stormwater Control Measures Operations and Maintenance Agreement for Chatham Park PDD recorded in Book 2168, Page 449; and one or more Supplemental Stormwater Agreements with respect to specific stormwater control measures in the sub-watershed in Chatham Park PDD in which the property is located.
16. Planned Development District zoning of the property by the Town of Pittsboro, North Carolina as part of Chatham Park Planned Development District.
17. Any special assessment tax district adopted by the Town of Pittsboro or Chatham County, North Carolina, that includes the property.
18. Installation and service agreement and a marketing agreement between Chatham Park Investors LLC and Carolina Telephone and Telegraph CenturyLink, LLC d/b/a CenturyLink (“CenturyLink”) for CenturyLink to provide infrastructure and serve as a provider of data, voice, and video services (individually and together, “Communication System”) to portions of the Chatham Park Planned Development District, including the property, and that such agreements establish rights and easements for CenturyLink on the property and with respect to the Communication System.
19. Development Agreement for Chatham Park Planned Development District recorded at Book 2257, Page 401.
20. Declaration of Use Restrictions recorded at Book 2307, Page 947.
21. The right of Chatham Park Investors LLC to subject the property to any one or more of the following (the “Rights”), which Rights may be exercised in whole or in part, at any time, and from time to time, and without the consent or joinder of any subsequent owner of the property. Provided, at the request of Chatham Park Investors LLC, the owner of the property shall cooperate with Chatham Park Investors LLC or its successors and assigns in the exercise of the Rights. Provided further, Chatham Park Investors LLC covenants and agrees with the owner of the property that none of the following will include any provisions that would prohibit or materially, adversely interfere with the use of the property for office, retail or other commercial uses, or for residential condominium use.
  - a. “Additional Elements” that are required to be approved by the Town of Pittsboro (“Town”) pursuant to the Master Plan for Chatham Park Planned Development District (“Chatham Park PDD”). Subjection of the property to each of the Additional Elements that have not already been approved by the Town will occur when the Town

approves each such Additional Element, without the necessity of any document being recorded in the Registry to subject the property thereto.

b. A "Small Area Plan" that is required to be approved by the Town pursuant to the Master Plan for Chatham Park PDD. Subjection of the property to a Small Area Plan will occur when the Town approves the applicable Small Area Plan, without the necessity of any document being recorded in the Registry to subject the property to the Small Area Plan. c. A special assessment district pursuant to Sections 160A-292.1 through 160A-292.7 of the North Carolina General Statutes, including amendments thereto and including any successor or replacement statute.

c. Other documents with respect to Chatham Park PDD that are applicable to the property and that are required or allowed by the Town at any time.

22. Deed of Trust in favor of Dogwood State Bank, recorded in Book 2236, Page 903 and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921.

23. Rights and obligations set forth in the Agreement of Access and Parking Easements recorded in Book 2236, Page 638, as amended by that First Amendment to Agreement of Access and Parking Easements recorded in Book 2348, Page 1065.

**EXHIBIT E  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Consent of Lender**

[The Consent of Lender for Mosaic Lot 6 Residential Condominium follows this page.]

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF CHATHAM )

CONSENT OF LENDER

THIS CONSENT OF LENDER is made this 30th day of March, 2023 by Dogwood State Bank, a North Carolina Banking corporation, ("Lender").

WITNESSETH:

WHEREAS Lender is the beneficiary of development and construction loan deed of trust recorded in Book 2236, Page 903, and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921 Chatham County Registry (collectively the "Deed of Trust") which encumbers certain real property located in the Town of Pittsboro, North Carolina, the property encumbered by the Deed of Trust being the property described in Exhibit A (the "Residential Condominium") of the foregoing Declaration of Mosaic Lot 6 Residential Condominium (the "Residential Declaration");

NOW, KNOW ALL MEN BY THESE PRESENTS, that Lender joins in the Residential Declaration for the sole purposes of confirming its consent to the Residential Declaration and subordinating the lien of its Deed of Trust to the Residential Declaration, except that no violation of the terms of the Residential Declaration shall defeat or render invalid the lien of the Deed of Trust. The Lender makes no representations or warranties as to the validity of the documents creating the Residential Condominium nor the development and physical construction of the Residential Condominium itself. The Lender agrees that the lien of its Deed of Trust on the property being submitted to the Residential Condominium shall hereafter be upon the units, the interests in common elements, and other rights appertaining to those units, and that any subsequent foreclosure of the Lender's lien shall not extinguish this Residential Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Deed of Trust, any liability Lender shall have for the duties set forth in the Residential Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Residential Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger the "due-on-sale" clause in the Deed of Trust, should such clause exist; and, that upon full satisfaction of the loans secured by the Deed of Trust and cancellation of the Deed of Trust, the rights of Lender and any trustee (or such successor trustees as permitted by the Deed of Trust) set forth in this Residential Declaration shall terminate. The execution of this Consent of Lender by the Lender shall not have the effect of creating any relationship of partnership or of a joint venture nor shall anything contained hereunder be deemed to impose upon the Lender any of the liabilities, duties or obligations of Declarant under the Residential Declaration. The Lender executes this Consent of Lender solely for the purposes set forth herein.

IN WITNESS WHEREOF, Lender has caused this instrument to be executed and effective as of the day and year first above written.

LENDER:

DOGWOOD STATE BANK, a North Carolina banking corporation

By: J. Stewart Patch  
Name: J. Stewart Patch  
Title: Regional President

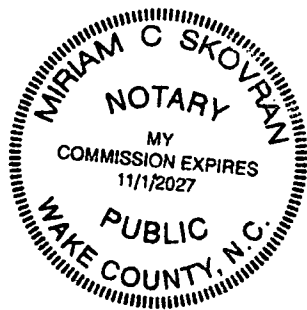
STATE OF NORTH CAROLINA  
COUNTY OF Wake

I, Miriam C Skovran a Notary Public of Wake County, North Carolina, certify that J. Stewart Patch personally came before me this day and acknowledged that he is the Regional President of Dogwood State Bank, a North Carolina banking corporation, and that he, as Regional President, voluntarily executed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: 3/30/23

MCS  
Notary Public

[Official Seal]



My commission expires: 11/1/27



EXHIBIT F  
TO  
DECLARATION  
OF  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

**ARCHITECT, ENGINEER AND GENERAL CONTRACTOR PROVISIONS**

Notwithstanding any other terms to the contrary within the above Declaration, the following terms and conditions are hereby incorporated into the terms of the Declaration by this reference and shall control over any other inconsistent terms set forth therein. Unless otherwise defined below, all capitalized terms shall have the meaning ascribed to them in the North Carolina Condominium Act, N.C. Rev. Stat. §47C-1 *et. seq.*

