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DECLARATIONS
AND
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
MEDCO CONDOMINIUMS

REGISTERED

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This DECLARATION made this 3rd day of September, 1986, by Medco Investors, hereinafter referred to as "Developer" and Declarant.

W-I-T-N-E-S-S-E-T-H-:

WHEREAS Developer is the owner in fee simple of said real property located on Metromedical Drive in the city of Fayetteville, Cumberland County, North Carolina and more particularly described as follows:

Area "A" consisting of 2.14 acreas, more or less as recorded in Plat Book 50, Page 16 Cumberland County Registry

WHEREAS the Developer is the owner of a certain condominium type multi-unit building and all other improvements heretofore constructed upon the above described property and desires and intends by filing this DECLARATION to submit said property, building and improvements, whether heretofore constructed, together with all appurtenances thereto, to the provision of the Unit Ownership Act of North Carolina (Chapter 47A, NCGS as amended) for the specific purpose of creating and establishing Medco Condominiums.

NOW THEREFORE, the Developer pursuant to the Unit Ownership Act, does hereby declare that all property described herein is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth hereinafter, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and shall be a burden and a benefit to the Developer, its successors and assigns and any person acquiring or owning any interest in the real property herein described and any improvements thereto, their grantees, successors, heirs, assigns, executors, administrators and devisees as follows:

ARTICLE I

SUBMISSION OF PROPERTY OF UNIT OWNERSHIP ACT: DESCRIPTION OF LAND

1.0 This Declaration is filed pursuant to the Unit Ownership Act and Developer hereby submits the before described property of the building and all improvements erected thereon and all easements, rights, liberties, privileges, hereditaments, and appurtenances belonging or pertaining or appertaining thereto to the provisions of The Unit Ownership Act 47A, NCGS. The description of the land is set forth above.

ARTICLE II

PLAN OF DEVELOPMENT

2.0 The subject real property is the name as set out hereinabove.

2.1 Plan of Development. The name by which this condominium project shall henceforth be known is Medco Condominiums. The Declarant has caused to be constructed upon the real property described above the multi-unit building containing the nine condominium units, as well as the common areas and facilities of the building and the real property, all as defined and described herein.

2.2 The Declarant, by this Declaration, submits only the real property described hereinabove together with the improvements hereon and hereafter this submission shall be referred to as Medco Condominiums. It is the plan of the Declarant, and the Declarant reserves the right at its option and without the further consent of the unit owners or the Owners Association (see Article VIII herein), but without obligation, as hereinafter set forth to construct additional condominium units in one or more additional phases on the real property as described in an amendment to be later filed and recorded.

2.3 The Declarant covenants and agrees that all buildings containing units built upon the real property which may be subjected to this Declaration under this Article shall be constructed of such materials and in such manner and design as to compliment the appearance of the entire condominum development.

ARTICLE III

DESCRIPTION OF BUILDINGS

3.0 The nine unit building constituting Medco Condominiums, is, or is to be a one or two-story structure, with no basement, made of frame construction.

ARTICLE IV

UNIT DESIGNATION

4.0 The unit designation of each unit, and its location are as shown on the maps or plats of the condominum development attached hereto as Exhibit A and incorporated herein by reference.

4.1 Each unit is bounded both as to horizontal and vertical boundaries by the interior finished surfaces of the unit's perimeter walls, and of the additional areas conveyed as part of each unit as defined hereinbelow, subject to easements reserved herein for such encroachments as are contained in the building, whether the same exist or may be caused or created by existing construction, settlement or movement of the building, or by permissible repairs, construction or alteration.

4.3 Each unit shall be limited to the following square footage:

Unit 1 -2,927 sq. feet	Unit 6-2,656 sq feet
Unit 2 -2,715 sq. feet	Unit 7- 1,946 sq. feet
Unit 3- 1,971 sq. feet	Unit 8-2,000 sq. feet
Unit 4-1,946 sq. feet	Unit 9-2,318 sq. feet
Unit 5-2,809 sq feet	

Each unit shall include:

All are handling and condensing units, ducts, and components, in all water, telephone, television, cable television, electricity, water and sewage lines located within the unit; provided, however, that the portion of said lines located within a common compartment for, or installation of, such lines shall be common areas and facilities as described herein.

4.4 Each unit is hereby defined to exclude all pipes, ducts,

wires, conduits and other facilities for the furnishing of the utility services and other services up to and including the point of entry of such pipes, ducts, wires, conduits and other facilities through the interior finished surface material for walls, floors and ceilings of the units. All such pipes, ducts, wires, conduits and other such facilities are defined as part of the unit at and from the point of entry into the unit.

4.5 The definition stated hereinabove for unit is complete and all other aspects of the condominium not hereinabove defined as a part of the unit is defined hereby as a part of the common area and facilities of the condominium.

ARTICLE V

DESCRIPTION OF GENERAL OF COMMON AREAS

5.0 The general common areas of Medco Condominiums shall be as follows:

(a) That area as designated on the map attached hereto as Exhibit A and incorporated herein by reference except those individual office units described in Article IV.

(b) All parts of the multi-unit buildings situated on the property described hereinabove, other than the individual office units therein, including all foundations, columns, girders, beams, supports, main walls, roofs and air locks.

(c) All components which give access to the units and all hall passageways, and their entrances are included but an easement for ingress and egress is hereby reserved unto the unit owner.

(d) All yard, parking and drive areas, described herein.

(e) All central or appurtenant installations for services such as, without limitation, power, light, telephone, gas, hot and cold water, heating, air conditioning, incinerating and all other mechanical equipment, spaces (including all pipes, ducts, wires, cables, tanks, pumps, motors, fans, conduits and compressors in connection therewith), to include all installations and provisions of any of the herein named utility services supplies for common use and convenience of the unit owners and which are not defined as part of the units hereinabove but specifically excluding the water and sewer main which are reserved by the Developer.

(f) All apparatus and installations existing in the buildings or upon the property for common use or necessary or convenient to the existence, maintenance or safety of the common areas.