1. **Easement to Inspect and Right to Correct.**

(a) **Easement.** Declarant reserves for itself, for Architect, Engineer and for General Contractor (defined below) and such other persons as each may designate, perpetual, non-exclusive easements throughout the Residential Condominium to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Residential Condominium, including Units and the Common Elements. Pursuant to this Section and any express warranty provided by Architect, Engineer and General Contractor, Declarant hereby reserves itself, and, at Declarant's direction for Architect, Engineer and General Contractor, the unilateral right, at any time, to redesign, correct, modify or improve any part of the Residential Condominium, including Units and the Common Elements, to the extent reasonably necessary to correct any design defect, construction-related defect or other construction-related problem, to change or improve the operational efficiency and structural integrity of any improvement located in the Residential Condominium, and to otherwise provide a modified, superior or enhanced housing product within the Residential Condominium. In the event that any person has received a notice of claim pursuant to the Declaration, then the rights under the aforementioned easement shall be exercised by such person in accordance with the notice of defect and "opportunity to cure" provisions of the Declaration.

(b) **Right of Entry.** In addition to the above easement, Declarant for itself, for the Architect, Engineer and General Contractor reserves a right of entry onto any Unit upon reasonable notice to the Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Declarant, Architect, Engineer or General Contractor, as applicable, notifies the Owner (or occupant) and agrees with the Owner regarding a reasonable time to enter the Unit to perform such activities. Owner agrees to cooperate in a reasonable manner with Declarant, Architect, Engineer and General Contractor in their exercise of the rights provided to it by this Section. In addition to the above easements and those set forth in Article XII of the Declaration, Declarant reserves for Architect, Engineer and General Contractor the right to enter onto the Common Elements and into any improvements and structures thereon at any time with advance notice to the Residential Association; provided, however, in an emergency, such notice shall not be required and Architect, Engineer and General Contractor shall be permitted to enter upon any portion of the Residential Condominium without advance notice or consent. In the event that any person receives a notice of claim pursuant to the Declaration, then the above right of entry

shall be exercised by such person in accordance with the statutory notice and “opportunity to cure” provisions of this Declaration.

(c) Notice Requirement. Upon notice, observation, allegation, or suspicion of a design defect, construction-related defect or other construction-related problem with any improvement located in the Residential Condominium, including the Common Elements and any Unit, the Residential Association immediately shall notify Declarant, Architect, Engineer and General Contractor of such issue in writing and, in the case of a condition posing an imminent threat of damage to person or property, telephonically. Upon such notice, Declarant, Architect, Engineer or General Contractor shall have the right to come onto the Residential Condominium to observe the defect or problem and Architect, Engineer, or General Contractor shall have the right unilaterally to undertake any corrective measures that it deems appropriate without the additional consent or participation of the Residential Association or the Owner(s). The rights of notice, inspection and correction granted to Declarant, Architect, Engineer and General Contractor pursuant to this Section shall be provided by the Residential Association and any affected Owner prior to the Residential Association and any affected Owner consulting with, hiring or retaining, in any capacity whatsoever, any third party to examine, correct, repair or improve any design defect, construction-related defect or other construction-related problem with the Residential Condominium, any Common Element or Unit. Failure by the Residential Association or any Owner to provide Declarant, Architect, Engineer and General Contractor with the above described notice, inspection and cure rights granted to it by this Section, automatically shall constitute an absolute and unconditional waiver of any legal claim or other claim or remedy whatsoever, including any warranty claims and any right to file a claim in arbitration, that the Residential Association or the Owner(s) otherwise may have regarding such defect or problem absent such waiver.

(d) Damage. Any damage to the Residential Condominium, a Unit or the Common Elements resulting from the exercise of the easement and right of entry described in the above subsections of this Section promptly shall be repaired by, and at the expense of, the party exercising this easement; provided, however, the obligation to repair shall be limited to restoring the affected area to the same approximate condition and state of repair which existed prior to the undertaking of the work permitted by this easement and after taking into account the nature of any corrective work or improvement so performed by Architect, Engineer or General Contractor pursuant to this Section.

(e) No Implied Warranty and Enforcement. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR TO THE RESIDENTIAL ASSOCIATION OR ANY OWNER, AND DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY NORTH CAROLINA LAW. Declarant, Architect, Engineer and General Contractor may seek enforcement of the rights afforded to each of them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent

jurisdiction in the State of North Carolina and notwithstanding to the contrary any arbitration provision set forth in this Declaration or any other instrument whatsoever.

(f) Notices and Amendment. As used in this Section, (i) the term “Architect” shall mean Finley Design, P.A., a North Carolina professional association, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Architect (or subcontractors of such subcontractors) to perform professional architectural services with respect to the Residential Condominium, the Common Elements and any Unit, (ii) the term “Engineer” shall mean CE Group, Inc., a North Carolina corporation, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Engineer (or subcontractors of such subcontractors) to perform engineering work with respect to the Residential Condominium, the Common Elements and any Unit, and (iii) the term “General Contractor” shall mean Montgomery Carolina, LLC, a North Carolina limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work in the Residential Condominium, the Common Elements and any Unit.

(i) Notices to Architect shall be delivered as follows: 7806 NC Hwy 751, Suite 110, Durham, NC 27713, as such notice address and phone number may be amended from time to time by Architect upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(ii) Notices to Engineer shall be delivered as follows: 301 Glenwood Ave, Suite 220, Raleigh, NC 27603, as such notice address and phone number may be amended from time to time by Engineer upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross reference to this Declaration.

(iii) Notices to General Contractor shall be delivered as follows: 7806 NC Hwy 751, Suite 100, Durham, NC 27713, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

Architect, Engineer and General Contractor each is an express beneficiary of the terms set forth in this Exhibit, and the terms of this Exhibit may not be amended in any manner whatsoever without Architect’s, Engineer’s and General Contractor’s prior written consent. Declarant covenants with Architect, Engineer and General Contractor that it immediately shall forward to Architect, Engineer and General Contractor any notice whatsoever that Declarant receives from the Residential Association or any Owner regarding any alleged design defect, construction-related defect or other construction-related problem whatsoever regardless of whether or not such notice also shall be addressed to Architect, Engineer or General Contractor and regardless of whether or not Declarant determines that such complaint is without merit.

2. Arbitration and Actions. References to an “Owner” in this Section shall not include Declarant, even in the event that Declarant owns one or more Units.

(a) Prerequisites to Actions Against Architect, Engineer or General Contractor.

Prior to filing a civil action or arbitration claim of any nature whatsoever against Architect, Engineer or General Contractor, and prior to consulting with, retaining or hiring in any capacity whatsoever, any third party consultant, advisor, property inspector, architect, engineer, contractor or repairmen to correct the problem or to examine, investigate, or advise the Residential Association or any Owner with respect to any suspected or reasonably inferable design defect, construction-related defect or other construction-related problem with the Residential Condominium, Common Elements and any Unit, the Residential Association or any Owner desiring to make such a claim shall first (i) secure the written opinion of a licensed architect or general contractor experienced in the design of similar urban residential condominium projects identifying all alleged errors and omissions, and (ii) notify Architect, Engineer and General Contractor of the alleged or suspected problem, including such written opinion. The Residential Association, or the applicable Owner, shall then provide Architect, Engineer and General Contractor with a reasonable opportunity to inspect and repair the problem pursuant to the terms of Section 1, above. For the purposes of this Section, a minimum of sixty (60) days from first notice to Architect, Engineer and General Contractor shall be deemed a reasonable opportunity for Architect, Engineer and General Contractor to inspect and repair any alleged or suspected problem; provided, however, in certain circumstances, this period of time may be longer depending on the complexity of the condition and the length of time reasonably necessary to obtain parts and services from third parties as such additional time shall be communicated to the Residential Association and Owner by Architect, Engineer and General Contractor.

After the above right to inspect and correct period elapses, the Residential Association may bring an action against Architect, Engineer or General Contractor to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements only. Such action may be maintained by the Residential Association only after compliance with the requirements of this Declaration, including, but not limited to, the following conditions precedent:

(i) The Residential Association obtains the written approval of each Owner whose interest in the Common Elements or Limited Common Elements will be the subject of the action;

(ii) The Residential Association obtains the affirmative vote of the Owners to which at least a majority of the votes of the members of the Residential Association are allocated;

(iii) The full Residential Board and Architect, Engineer or General Contractor have met in person and conferred in a good faith attempt to resolve the Residential Association's Claim or Architect, Engineer or General Contractor has definitively declined or ignored the requests to meet with the Residential Board; and

(iv) The Residential Association has otherwise satisfied all of the pre-action requirements for a claimant to commence an action as set forth in this Declaration.

At least three (3) business days in advance of any vote to commence an action by the Residential Association to recover damages resulting from construction defects in any of the

Common Elements or Limited Common Elements, the attorney representing the Residential Association shall provide to each Owner a written statement that includes, in reasonable detail:

- (i) The defects and damages or injuries to the affected Common Elements or Limited Common Elements;
- (ii) The cause of the defects, if the cause is known;
- (iii) The nature and the extent that is known of the damage or injury resulting from the defects;
- (iv) The location of each defect within the affected Common Elements or Limited Common Elements, if known;
- (v) A reasonable estimate of the cost of the action or mediation, including reasonable attorneys' fees and costs, expert fees, and the costs of testing; and
- (vi) All disclosures that the Owner is required to make upon the sale of the Unit.

The Residential Association or an attorney for the Residential Association shall not employ a person to perform destructive tests to determine any damage or injury to a Unit, Common Element, or Limited Common Element caused by a construction defect unless:

- (i) The person is licensed as a contractor pursuant to law;
- (ii) The Residential Association has obtained the prior written approval of each Owner whose Unit or interest in the Common Element or Limited Common Element will be affected by such testing;
- (iii) The person performing the tests has provided a written schedule for repairs;
- (iv) The person performing the tests is required to repair all damage resulting from such tests in accordance with state laws and local ordinances relating thereto;
- (v) The Residential Association or the person so employed obtains all permits required to conduct such tests and to repair any damage resulting from such tests; and
- (vi) Reasonable prior notice and opportunity to observe the tests is given to Architect, Engineer or General Contractor and any other party against whom an action may be brought as a result of the tests.

The Residential Association may commence an action only upon a vote or written agreement of the Owners to which at least a majority of the votes of the members of the Residential Association are allocated. In such a case, and at least twenty-one (21) calendar days before the

meeting, the Residential Association shall provide written notice to the Owner of each Unit of the meeting at which the commencement of an action is to be considered or action is to be taken.

The Residential Association may, without giving notice to the Owners, employ a contractor and such other persons as are necessary to make such immediate repairs to a Unit or Common Element as are required to protect the health, safety, and welfare of the Owners and Occupants.

Similarly, prior to any Owner(s) bringing any Claim against Architect, Engineer or General Contractor, the affected Owner(s) shall first notify the Residential Association of their intent to do so, shall meet with the Residential Board to discuss the nature and merit of their Claim and whether such Claim concerns the Common Elements, and shall provide the Residential Association with at least sixty (60) days (if requested by the Residential Board) to obtain the consent of the Owners for the Residential Association to join in such Claim against Architect, Engineer or General Contractor with respect to any affected Common Elements only. The provisions of the preceding sentence shall be inapplicable (i) to the Residential Association during the Declarant Control Period, and (ii) to the Declarant at all times.

(b) Notice of Claim. After first complying with the terms and conditions set forth above in subsection (a), if the Residential Association and/or an Owner(s) (singularly or collectively as the context requires, the "Claimant") desires to pursue a legal claim of any nature whatsoever against Architect, Engineer or General Contractor (the "Respondent"), then the Claimant shall, no later than ninety (90) days before initiating an action against Respondent, provide service of written notice of claim on Respondent (the "Notice of Claim"). The Notice of Claim shall state that the Claimant asserts a construction defect claim or claims and is providing notice of the claim or claims pursuant to the requirements of this Declaration. The Notice of Claim shall describe the claim or claims in detail sufficient to explain the nature of the alleged construction defects and the results of the defects. In addition, the claimant shall provide to Architect, Engineer or General Contractor any evidence that depicts the nature and cause of the construction defect, including expert reports, photographs, and videotapes, if that evidence otherwise would be discoverable under evidentiary rules.