(g) All other portions of the real property and the improvements thereon which are not specifically part of the units themselves, as hereinabove defined, or owned by unit owners as personal property, shall be common areas and facilities intended for the common and necessary or convenient use and enjoyment, existence, maintenance or safety of the condominium units.

ARTICLE VI

EXPANSION, PARTITION AND/OR COMBINATION OF UNITS

6.0 A unit owner may not expand the heated and cooled areas of his unit for office use, however, unheated and uncooled areas may be expanded for storage or any other type of use which would not require additional parking spaces by planning board regulations; except Unit 2 which may be expanded 650 square feet for office use.

6.1 No unit may be divided or subdivided into a smaller unit or units, nor shall any unit or portion thereof be added to or

incorporated into any other unit 1) if such subdivision or incorporations would require additional parking spaces or violate other requirements or regulations of the planning board and 2) without a consenting vote of fifty-one percent of all voting shares of the condominum association. In the event of such combination, each unit shall retain its individual legal character and its appurtenant undivided interest in the common areas and facilities. The cost of maintaining, repairing, and replacing such doorway or passageway shall be the sole responsibility of the Unit owner of the affected units. The location and construction of such doorway and passageway shall require the written consent of the Board of Directors and shall be in compliance with all governmental laws, codes, ordinances and regulations and shall be subject to such conditions as the Board of Directors may require. The costs of any such combination shall be the responsibility of the Unit owner whose units are being combined.

6.2 Any instrument conveying, devising, encumbering or otherwise dealing with any unit (whether part of an office suite or otherwise) which describes said Unit by the numerical designation assigned thereto on the plans with limitations or exception shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common Areas and facilities. Except as specifically provided in this Declaration with respect to the addition of inclusion of future phases, the Common Areas and facilities shall not in any manner be divided nor shall any right to partition any part thereof exist. The Common Areas and facilities and each unit's undivided interest therein shall not be conveyed, devised, encumbered or otherwise dealt with separately from the unit to which the inerest is appurtenant. Nothing shall be deemed to prevent ownership of a unit by the entireties, jointly, or in common or in any other form by law accordance with the Unit Ownership Act.

ARTICLE VII

NATURE AND INCIDENTS OF UNIT OWNERSHIP

7.0 Each unit shall be conveyed and treated as a separate individual unit of real property capable of independent use and fee simple ownership, and the owner of each unit shall also own, as an appurtenance to the ownership of each said unit, and undivided interest in the common areas and facilities of Medco Condoniniums and future phases, if any. The undivided interest in the common areas and facilities of Medco Condominiums appurtenant to each of the units of Medco Condominiums is as follows:

Unit 1-one nineth	Unit 6-one nineth
Unit 2-one nineth	Unit 7-one nineth
Unit 3-one nineth	Unit 8-one nineth
Unit 4-one nineth	Unit 9-one nineth
Unit 5-one nineth	

. The interest in the common area and facilities of Medco Condominiums, as stated, shall be one-ninth per unit, subject to amendments as provided here and regarding development of future phases.

7.1 Developer reserves the irrevocable right, power and authority for a period of twenty (20) years from the recording of this DECLARATION
to amend this DECLARATION to reflect the addition of any future phases of construction and the changes necessitated thereby to include changes in the ownership interest, expense responsibilities of each unit owner in and for said common elements and facilities and voting rights in the Association of each unit owner. Upon filing of the Amendment to Declaration to bring future phases under this Declaration, the appurtenant undivided interest of each unit owner in the common areas and facilities of Medco Condominiums all phases, shall necessarily decrease from the percentage set out above. The Declarant covenants and agrees to establish such appurtenant undivided interests for all units at such times as may be necessary pursuant to

this Article in the proportions to the relation that unit bears to the total number units on the date of the supplemental declaration or declarations.

7.2 Nothing herein shall be deemed to limit or alter the Declarant's right, hereby reserved, to vary the internal layout, size, configurations of any units hereafter constructed as long as the Declarant substantially conforms with the provisions of this Article.

7.3 Each unit owner in Medco Condominiums, any phase, by the acceptance of the deed for his unit shall be deemed to have specifically agreed for himself, his heirs, devisees, successors, and/or assigns that the Declarant shall have the exclusive right and power, as attorney-in-fact for every unit owner, to effect such amendment without his further consent, and also thereby agrees to execute any such writing as may be required by Declarant to effectuate this purpose.

7.4 Common areas and facilities shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners' association in Medco Condominiums for their use and the use of their employees, tenants, licensees, invitees and guests, for all proper and normal purposes, and the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of units. Notwithstanding anything above provided in this Article, the Association, as is more particularly described in Article XI hereinbelow, shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any unit, his facilities, including the right to establish regulations concerning their use. Each Unit Owner shall be responsible for the enforcement of such rules and regulations as the same may apply to his employees, invitees, licensees, tenants and other guest.

7.5 Recognizing that the proper use of a unit by an owner or owners is dependent upon the use and enjoyment of the common areas and facilities in common with the owners of all other units, and that it is in the interest of all owners that the ownership of the common areas and facilities be retained in common by the owners, it is hereby declared that the undivided interest in the common areas and facilities appurtenant to each unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition or division.

ARTICLE VIII

USE AND RESTRICTIONS ON USE

8.0 The Units and Common areas and facilities, shall be occupied and uses as follows:

(a) The property shall be used as designated by the zoning regulation for this area. No unit is intended or designated for occupancy for residential purposes. Provided, however, all permitted uses, including without limitation, office uses, shall be limited to such as in the opinion of the Board of Directors are not inconsistent with the maintenance of the general character of the Property as a medical office condominium, use and occupancy. Private entertainment shall not be prohibited.

(b) There shall be no obstruction of the Common areas and facilities. Nothing may be stored in the Common areas and facilities without the prior written consent of the Board of Directors.

(c) The exterior of the units shall not be decorated nor anything attached to it by individual unit owners or any manner without the prior written consent of the Board of Directors.