For purposes of clarification of the above terms and conditions, an Owner may file a Claim against Respondent for problems or deficiencies with his or her Unit or Limited Common Elements assigned to his or her Unit only, but, except in the case of an Opt-Out Notice or a Claim Delay Exception (each as provided herein), an Owner may not file a Claim against Respondent for problems or deficiencies (a) with the Common Elements or (b) with the Limited Common Elements assigned to more than 10% of the Units, or (c) with respect to more than 10% of the Units (each, a "Representative Claim"). When the Residential Association files a Representative Claim of the type described in clauses (b) or (c) of the preceding sentence, the Residential Association also shall notify all Owners affected or potentially affected by such Representative Claim, and such notice shall provide that each such Owner shall have a period of thirty (30) days from receipt of such notice in which to notify the Residential Association that the Owner desires for its Unit to be withdrawn from said Representative Claim except to the extent that the Representative Claim concerns problems or defects with the Common Elements, so that such Owner may pursue its own Claim(s) of the type described in clauses (b) or (c) of the preceding sentence individually (an "Opt-Out Notice"). All Owners covenant and agree that all their Claim rights with respect to Representative Claims are exclusively those of the Residential Association,

except (a) if such Owner shall be entitled to and shall give an Opt-Out Notice, or (b) in the case that the Residential Association shall fail to bring and thereafter diligently prosecute a Representative Claim within sixty (60) days of a notice from Owners of more than 10% of the Units demanding that the Residential Association bring a Representative Claim against Respondent (a "Claim Delay Exception"). Other than in the instance of an Opt-Out Notice or a Claim Delay Exception, all Owners covenant and agree that the Residential Association shall serve in a representative capacity on behalf of all such affected Owners with respect to Representative Claims against Respondent. In the event that two proceedings are brought, one by the Residential Association and another by individual Owners alleging the same Claims, the Residential Association and the involved Owners hereby consent to joinder of those Claims into one proceeding.

(c) Negotiation and Mediation.

Following Claimant's service of its Notice of Claim, the parties acknowledge that their dispute shall be governed by the procedural framework set forth in this Declaration.

If the parties do not resolve the Claim amongst themselves in accordance with the notice and opportunity to cure provisions set forth in this Declaration ("Termination of Negotiations"), then Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of an independent, mutually acceptable agency providing dispute resolution services in the Pittsboro, North Carolina area.

If Claimant does not submit the Claim to mediation within such time period, or does not appear for the mediation, Claimant shall be deemed to have absolutely, unconditionally and forever waived the Claim, and Declarant, Architect, Engineer and General Contractor shall be released and discharged from any and all liability whatsoever to Claimant on account of such Claim.

Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such additional time as determined by the mediator, the mediator shall issue to all parties a written notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the parties are at an impasse and the date that such mediation was terminated.

Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to Respondent, and Respondent shall make a final written settlement offer ("Settlement Offer") to Claimant. If Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If Respondent fails to make a Settlement Offer, they shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration.

If the parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, then the Claimant shall have fifteen (15) additional days thereafter (i.e., thirty (30) days from the date of Termination of Mediation) to submit the Claim to

arbitration before the American Arbitration Association pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association.

If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, then the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability whatsoever to Claimant arising out of such Claim.

This Section is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of North Carolina. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it to the fullest extent permitted under the laws of the State of North Carolina.

(e) Allocation of Costs of Resolving Claims.

Each party (regardless of the outcome of the arbitration proceeding) shall bear its own costs, including attorneys' fees, arbitration filing fees and arbitration case service fees. The parties shall share equally in all arbitrator compensation and expenses and compensation of the mediator and mediation service. Under no circumstances whatsoever shall one party be entitled to receive reimbursement from the other party for the above described costs, expenses and fees, including but not limited to attorneys' fees.

(f) Enforcement of Resolution.

After resolution of any Claim, if any party fails to abide by the terms of any settlement agreement or Award, then any other party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above. In such event, the party enforcing the agreement or Award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

(g) Notices. As used in this Section, (i) the term "Architect" shall mean Finley Design, P.A., a North Carolina professional association, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Architect (or subcontractors of such subcontractors) to perform professional architectural services with respect to the Residential Condominium, the Common Elements and any Unit, (ii) the term "Engineer" shall mean CE Group, Inc., a North Carolina corporation, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by Engineer (or subcontractors of such subcontractors) to perform engineering work with respect to the Residential Condominium, the Common Elements and any Unit, and (iii) the term "General Contractor" shall mean Montgomery Carolina, LLC, a North Carolina limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work in the Residential Condominium, the Common Elements and any Unit.

(i) Notices to Architect shall be delivered as follows: 7806 NC Hwy 751, Suite 110, Durham, NC 27713, as such notice address and phone number may be amended



from time to time by Architect upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(ii) Notices to Engineer shall be delivered as follows: 301 Glenwood Ave, Suite 220, Raleigh, NC 27603, as such notice address and phone number may be amended from time to time by Engineer upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross reference to this Declaration.

(iii) Notices to General Contractor shall be delivered as follows: 7806 NC Hwy 751, Suite 100, Durham, NC 27713, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Declaration.

(h) Miscellaneous. Any Notice of Claim furnished to Respondent pursuant to this Declaration shall be served in accordance with Rule 4 of the North Carolina Rules of Civil Procedure. Architect, Engineer and General Contractor are express beneficiaries of the terms set forth in this Section, and the terms of this Section may not be amended in any manner whatsoever without Architect's, Engineer's and General Contractor's prior written consent. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR TO THE RESIDENTIAL ASSOCIATION OR ANY OWNER, AND DECLARANT, ARCHITECT, ENGINEER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY NORTH CAROLINA LAW. Architect, Engineer and General Contractor may seek enforcement of the rights afforded to them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction in the State of North Carolina and notwithstanding to the contrary any arbitration provision set forth in this Declaration or any other instrument whatsoever. Nothing in this Declaration will be deemed (a) to modify any provision of or rights conferred by any contract with the Architect, Engineer or General Contractor, or the Architect's, Engineer's or General Contractor's right to enforce said contract pursuant to its terms or in accordance with applicable law, or (b) to extend applicable statutes of limitation or repose, concerning work performed under said contract.

FILED May 19, 2023  
AT 04:29:46 PM  
BOOK 02362  
START PAGE 1117  
END PAGE 1141  
INSTRUMENT # 04340  
EXCISE TAX \$0.00

**FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM  
(Book 2356, Page 496, Condominium Book 1, Pages 106 through 115 and Condominium  
Book 1, Pages 116 through 125, Chatham County Registry)**

**PREPARED BY AND RETURN TO:**  
Eric Vernon, 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607

**STATE OF NORTH CAROLINA  
COUNTY OF CHATHAM**

This First Amendment to Declaration of Mosaic Lot 6 Residential Condominium (“First Amendment”) is made this the 19<sup>th</sup> day of May 2023, by Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company (“Residential Declarant”).