(d) All garbage and refuse from individual units shall be deposited with care in garbage containers or receptacles intended for such purposes.

(e) Nothing shall be done or kept in any Unit or in the Common areas and facilities which will increase the rate of insurance on the common areas and facilities or any other Unit without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the common areas and facilities which would result in the cancellation of insurance on any Unit or any part of the common areas and facilities, or which would be in violation of any law. No waste of the Common areas and facilities will be committed.

(f) No sign or window treatment of any kind shall be displayed to the public view from any Unit or from the Common areas and facilities without the prior written consent of the Board of Directors; provided, however, that the Board of Directors shall be empowered to adopt uniform rules for signs and window treatment and to adopt a standard format for all signs and window treatment to be displayed by Unit Owners.

(g) No unlawful use shall be made of the property or any part thereof, and all valid laws, order, rules and regulations of all governmental agencies having jurisdiction thereof shall be strictly complied with.

(h) No noxious or offensive activity shall be carried on in any Unit, or in the common areas and facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Owners.

(i) Nothing shall be altered or constructed in or removed from the common areas and facilities except with the written consent of the Board of Directors.

(j) The Board of Directors is authorized to adopt rules for the use of the common areas and facilities, said rules to be furnished in writing to the Owners.

(k) Notwithstanding anything to the contrary, Declarant, and such persons at it may select, shall have the right of ingress and egress over, upon and across the common areas and facilities.

8.1 All restrictions and affirmative obligations set forth in this DECLARATION shall run with the land and shall be binding on all parties and persons claiming under them for a period of twenty (20) years from the date of recordation of this DECLARATION, after which time said restrictions and obligations will be automatically extended for successive periods of ten (10) years, unless an instrument signed by the then owners of condominium units entitled to vote at least ninety (90%) percent of the votes of the Association affected by such restrictions and obligations has been recorded agreeing to change such restrictions and obligations in whole or in part.

8.2 In the event of a violation or breach of any of these restrictions, or of any other covenants of this DECLARATION, by any property owner, or agent thereof, owners of other units or any of them jointly or severally, shall have the right to proceed at law or in equity to compel the compliance of the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Board of Directors of Medco Condominiums Association, Inc. shall have the right whenever there shall have been any violation of these restrictions to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation, it

shall not have been corrected or removed by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or conditions contained in the DECLARATION, however long continued, shall not be deemed a waiver of the right to do so hereafter, as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The remedies set out herein for such violation or breach are cumulative with any other legal or equitable rights available to any entity or person. The invalidation by any court of any restrictions or obligations in this DECLARATION shall in no way affect any of the other restrictions, which shall remain in full force and effect.

8.3 All present and future owners, tenants or licensees of units now in existence or to be constructed shall be subject to, and shall comply with the provisions of this DECLARATION, the By-Laws and any Rules and Regulations as may be adopted in accordance with the By-Laws; said DECLARATION, By-Laws, Rules and Regulations may be amended 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, By-Laws and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of 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.

ARTICLE IX

EASEMENTS

9.0 In addition to easements and rights established and/or reserved elsewhere in this DECLARATION, the following easements and rights are hereby established as covenants and burdens running with the real property and the improvements thereon:

(a) Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same to remove violations therefrom and to maintain, repair, or replace the common facilities contained therein or elsewhere in the building.

(b) The initial and subsequent Boards of Directors for the Association may grant or assume easements, leases, or licenses for utility purposes for the benefit of the condominium, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the units and/or common areas and facilities; and, as same from time to time may exist upon the common areas and facilities; and for vehicular traffic over, through and across such portions of the common areas and facilities as from time to time my be paved and intended for such purposes, for all unit owners

effectuate the foregoing.

(c) Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities; and for vehicular traffic over, through and across such portions of the common areas and facilities as from time to time may be paved and intended for such purposes, for all unit owners of units in all phases of construction or future construction of Medco Condominiums, their guests, employees, tenants, the Association, the Declarant, its successors and assigns.

(d) The Declarant hereby reserves unto itself the right to grant easement over any of the common areas and facilities of Medco Condominiums to be used for, by, or in connection with any other future construction of or at Medco Condominiums, which may hereafter be described in the property, or adjacent property pursuant to this DECLARATION, or as may become necessary for the purpose of the Declarant, its grantee, lessee, successor or assigns, servicing such future construction with utility services, drainage, and easements for ingress and egress and regress.

(e) In the event that any unit shall encroach upon any of the common areas and facilities, or any other unit or units, for any reason not caused by the purposeful or negligent act of the unit owner, or agents or such owner, then an easement appurtenant to such unit shall exist for the continuance of such encroachment so long as it naturally exist; and, in the event that any portion of the common areas and facilities shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the common areas and facilities shall be partially or totally destroyed as a result of fire and/or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such use and/or common areas and facilities in accordance with this DECLARATION, there exist encroachments of portions of the common areas and facilities upon any unit, or of any unit upon any other unit or upon any portion of the common areas and facilities, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

ARTICLE X

THE ASSOCIATION

10.0 To provide for the administration and maintenance of Medco Condominiums and future construction, if any, by the unit owners a nonprofit North Carolina Corporation known and designated as Medco Condominium Association, Inc. (hereinafter the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book 3193, at Page 330, in the Office of the Register of Deeds of Cumberland County, North Carolina, and the provisions thereof are incorporated herein by reference. The Association shall administer the operation and management of Medco Condominiums, as well as any units which are constructed in the future, if any, and shall undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles

of Incorporation and its duly adopted By-Laws.

10.1 Management of Association:

(a) Declarant shall be solely responsible and have all rights and control of the management of the Association, herein described for a period of time not to exceed one hundred twenty (120) days after fifty (50%) percent of the unit estates in the condominium project, including those in the first Phase and all future phases, if any, which have been conveyed to the unit estate purchasers. Within one hundred twenty (120) days after conveyance, of fifty (50%) percent of the unit estates of the condominium project, including those in the First Phase and all future phases, if any, to the unit estate purchasers, or by the 1st day of December, 1986, whichever first occurs, Declarant shall transfer the right and responsibility for management of the Association to the unit owners to be exercised through the Association. Such transfer of the rights and responsibility for management of the Association will not preclude or prevent Declarant from exercising continued influence in the management of the Association through such votes as are allocated to Declarant through the ownership of unit estates.

(b) Until transfer of the rights and responsibility for management of the Association occurs, as set forth in the above paragraph, the Board of Directors of the Association shall consist of those three individuals as are appointed by the Declarant to be stated in the Articles of Incorporation for the Association or the successors or replacements for such Directors as named by Declarant. The Board of Directors as described herein shall have the exclusive control and responsibility for the operation and management of the Association exercising all power, duties and obligations, free from interference or control of the purchasers of the unit estates.

10.2 Membership and Voting Rights: Membership and voting rights in the Association shall be as provided in Article VI of the Articles of Incorporation referred to and incorporated herein as stated hereinabove subject to the Declarant's rights of management control of the Association as set out above. Membership shall be mandantory for all owners of all units at Medco Condominiums, including units constructed at a future date.

10.3 Powers: The Association shall have all powers granted to it as stated in Article V of said Articles of Incorporation.

10.4 Common Expenses: The common expenses of the Association shall be shared by the unit owners in amounts determined by applying each unit owner's proportionate share of ownership in the common areas and facilities to the total common expenses of the Association, and as assessed against the unit owners, and their units as provided for hereinafter.

10.5 Management and Maintenance:

(a) The Association, as a common expense, shall be responsible for the maintenance, repair, and replacement of all the common areas and facilities including but not limited to all conduits, ducts, plumbing, wiring, main walls, roofs, air locks, and other facilities located in the common areas and facilities for the furnishing of utility and other services to the units and said common areas and facilities, and should any

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CONDITION OF ORIGINAL DOCUMENT."

incidental damage be caused to any unit by virture of any work which may be done or caused to be done by the association in the maintenance, repair, or replacement of any common areas and facilities, the Association shall, at its expense, repair such incidental damage. Whenever the association incurs expenses in the maintenance, replacement, or repair of common areas or facilities and such expense is occasioned by any act of a unit owner, his employees, invitees, tenants, or guests.

(b) The Association shall have the right to make or cause to be made such alterations or improvements to the common areas and facilities which do not prejudice the rights of the owner of any unit in the use and enjoyment of his unit, provided the making of such alterations or improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvements be common expenses to be assessed and collected from all of the owners of units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of a certain unit and certain unit or units requested the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the owner or owners of the unit or units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

(c) The Declarant may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract. Except, however, any such contract to terminate such contract, without justification or penalty after transfer of management by Declarant to the Association.

10.6 Unit Owners Maintenance:

(a) Every owner shall perform promptly all maintenance and repair work within his unit, which, if omitted, would affect the condominium, either in its entirety or in a part belonging to other owners; every owner being expressly responsible for the damages and liability which his failure to so may engender. The owner of each unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment, fans, and other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage, and sanitary service to his unit. Such owner shall further be responsible and liable for the maintenance, repair and replacement of the surfaces of any and all walls interior, ceilings, glass, windows, and floors which are a part of his unit, including painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in his unit.

(b) All parts of a unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply

with any requirements of the insuranced underwriters of the insurance for the common areas and facilities when so requested in writing by the Board or its designated agent. Any failure of an owner to repair, maintain, or replace as may be required pursuant this Declaration, or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common areas and facilities of any unit may be, upon written notice to the owner of the nature of the required repair, maintenance or replacement, repaired or replaced by the Association at the expense of the unit owner, to be collected by special assessment as provided herein and in the By-Laws. Such assessment may include the cost to the Association incurred in the abatement of any nuisance by the unit owner therein.

10.7 Limitation of Liability: Notwithstanding the duty of the Association to maintain and repair common areas and facilities of the condominium property, the Association shall not be liable to unit owners, their licensees, invitees, tenants, or guest for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

10.8 Insurance:

(a) Acquisition: All insurance policies including Liability Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Each unit owner shall obtain insurance, at his own expense, affording coverage upon his unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.

(b) Coverage. All buildings and improvements upon the land and all personal property included in the Common Area and facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association with the assistance of the Insurance company or companies providing such coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the building on the land.

(c) Public Liability. Public liability insurance shall be secured by the Association in such amount and with such coverage as shall be deemed necessary by the Board of Directors, but in no event in an amount less than One Million Dollars, including, but not limited to, an endorsement to cover liability of the unit owners as a group or to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors or Manager shall determine from time to time be desirable or necessary.

(d) Premiums. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors as a common expense.

(e) Proceeds. All insurance policies purchased by the Board of Directors shall be for the benefit of the Board of Directors and the unit owners and their mortgagees as their interests may appear and shall provide that all proceeds thereof shall be payable to the Board of Directors as insurance trustee under this Declaration. The sole duty of the Board of Directors as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the By-Laws and for the benefit of the unit owners and their mortgagees in the following shares:

(i) For damage to Common Areas and facilities, an undivided share shall be allocated for each unit owner, with such share being the same as each unit owner's undivided interest in the Common Areas and facilities.

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

(A) When the building is to be restored for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Board of Directors.

(B) When the building is not to be restored an individual share for each unit owner based on the percentage of insurance premiums paid by each unit owner.

(C) In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear.

(f) Distribution of Insurance Proceeds. Proceeds of insurance received by the Board of Directors as insurance trustees shall be distributed to or for the benefit of the beneficial owners in the following manner:

(i) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(ii) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided by in this article hereof. Any proceeds remaining after defraying such costs shall be distributed to beneficial owners.

(iii) Failure to Reconstruct or Repair. If it is determined, as provided in this article hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall not be distributed to the beneficial owners thereof.