WHEREAS, Mosaic Lot 6 LLC, a North Carolina limited liability company (“Master Declarant”) filed a Declaration of Condominium for Mosaic Lot 6 Condominium dated April 10, 2023, and recorded on April 11, 2023 in Book 2356, Page 418 together with plats and plans for Mosaic Lot 6 recorded in Condominium Book 1, Page 106 through 115, (“Plans”) each in the Chatham County Registry (“Master Declaration”) thereby creating the “Master Condominium” (the Master Declaration and this First Amendment are collectively referred to as the “Master Declaration”).

WHEREAS, Master Declarant has the authority to amend the Declaration pursuant to North Carolina General Statutes 47C-2-117 and Article XIV of the Master Declaration.

WHEREAS, Master Declarant conveyed the Residential Units to the Residential Declarant pursuant to a General Warranty Deed dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 492, Chatham County Registry.

Submitted electronically by "Bradshaw Robinson Slawter & Rainer LLP" in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Chatham County Register of Deeds.

WHEREAS, the Residential Declarant filed a Declaration of Mosaic Lot 6 Residential Condominium dated April 10, 2023 and recorded on April 11, 2023 in Book 2356, Page 496, Chatham County Registry (“Residential Declaration”) together with the Plans that were incorporated by reference thereby creating the “Residential Condominium”

WHEREAS, Master Declarant owns all the Commercial Units in the Master Condominium.

WHEREAS, Residential Declarant and Residential Unit Owners own all the Residential Units in the Residential Condominium.

WHEREAS, the Residential Declarant owns Residential Units 302, 307, 309 and 310.

WHEREAS, Residential Unit Owners identified in Exhibit A, attached hereto and incorporated herein by reference, own Residential Units 301, 303, 304, 305, 306, 308 and 311.

WHEREAS, Residential Declarant and Residential Unit Owners desire and consent to amend the Residential Declaration and Plans to (i) expand the size and reconfigure the Residential Storage Area, (ii) reassign and relocate Residential Storage Units among the Master Declarant and certain Residential Unit Owners, (iii) reassign certain Residential Parking Spaces among certain Residential Unit Owners and (iv) reallocate among the Residential Units the Common Interests in the Master Condominium and Voting Interests in the Master Association.

WHEREAS, each of the Mosaic Lot 6 Residential Association, Inc. and Mosaic Lot 6 Condominium Association, Inc. desire to certify the validity of the amendments set out in this First Amendment.

WHEREAS, each of Mosaic Master Owners Association, Inc. a North Carolina limited liability company, and ECO Partners, LLC, a North Carolina limited liability company, as Declarant, pursuant to that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, approves of this First Amendment.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions and restrictions set forth herein.

1. Recitals; Defined Terms. The foregoing recitals are true, accurate and are incorporated herein by reference. The defined terms set out in this First Amendment shall have the same meanings as defined in the Residential Declaration, unless otherwise defined in this First Amendment.

2. Common Interests and Voting Interests. The allocation among the Residential Units of Common Interests in the Mater Condominium and Voting Interests in the Master Association as set out in the Residential Declaration, Exhibit B, is deleted in its entirety and the Residential Unit Common Interests in the Master Condominium and Voting Interests in the

Master Association are hereby reallocated as set out in this First Amendment, Exhibit B, which is attached hereto and incorporated herein by reference.

3. Residential Storage Units. Section 4.3 (d) deleted in the entirety. The following is substituted in place of the original language:

4.3(d) Residential Storage Units. The Residential Storage Area is a Residential Limited Common Element. There are seventeen (17) Residential Storage Units in the Residential Storage Area that are reserved for the exclusive use of the Declarant and/or Residential Owners. Eleven (11) Residential Units are allocated twelve (12) Storage Units with at least one (1) Storage Unit each, serving only that Residential Unit. One (1) Residential Unit (Unit 310) is allocated two (2) Storage Units and ten (10) Residential Units (Units 301-309 and Unit 311) are allocated one (1) Storage Unit each. Declarant reserves the right to use five (5) Residential Storage Units, that are not allocated as a Limited Common Element to a Residential Unit, labeled on the Amended Plans as A, B, C, D and E. Declarant's right to use the Declarant Residential Storage Units shall terminate upon the earlier of: (i) the expiration of Declarant's Special Declarant Rights, or (ii) at Declarant's election. Upon the termination of the Declarant's right to use the Residential Storage Units, the rights of the Declarant in and to the Residential Storage Units described in this Section 4.3(d), shall be assigned to and assumed by the Residential Association. The allocation among the Residential Units as set out in the Residential Declaration, Exhibit C, is deleted in its entirety and the allocation of Residential Storage Units among the Declarant and Residential Units are hereby reallocated as set out in the First Amendment, Exhibit C, which is attached hereto and incorporated herein by reference

4. Residential Plans. The Residential Plans as recorded in Condominium Book 1, Page 106 through 115 and as amended consist of ten (10) pages recorded in Condominium Book 1, Page 116 through 125 , Chatham County Registry, are hereby incorporated by reference as if the same were attached hereto. The amended Plans memorialize the (i) increased size and reconfiguration of the Residential Storage Area and (ii) reassignment and relocation of the Residential Storage Units among the Master Declarant and Residential Unit Owners.

5. Nature of Amendment. Except as amended herein, the Declaration shall remain in full force and effect.

**(Signature pages follow)**

IN WITNESS WHEREOF, Declarant has executed this First Amendment as of the day and year first above written.

**Mosaic Lot 6 Residential, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager


By:   
Kirk J. Bradley, Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

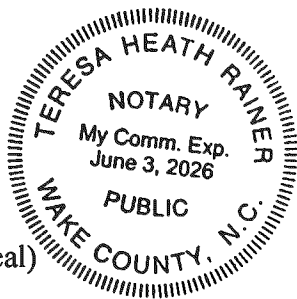
I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and, in the capacity, indicated: Kirk J. Bradley as Manager of ECO Mosaic LLC, a North Carolina limited liability company, Manager of Mosaic Lot 6 Residential LLC, a North Carolina limited liability company.