10.9 Damage and Destruction:

(a) Determination to Reconstruct or Repair: If any part of the condominium property shall be damaged by casualty, whether it shall be reconstructed or repaired shall be determined in the following manner:

(i) Common Areas and Facilities: If the damaged improvement is a common area or facility, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated;

(ii) Units:

(1) Partial Destruction: If the damaged improvement is a unit, and if termination as provided in sub-paragraph (2) below does not take place, the damaged property shall be reconstructed or repaired by the owner unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated;

(2) Total Destruction: If more than two-thirds (2/3) of the units are destroyed and owners of three-fourths (3/4) of the units in the entire condominium should determine not to proceed with the repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina Statutes, and any amendments thereto, shall take place.

(b) Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building; or if not, then according to plans and specification as approved by the Board of Directors of the Association, and if damaged property is a unit, by the owners of all damaged units therein which approvals shall not be unreasonably withheld.

(c) Responsibility: If the damage is only to those parts of one unit for which the responsiblity of maintenance and repair is that of the unit owner, his licensee, invitees, tenant or guest, then the unit owner shall be responsible for reconstruction and repair after casualty.

10.10 Association to Maintain Register of Owners and Mortgages: The Association shall at all times maintain a Register setting forth the names of the owners of all of the units. In the event of the sale or transfer of any unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any unit. Further, the owner of each unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any unit may, if he so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any unit and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

10.11 Assessments:

(a) Each owner of any unit and the Declarant as owner of any unsold unitsor units purchased by Declarant, by acceptance of the deed thereof, whether or not it shall be so expressed in such deed, is deemed to and does thereby, covenant and agree to pay assessments for the common expenses of the upkeep, maintenance and public and private improvement of the common areas, taxes and for expressly designated services provided to all unit owners in the condominium project.

(b) All assessments levied against the unit owners and their

units shall be uniform and, unless specifically otherwise provided for in this Declaration, all assessments made by the Association shall be in such an amount that any assessment levied against each unit owner and each unit shall bear the same ratio to the total assessment made against all unit owners and their units as the undivided interest in common areas and facilities appurtenant to all units.

(c) Assessments provided for herein shall be payable in monthly installments, such assessments shall commence for each unit on the first day of the first month following the recordation of the deed for such unit in Cumberland County, North Carolina Registry, from the Declarant to the first unit owner.

(d) The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Owners of Medco Condominiums , and, in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and relating to the exterior maintenance of the common areas and facilities, including, but not limited to, the costs of water and sewer services; garbage collections; electricity for the common areas; repairs,replacements and additions to the common areas and facilities; the costs of labor, equipment and materials expended on the common areas and facilities; management and supervision; the payment of taxes assessed against the common areas and facilities; the procurement and maintenance of liability insurance coverage on the common areas; the employment of attorneys, accountants, and professional management personnel when deemed necessary or advisable by the Association; and such other needs as may arise.

(e) The Board of Directors of the Association shall establish an annual budget in advance for each calendar year. Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be delivered to each owner of unit and the assessment for said year shall be established based upon such budget, although the delivery of a copy of said budget to each owner shall not affect the liability of any owner for such assessment. Should the Board of Directors at any time determine in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the condominium or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments it may deem to be necessary.

(f) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium,

or to the proper undertaking of all acts or duties imposed upon it by virtue of this Declaration, The Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid into the Association by any owner of a unit, the same may be comingled with monies paid to the Association by the other owners of units. Although all funds shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his unit. When the owner of a unit shall cease to be a member of the Association by reason of his divestment of ownership of such unit, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the condominium.

(g) The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association. All monies owing to Association shall be due and payable at the main office of the Association in the State of North Carolina.

(h) The owner or owners of each unit shall be personally liable, jointly, and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such unit while such party or parties are owner or owners of a unit. In the event that any unit owner or owners are in default in payment of any assessment or installment thereof owed to the Association, such unit owner or owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof as above provided, and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

(i) No Owner of a unit may exempt himself from liability for any assessment levied against him or his unit by waiver of the use of enjoymentof any of the common areas and facilities, or by abandonment of the unit or in any other way.

(j) The Association is hereby granted a lien upon each unit and its appurtenant undivided interest in common areas and facilities which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each such unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fees, which may be incurred by the Association in enforcing

this lien upon said unit, and it appurtenant undivided interest in common areas and facilities. The lien granted to the Association may be foreclosed in the manner provided by North Carolina General Statute 47A-22 and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the owner of any unit from the date on which the payment of any asessment or installment thereof became delinquent. The lien granted to the Association shall further secure such advances for taxes, lien, or encumbrances which may be required to be advanced by the Association shall further be entitled to interest at the highest rate allowed by law on such advances made for such purposes. all person, firms, or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquire a mortgage, lien or other encumbrance theron, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any unit expressly subject to such lien rights.

(k) The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of Cumberland County, North Carolina, which claim shall state the description of the unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or deed of trust and /or any person, firm or corporation acquiring title to any unit and its appurtenant undivided interest in common areas and facilities subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all units as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(l) Whenever any unit may be leased, sold, or mortgaged by unit owner thereof, the Association, upon written request of the unit owner, shall furnish to the proposed lessee, purchaser, or mortgagee, a statement verifying the status of payment or of any assessment which shall be due and payable to the Association by such unit. Such statement shall be prepared by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction, and the Association shall be bound by such statement.

"RECORD OF POOR QUALITY DUE TO
CONDITION OF ORIGINAL DOCUMENT."

(n) In the event that a unit is to be leased, sold or mortgaged at a time when payment of any assessment against the owner of said unit is due or is in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase, or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to payment of any lien of any first mortgage, then to delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the owner of any unit who is responsible for payment of such delinquent assssment.

(o) In any voluntary coveyance of a unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser thereof.

(p) Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owning to the Association.

(q) Common Surplus: Common Surplus, meaning all funds and other assets of the Association (including excess of receipts of the Association from, without limination, assessments, and revenues from whatever source over amount of the common expense), shall be owned by the owners of all units in the same proportion that the undivided interest in common areas and facilities appurtenant to all units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions, and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Upon termination of the condominium, any attribution or distribution of common surplus which may be made from time to time shall be made to the then owners of units in accordance with their percentage interest in common surplus as declared herein.