Date: May 17th, 2023

  
Signature of Notary Public

Teresa Heath Rainer  
Notary Printed Name

My Commission Expires: 6/3/2026




(Official Seal)

CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner of units 302, 307, 309 and 310 hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

**Mosaic Lot 6 Residential, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability  
company, its sole Manager:

By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA  
COUNTY OF Chatham

I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6 Residential, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17<sup>th</sup>, 2023

  
Signature of Notary Public

Teresa Heath Rainer  
Printed Name of Notary Public

My commission expires: 6/3/2026

(Seal)

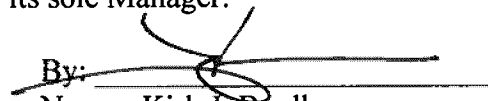


CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned owner of the basement office unit, the office unit and the retail unit (all of the Commercial Units) hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

**MOSAIC LOT 6, LLC,**  
a North Carolina limited liability company

By: **ECO Mosaic LLC,**  
a North Carolina limited liability company,  
its sole Manager:

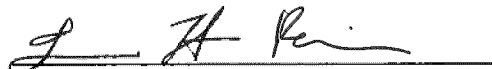
By:   
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

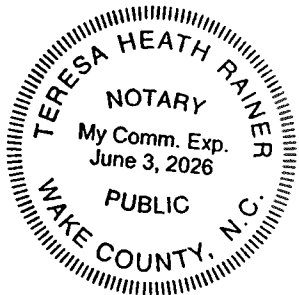
COUNTY OF Chatham

I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO Mosaic LLC, a North Carolina limited liability company, the sole manager of Mosaic Lot 6, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17<sup>th</sup>, 2023

  
Notary Public  
Print Name: Teresa Heath Rainer

My commission expires: 6/3/2026



(Official Seal)

CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 301:

  
\_\_\_\_\_  
JAMES D. WALDEN


  
\_\_\_\_\_  
LESLIE L. WALDEN

STATE OF NORTH CAROLINA

COUNTY OF CHATHAM

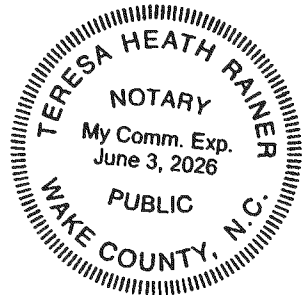
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JAMES D. WALDEN; LESLIE L. WALDEN

Date: May 5, 2023

  
\_\_\_\_\_  
Teresa Heath Rainer, Notary Public

(Official Seal)

My commission expires: June 3, 2026



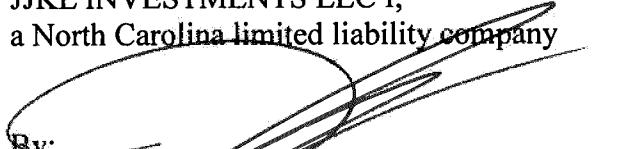


CONSENT TO THE FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 303:


JJKL INVESTMENTS LLC I,  
a North Carolina limited liability company

By:   
JACKIE LOCKLEAR, Manager

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JACKIE LOCKLEAR

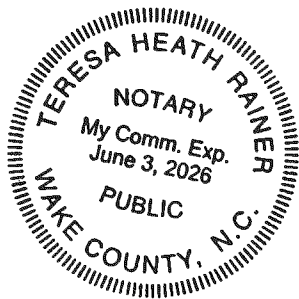
Date: April 24, 2023

  
Signature of Notary Public

Teresa H. Rainer  
Printed Name of Notary Public

My commission expires: 6/3/2026

(Seal)



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 304:

MOSAIC HOSPITALITY, LLC,  
a North Carolina limited liability company

By: THE MALCOLM BRYANT CORPORATION,  
a Kentucky corporation, its Manager

By:   
MADISON SILVERT, President

STATE OF NC

COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: MADISON SILVERT

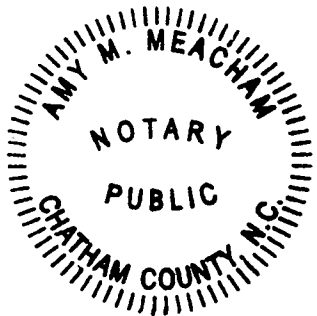
Date: May 11, 2023

  
Signature of Notary Public

Amy M. Meacham  
Printed Name of Notary Public

My commission expires: 3-3-2026

(Seal)



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 305:

John Reyes  
JOHN REYES

Linda Reyes  
LINDA REYES

STATE OF North Carolina  
COUNTY OF Chatham

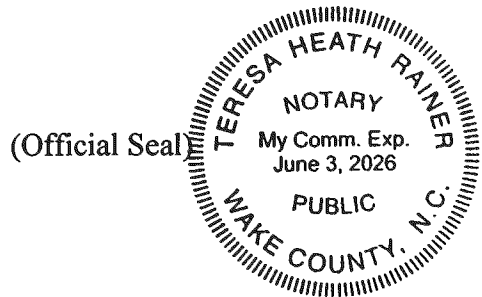
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JOHN REYES, LINDA REYES

Date: May 10, 2023

T. A. Rainier  
Signature of Notary Public

Teresa Heath Rainier  
Printed Name of Notary Public

My commission expires: 6/3/2026



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 306:

*Janet White*  
\_\_\_\_\_  
JANET WHITE, unmarried

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JANET WHITE.

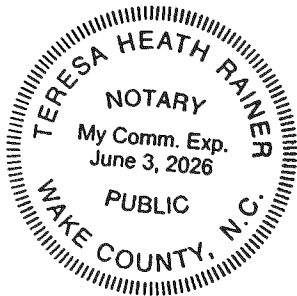
Date: May 4th, 2023

*J. R. Rain*  
\_\_\_\_\_  
Signature of Notary Public

Teresa Heath Rainer  
\_\_\_\_\_  
Printed Name of Notary Public

My commission expires: 6/3/2026

(Seal)



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 306:

*Julianna Catherine White*  
JULIANNA CATHERINE WHITE, unmarried

STATE OF NC

COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: JULIANNA CATHERINE WHITE.

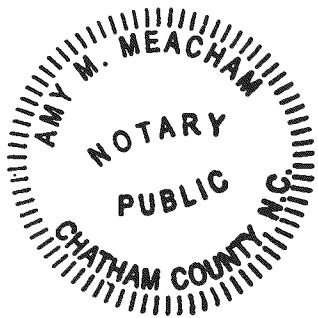
Date: May 18, 2023

*Amy M. Meacham*  
Signature of Notary Public

Amy M. Meacham  
Printed Name of Notary Public

My commission expires: 3-3-2026

(Seal)



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 308:

Gail Matthews Darden  
GAIL MATTHEWS DARDEN, unmarried

STATE OF North Carolina  
COUNTY OF Chatham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: GAIL MATTHEWS DARDEN

Date: May 1, 2023

Teresa Heath Rainer  
Signature of Notary Public

Teresa Heath Rainer  
Printed Name of Notary Public

My commission expires: 6/3/2026

(Seal)



CONSENT TO THE FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned residential unit owner in the Mosaic Lot 6 Condominium hereby consent(s) to adoption of the First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium.