(r) Upon default by the Association in payment to the governmental authority entitled thereto of any ad valorem taxes levied against the common areas or assessments for public improvements to the common areas, which default shall continue for a period of six (6) months, each owner of a building site in the development shall become personally obligated to pay to the tax assessing governmental authority a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due by the total number of building sites in the development. If such sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the building site of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law against the owner personally obligated to pay the same or may elect to foreclose the lien against the property of the owner.

10.12 Exterior Maintenance:

(a) In addition to maintenance upon the Common Areas and facilities, the Association shall provide exterior maintenance upon each unit which is subject to casessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walls, airlocks and other exterior improvements. Such exterior maintenance shall not include glass surfaces. It is hereby reserved to the Association the right to unobstructed access over and upon each unit at all reasonable times to perform maintenance and repair as provided herein. In the event the need for repair or replacement is caused through willful or negligent act of the owner or owners of a unit or units or the employees, tenants or contract purchaser thereof, or results from causes excluded from coverage in North Carolina Standard Fire and Extended Coverage insurance policies, the cost of such maintenance replacement or repairs shall be added to and become part of the assessment to which the unit or units of such owner or owners is subject.

(b) In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association, as well as the Declarant until such time as the Association takes over such duties and responsibilities, the right to unobstructed access over and upon each unit at all reasonable times to perform maintenance and repair as provided herein.

10.13 Future Construction by Declarant: Future construction of additional condominums of the adjacent real property shall not require the consent of the Association or the individual unit owners. All such future construction shall be free from the interference, direction, management or control of any sort of the Association and/or the individual unit owners.

ARTICLE XI

MORTGAGE OF UNITS

11.0 Any unit owner may give a deed of trust or mortgage on his unit without prior notice to or authorization by the Declarant or the Board of Directors of the Association; provided, however, that should foreclosure proceeding be instituted under the terms of same mortgageor deed of trust, the unit owner shall notify the Declarant and the Board of Directors of the Association simultaneously by registered mail, return receipt requested, of the pending foreclosure sale, said notice to be given not less than fifteen (15) days prior to the date, time, and place of such sale and shall specify the amount of the outstanding indebtedness remaining on the unit.

ARTICLE XII

AMENDMENT OF DECLARATION

12.0 This Declaration may be amended by the vote of at least seventy-five (75%) percent in common interest of all unit owners, cast in person or by proxy, at a meeting duly held in accordance with the provisions of the By-Laws; provided, however, that the Declarant shall have the right to amend this Declaration in accordance with the provisions set forth here pertaining to future construction of the condominium project. No such amendment shall be effective until duly and properly recorded in the Office of the Register of Deeds wherein this initial Declaration is recorded.

ARTICLE XIII

TERMINATION

13.0 The condominium shall be terminated, if at all, in the following manner:

(a) By the unanimous agreement of all unit owners of all units of all phases of Medco Condominiums expressed in an instrument to that effect duly recorded, and provided, that the holders of all liens affecting any of the units, consent thereunto, or agree, in either case by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the unit owner in the property as provided herein. The termination shall become effective when such agreement has been recorded in the public records of Cumberland County, North Carolina.

(b) If it is determined in the manner elsewhere provided that the condominium shall not be reconstructed after casualty, the condominium plan of ownership shall be terminated and this Declaration revoked. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Association certifying

as to the facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Cumberland County, North Carolina.

(c) After termination of the condominium, the unit owners shall own the property as tenants in common in undivided shares and the holders of mortgage and liens against the unit or units formerly owned by such unit owners shall have mortgages and liens upon the respective undivided shares of the unit owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the common areas and facilities previously owned by each unit owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held for the unit owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a common expense.

(d) The members of the Board of Directors acting collectively as agent for all unit owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

13.1 Except as provided for herein, no alteration in the percentage of ownership in common areas and facilities appurtenant to each unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alterationof basis of ownership of common surplus, shall be made without the prior written consent of all of the owners of all units and all of the institutional lenders holding first mortgages or first deeds of trust on the units.

13.2 No alteration, amendment, or modification of the rights and privileges granted and reserved hereunder in favor of an institutional lender or institutional lenders shall be made without prior written consent of all institutional lenders holding mortgages on units in the condominium being first had and obtained.

13.3 No alteration, amendment or modification of the rights and priveleges granted and reserved hereunder in favor of the Declarant shall be made without the written consent of said party being first had and obtained.

ARTICLE XIV

REMEDIES IN EVENT OF DEFAULT

14.0 The owner or owners of each unit shall be governed by and shall comply with the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association, as any of the same are now constituted or as they may be amended or supplemented from time to time. A default by the owner of any unit shall entitle the Declarant, the Association, or the owner of other units to such relief as is available at law or equity, including:

(a) Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any

combination thereof. Such relief may be sought by the Association or, if appropriate, be an aggrieved unit owner.

(b) Each unit owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of his guests, employees, licensees, invitees, agents or lessees.

(c) In any proceedings arising because of alleged default by a unit owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court, but in no event shall any unit owner be entitled to such attorney's fees.

(d) The failure of the Association or any unit owner to enforce any right, provision, covenant, or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the unit owner to enforce such right, provision, covenant, or condition in the future.

(e) All rights, remedies and privileges granted to the Association or the owner or owners of a unit pursuant to any terms, provisions, covenants, or conditions of this Declaration or other above-mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

(f) The failure of the Declarant to enforce any right, privilege, covenant, or condition which may be granted to it by this Declaration or other above-mentioned documents, shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.

(g) The failure of an institutional lender or institutional lenders to enforce any right, provision, privilege, covenant, or condition which may be granted to it or them by the Declaration or other above-mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

ARTICLE XV

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

15.0 "Institutional Lender" or "Institutional Lenders" as the terms are used herein, shall mean and refer to banks, savings and loan association, insurance companies, or other mortgage lender. So long as any institutional lender or institutional lenders shall hold any mortgage upon any unit or units, or shall be the owner of any unit or units, such institutional lender or institutional lenders shall have the following rights in addition to any rights set out elsewhere in this Declaration:

(a) To examine, at reasonable items and upon reasonable notice notice, the books and recorded of the Association

and to be furnished, upon request.