Unit 311:

CRYSTAL INVESTMENTS LLC,  
a North Carolina limited liability company

By: [Signature]

Name: Kuntal Gandhi

Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

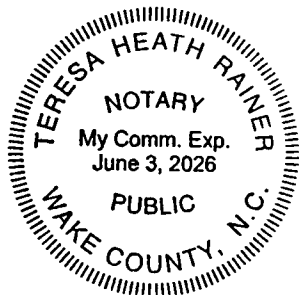
I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kuntal Gandhi personally came before me this day and acknowledged that he is the Manager of CRYSTAL INVESTMENTS LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official seal, this the 1st day of May, 2023.

Date: 5/1/2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer  
My commission expires: 6/3/2026



CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 CONDOMINIUM  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Teresa Heath Rainer, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Condominium Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

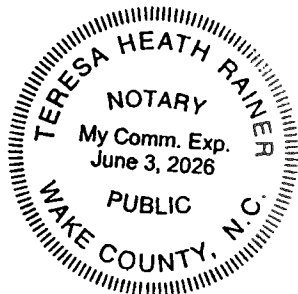
Date: May 17, 2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainer

My commission expires: 6/3/2026





CERTIFICATION OF VALIDITY OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

By the authority of its Executive Board, the undersigned hereby certify that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been duly approved by the entirety of the Unit Owners as evidenced by the consent attached hereto.

**MOSAIC LOT 6 RESIDENTIAL  
ASSOCIATION, INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

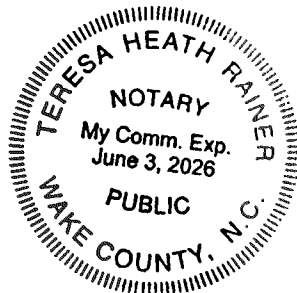
COUNTY OF Chatham

I, Teresa Heath Raines, a Notary Public of Wake County, North Carolina, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of Mosaic Lot 6 Residential Association, Inc., a North Carolina non-profit corporation, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 17<sup>th</sup> day of May, 2023.

Date: May 17, 2023

[Signature]  
Notary Public

[Official Seal]



Print Name: Teresa Heath Raines

My commission expires: 6/3/2026

CERTIFICATION OF APPROVAL OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned property owner's association formed pursuant to that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, hereby certifies that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been duly approved by its governing board.

**MOSAIC MASTER OWNERS ASSOCIATION,  
INC.,**  
a North Carolina non-profit corporation

By: [Signature]  
Name: Kirk J. Bradley  
Title: President

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Teresa Heath Rainier Notary Public of Wake <sup>(TR)</sup> County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is President of Mosaic Master Owners Association, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its President. Witness my hand and official stamp or seal, this 17<sup>th</sup> day of May, 2023.

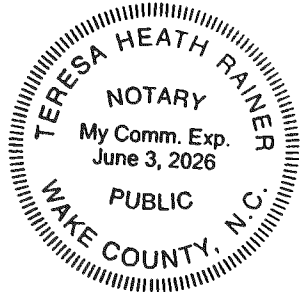
Date: May 17<sup>th</sup> 2023

[Signature]  
Notary Public

[Official Seal]

Print Name: Teresa Heath Rainier

My commission expires: 6/3/2026



CERTIFICATION OF APPROVAL OF FIRST AMENDMENT  
TO DECLARATION OF CONDOMINIUM FOR  
MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM

The undersigned Declarant under that Master Declaration of Covenants, Conditions and Restrictions recorded in Book 2123, Page 322, Chatham County Registry, as amended from time to time, hereby certifies that the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium has been approved by the Declarant.

**ECO CP PARTNERS, LLC,**  
a North Carolina limited liability company

By: [Signature]  
Name: Kirk J. Bradley  
Title: Manager

STATE OF NORTH CAROLINA

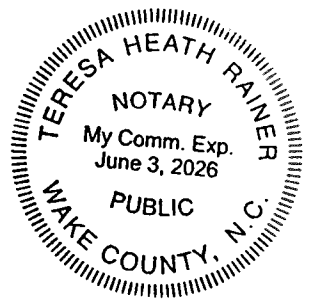
COUNTY OF Chatham

I, Teresa Heath Rainer a Notary Public of <sup>Wake</sup> County and State aforesaid, certify that Kirk J. Bradley personally came before me this day and acknowledged that he is the Manager of ECO CP Partners, LLC, a North Carolina limited liability company, and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the limited liability company. Witness my hand and official stamp or seal, this 17th day of May, 2023.

Date: May 17th, 2023

[Signature]  
Notary Public

[Official Seal]



Print Name: Teresa Heath Rainer

My commission expires: 6/3/2026

**EXHIBIT A**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Individual Residential Unit**

Unit #	Owner Name
301	James D. Walden and Leslie C. Walden
303	JJKL Investments LLC I
304	Mosaic Hospitality, LLC
305	John Reyes and Linda Reyes
306	Janet White and Julianna Catherine White
308	Gail Matthews Darden
311	Crystal Investments LLC

**EXHIBIT B****FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM****Parking Space and Storage Unit Allocation for Residential Units**

<b>UNIT #</b>	<b>PARKING SPACE*</b>	<b>STORAGE UNIT**</b>
301	P-1	301
302	P-2	302
303	P-3	303
304	P-4	304
305	P-5	305
306	P-6	306
307	P-9	307
308	P-10	308
309	P-11/P-12	309
310	P-7/P-8	310/310
311	P-13	311

*\*Units 309 and 310 are allocated two (2) parking spaces each.*

*\*\* Unit 310 is allocated two (2) Storage Units, each one numbered "310".*

*\*\* Storage Units A, B, C, D and E as depicted on the amended Plans are reserved for Declarant's use.*

**EXHIBIT C****FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

The following table states the Common Interest and Voting Interest allocations to the Residential Units for the Residential Condominium and Residential Association and the Master Condominium and Master Association. This table may be amended from time to time in accordance with the Residential Declaration.