(b) To be given notice of default by any owner owning a unit encumbered by a mortgage held by the institutional lender or institutional lenders such notice to be given in writing and to be sent to the principal office of such institutional lender or institutional lenders, or to the place which it or they may designate in writing. Whenever any institutional lender or institutional lenders desire the provisions of this Article to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by registered mail or certified mail addressed to the Association and sent to its address stated herein, identifying the unit or units upon which any such institutional lender or institutional lenders hold any mortgage or mortgages, or identifying any units owned by them or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such institutional lender or institutional lenders.

ARTICLE XVI

SEVERABILITY

16.0 In the event that any of the terms, provisions, or covenants of this Declaration are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants therof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

16.1 To the extent the provisions of this Declaration now and if so as amended conflict with an applicable provisions of Chapters 27 or 32 of the Fayetteville City Ordinance, the conflicting provisions of the City Ordinance shall control. Likewise, any applicable provisions of the City Ordinance or this Declaration as amended which conflict with applicable provisions of N.C.G.S. 47A shall be controlled by the conflicting provisions of N.C.G.S. 47A.

ARTICLE XVII

LIBERAL CONSTRUCTION

17.0 The provisions of this Declaration shall be liberally construed to effecuate its purpose of creating a uniform plan of condominium ownership. The Article headings are for convenience of reference only and shall not be considered terms of this Declaration.

ARTICLE XVIII

DECLARATION OF CONDOMINIUM BINDING
ON ASSIGNS AND SUBSEQUENT OWNERS
AND AMMENDMENT OF DECLARATION

18.0 The restrictions and burdens imposed by the Articles of this Declaration are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each unit and its appurtenant undivided interest in common areas and facilities; this Declaration shall be binding upon the Declarant, its successors and assigns, and upon all parties who may subsequently become owners of units in the condominium, and their respective heirs, devisees, legal representatives, successors, and assigns. This Declaration and the exhibits attached hereto and amendments hereof

shall be construed and controlled by and under the laws of the State of North Carolina.

ARTICLE XIX

EMINENT DOMAIN

19.0 In the event of a taking by eminent domain (or condemnation or a conveyance in lieu of condemnation) of part or all of the common areas and facilities, the award of such talking shall be payable to the Association, which shall represent the owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement or improvement of the remaining common areas and facilities, if only part are taken. If all or more than two-thirds (2/3) of all of the general common areas and facilities are taken, it shall be deemed a destruction of more than two-thirds (2/3) of all of the general common areas and facilities and the condominium shall be terminated as hereinbefore provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In the event of a taking of all or part of a unit, the award shall be made payable to the owner of such unit and his mortgagee, if any, as their interests may appear.

ARTICLE XX

20.0 The following named individual is designated as the person to receive service of process for the Association:

David Beckham
1762 Metromedical Drive
Fayetteville, N.C. 28304

ARTICLE XXI

WARRANTIES AND REPRESENTATIONS

21.0 The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the condominium, except as specifically set forth herein, and no person shall reply upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes, or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may any be relied upon.

ARTICLE XXII

CONVEYANCE OF UNITS

22.0 In the event that a person, firm or corporation who owns a unit shall desire to sell such unit, other than the initial sale by the Developer, then the said unit which such owner shall desire to sell, shall first be offered for sale to the Board of Directors at the same price and on the same terms under which the highest bona fide written and signed offer has been made to the owner for said unit. The owner desiring to sell a unit shall convey his offer to the Board of Directors of the name and address of the person, firm or corporation making said highest bona fide offer as well as the amount in terms of said offer. The Board of Directors shall all have a period of ten (10) days after receipt of said offer with which to signify its intent to purchase such unit at the same price and on the same terms as the highest bona fide offer and shall have an additional period of not less than twenty (20) days within which to close the said transaction.

The Board of Directors may elect to purchase unit on behalf of all of the remaining unit owners as a group; or, if the remaining unit owners as a group do not wish to purchase such unit, then on behalf of any one or more individual unit owners. In the event the Board of Directors shall elect to purchase a unit offered for sale on behalf of the remaining unit owners, the cost thereof shall be shared by the remaining unit owners in equal shares. Any profit or loss realized upon the sale of a unit so acquired by the Board of Directors shall likewise be shared equally by the remaining unit owners. In the event that the Board of Directors shall elect to purchase a unit offered for sale on behalf of any one or more individual unit owners, then the cost thereof shall be shared by such purchasing unit owners in such proportion as they shall agree upon.

22.1 The Board of Directors, upon the request of a selling unit owner, shall execute in recordable form an instrument indicating compliance with the terms and conditions of this Declaration by the selling owner.

22.1 Any sale, transfer or conveyance which is not authorized by the terms of this Declaration or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided by a certificate of the Board of Directors duly recorded in the recording office where this Declaration is recorded.

Pursuant to the rights and powers reserved by the DECLARANT and granted to DECLARANT by each unit owner in accordance with the DECLARATION, the DECLARANT for and on behalf of itself, each unit owner and with the joinder and consent of the ASSOCIATION and each unit owner hereby gives consent to the execution and recordation of this Declaration together with its attachments and exhibits and hereby consents to all other acts necessary to give effect to this Declaration.

Medco Investors

W R Jordan Managing Partner

William R. Jordan, Managing GeneralPartner

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Nadine Holland, a notary public of Cumberland County, North Carolina, do hereby certify that William R. Jordan, managing general partner of Medco Investors, personally appeared before me this day and acknoxledged the execution of the foregoing instrument. Witness my hand and official seal, this 3 day of November, 1986.