<b>Unit Number</b>	<b>Net Square Feet</b>	<b>Common Interest in Residential Condominium</b>	<b>Voting Interest in Residential Association</b>	<b>Common Interest in Master Condominium</b>	<b>Voting Interest in Master Association</b>
301	1,237	9.66%	8.33%	2.46%	2.12%
302	1,123	8.76%	8.33%	2.23%	2.12%
303	1,187	9.26%	8.33%	2.36%	2.12%
304	821	6.41%	8.33%	1.63%	2.12%
305	1,190	9.29%	8.33%	2.37%	2.12%
306	1,188	9.26%	8.33%	2.36%	2.12%
307	1,045	8.16%	8.33%	2.08%	2.12%
308	812	6.34%	8.33%	1.62%	2.12%
309	1,622	12.66%	8.33%	3.23%	2.12%
310	1,766	13.78%	16.67%	3.51%	4.29%
311	823	6.42%	8.33%	1.64%	2.12%
<b>TOTALS</b>	<b>12,814</b>	<b>100.00%</b>	<b>100.00%</b>	<b>25.49%</b>	<b>25.49%</b>

**Common Interests in the Master Condominium and Voting Interests in the Master Association:**

The totals of the Common Interest of the Residential Units in the Master Condominium and Voting Interest of the Residential Units in the Master Association are shown as 25.49%. These interests are derived from the relationship of the Residential Section to the Master Condominium  $((12,814 \div 50,270) \times 100 = 25.4903$ , which when rounded equals 25.49%). The Common Interest allocated to each Residential Unit in the Master Condominium is based on the net square footage of each Residential Unit in the Master Condominium. For example, the Common Interest for Unit 308 in the Master Condominium is calculated as follows:  $(812 \div 50,270) \times 100 = 1.6153$ , which equals 1.62%. The Voting Interest allocated to each Residential Unit in the Master Association shall be an equal share of the total Common Interest allocated to all Residential Units in the Master Association. The only exception being with regards to Unit 310, which Unit shall be treated as two Units for the purpose of calculating its Voting Interest in the Master Association. For example, the Voting Interest allocated to each Residential Unit in the Master Association is calculated as follows:  $(25.49\% \div 12) = 2.1241$ , which equals 2.12%. Notwithstanding the foregoing, Unit 310 will have a Voting Interest of 4.29%  $(2.0883 \times 2 = 4.2482$ , which equals 4.25%. However, Unit 310 Voting Interest in the Master Association is

rounded up to 4.29% as a means of allocating the entire 25.49% Residential Common Interest in voting in the Master Condominium.).

**Common Interests in the Residential Condominium and Voting Interests in the Residential Association:**

The Common Interest allocated to each Residential Unit in the Residential Condominium is based on the net square footage of each Residential Unit in the Residential Condominium. For example, the Common Interest for Unit 308 in the Residential Condominium is calculated as follows:  $(812 \div 12,814) \times 100 = 6.34\%$ . The Voting Interest allocated to each Residential Unit in the Residential Association is calculated as follows:  $(100.00\% \div 12) = 8.3333$ , which equals 8.33%. The only exception being Unit 310, which Unit shall be treated as two separate Units for the purposes of calculating its Voting Interest in the Residential Association. Therefore, Unit 310 shall have a Voting Interest of 16.67% ( $8.3333 \times 2 = 16.6666$ , which equals 16.67%).

The “net square feet” or “net square footage” of each Residential Unit is based on the heated square footage within that Unit as stated on the Residential Plans. The aggregate net square footage of the Residential Units in the Master Condominium is stated in the Master Declaration.

The Common Interests and Voting interests set out herein have been rounded up or down as appropriate.

This Exhibit may be amended from time to time in accordance with this Declaration and the Master Declaration. The relative Common Interests and Voting Interests will change if (i) the Master Declarant and/or the Residential Declarant adds additional Units to the Condominium, or (ii) the Residential Declarant reconfigures, subdivides, combines or recombines any existing Residential Units within the Condominium.

**EXHIBIT D**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
FOR MOSAIC LOT 6 RESIDENTIAL CONDOMINIUM**

**Consent of Lender**

[The Consent of Lender for Mosaic Lot 6 Residential Condominium follows this page.]



STATE OF NORTH CAROLINA )

)

CONSENT OF LENDER

COUNTY OF CHATHAM )

THIS CONSENT OF LENDER is made this 17<sup>th</sup> day of May, 2023 by Dogwood State Bank, a North Carolina Banking corporation, ("Lender").

WITNESSETH:

WHEREAS, Lender is the beneficiary of development and construction loan deed of trust recorded in Book 2236, Page 903, and Assignment of Leases, Rents and Profits recorded at Book 2236, Page 921 Chatham County Registry (collectively the "Deed of Trust") which encumbers certain real property located in the Town of Pittsboro, North Carolina, the property encumbered by the Deed of Trust being the property described in Exhibit A (the "Residential Condominium") of the Declaration of Mosaic Lot 6 Residential Condominium (the "Residential Declaration"), which Residential Declaration is being amended herein by the foregoing First Amendment to Declaration of Condominium for Mosaic Lot 6 Residential Condominium (the "First Amendment"), the First Amendment and Declaration are collectively referred to as the "Residential Declaration";

NOW, KNOW ALL MEN BY THESE PRESENTS, that Lender joins in this First Amendment for the sole purposes of confirming its consent to this First Amendment and subordinating the lien of its Deed of Trust to the Residential Declaration, as amended by this First Amendment, except that no violation of the terms of the Residential Declaration shall defeat or render invalid the lien of the Deed of Trust. The Lender makes no representations or warranties as to the validity of the documents creating the Condominium nor the development and physical construction of the Condominium itself. The Lender agrees that the lien of its Deed of Trust on the property being submitted to the Condominium shall hereafter be upon the units, the interests in common elements, and other rights appertaining to those units, and that any subsequent foreclosure of the Lender's lien shall not extinguish the Residential Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Deed of Trust, any liability Lender shall have for the duties set forth in the Residential Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Residential Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger the "due-on-sale" clause in the Deed of Trust, should such clause exist; and, that upon full satisfaction of the loans secured by the Deed of Trust and cancellation of the Deed of Trust, the rights of Lender and any trustee (or such successor trustees as permitted by the Deed of Trust) set forth in the Residential Declaration shall terminate. The execution of this Consent of Lender by the Lender shall not have the effect of creating any relationship of partnership or of a joint venture nor shall anything contained hereunder be deemed to impose upon the Lender any of the liabilities, duties or obligations of Declarant under the Residential Declaration. The Lender executes this Consent of Lender solely for the purposes set forth herein.

IN WITNESS WHEREOF, Lender has caused this instrument to be executed and effective as of the day and year first above written.

LENDER:

DOGWOOD STATE BANK, a North Carolina banking corporation

By: [Signature]  
Name: J. Stewart Patch  
Title: Regional President

STATE OF NORTH CAROLINA  
COUNTY OF Wake

I, Caitlyn M Holloway, a Notary Public of Wake County, North Carolina, certify that J. Stewart Patch personally came before me this day and acknowledged that he is the Regional President of Dogwood State Bank, a North Carolina banking corporation, and that he, as Regional President, voluntarily executed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: May 17 2023

[Signature]  
Notary Public

[Official Seal]

My commission expires: September 14  
2025