Nadine B. Holland

My Commission expires: 1-22-90

The foregoing Certificate(s) of Nadine B. Holland

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

GEORGE E. TATUM REGISTER OF DEEDS FOR CUMBERLAND COUNTY,

By Jeanette L Williams Deputy/Assistant - Register of Deeds

EXHIBIT "A" TO

DECLARATION OF CONDOMINIUM

FOR

MEDCO CONDOMINIUMS

Plans of the Buildings

****

See Building Plans

Condo Book 2 Pages 45 — 52

Building Plans Book

CONDOMINIUM.

Call Theresa Clark

022932

BK3368 PG0205

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GEORGE E. TATUM
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

08082

MEDCO CONDOMINIUMS
FIRST AMENDMENT TO DECLARATIONS & COVENANTS
CONDITIONS & RESTRICTIONS
AND BYLAWS

We, the undersigned Owners and Developers, intending to amend the Declaration and Covenants, Conditions and Restrictions and Bylaws of Medco Condominiums formed under the laws of the State of North Carolina, by filing of such Declaration with the Register of Deeds of Cumberland County, North Carolina, on the 12th day of November, 1986, in Book 3224, Page 184, hereby sign and swear to this first amendment to the Declarations, Covenants, Conditions and Restrictions and Bylaws of Medco Condominiums as follows:

Article IV, V, VI, of the Declaration is amended and restated as follows:

ARTICLE IV

UNIT DESIGNATION

4.3 Units as listed below shall be limited to:
Unit 6 - 4265 feet
Unit 9 - 3118 feet

ARTICLE V

DESCRIPTION OF GENERAL COMMON AREAS

5.0 The general common areas of Medco Condominiums shall be as follows:

(a) That area as designated on the map attached hereto as Exhibit I and incorporated herein by reference except those individual office units described in Article IV.

ARTICLE VI

EXPANSION, PARTITION AND/OR COMBINATION OF UNITS

6.0 A unit owner may not expand the heated and cooled areas of his unit for office use, however, unheated and uncooled areas may be expanded for storage or any other type of use which would not require additional parking spaces by planning board regulations; except Unit 2 which may be expanded 650 square feet for office use. Unit 6 which may be expanded 1600 square feet and Unit 9 which may be expanded for 800 square feet for office use.

The foregoing First Amendment to the Declarations and Covenants, Conditions and Restrictions and Bylaws of Medco Condominiums hereby adopted by the Owners and Developers and is to be effective on the filing of the Second Amendment for record in the Office of the Register of Deeds, Cumberland County, North Carolina and on the filing, to become a provision of the Declarations and Covenants, Conditions and Restrictions and Bylaws of Medco Condominiums.

IN WITNESS WHEREOF, Bruce C. Steffes, Henry E. Parfitt, John Briggs, William E. Howiler, Steven M. Scott, Bertram E. Walls, David B. Gilbert, David Beckham, Stephen M. Logue, and Phillip E. Caldwell have caused this instrument to be signed in their names and their seals to be hereunto affixed by the authority of, being as of the date hereof, the owners of all the property constituting a condominium project known as Medco Condominiums do hereby adopt the foregoing as the First Amendment to the initial Declarations and Covenants, Conditions and Restrictions and Bylaws of Medco Condominiums.

This 18th day of March 1988.

BK3368PG0206

JOHN BRIGGS

BRUCE C. STEFFES

WILLIAM E. HOWILER

HENRY E. PARFITT

STEVEN M. SCOTT

BERTRAM E. WALLS

DAVID B. GILBERT

DAVID BECKHAM

STEPHEN M. LOGUE

PHILLIP E. CALDWELL

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, , a notary public of Cumberland County, North Carolina, do hereby certify that Bruce C. Steffes, Henry E. Parfitt, John Briggs, William E. Howiler, , Bertram E. Walls, David B. Gilbert, David Beckham, Stephen M. Logue, and Phillip E. Caldwell, partners of Medco Condominiums, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official seal, this 18th day of March, 1988.

THERESA P. CLARK
NOTARY PUBLIC
Cumberland County, N. C.
My Commission Expires May 7, 1989

Theresa P. Clark

My commission expires: 5-7-89

STATE OF NORTH CAROLINA
COUNTY OF ~~CUMBERLAND~~ Wake

I, Phyllis S. Legates a notary public of ~~Cumberland~~ Wake County, North Carolina, do hereby certify that Steven Scott, a partner in Medco Condominium Association, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official seal, this 18th day of March, 1988.

PHYLLIS S. LEGATES
NOTARY
PUBLIC

Phyllis S. Legates

My commission expires: November 12, 1990

The foregoing Certificate(s) of Theresa P. Clark, Phyllis S. Legates

~~is/are~~ are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

GEORGE E. TATUM REGISTER OF DEEDS FOR CUMBERLAND COUNTY,

By Jacquita L. Wilburn ~~Deputy~~/Assistant - Register of Deeds

FILED
CUMBERLAND COUNTY NC
J. LEE WARREN, JR.
REGISTER OF DEEDS

FILED	Oct 08, 2013
AT	04:41:00 pm
BOOK	09308
START PAGE	0660
END PAGE	0668
INSTRUMENT #	39023
RECORDING	$26.00
EXCISE TAX	(None)

PB

Prepared By and Return To:
Holden Reaves, Esq.
Reaves Law, PLLC
P.O. Box 53187
Fayetteville, NC 28305

AMENDMENT TO DECLARATION AND COVENANTS, CONDITIONS AND RESTRICTIONS OF MEDCO CONDOMINIUMS

[Waiver of Right of First Refusal]

THIS AMENDMENT TO DECLARATION AND COVENANTS, CONDITIONS AND RESTRICTIONS OF MEDCO CONDOMINIUMS (this "Amendment") is made and entered into as of the date set forth in the below notary acknowledgments by **Uroprop, L.L.C.**, a North Carolina limited liability company; **Dental Health Plus Properties, LLC**, a North Carolina limited liability company; **Ghanshyam P. Dwivedi** and wife, **Vibha G. Dwivedi; Ramzydaz Enterprises, LLC**, a North Carolina limited liability company; C **& N Investments, LLC**, a North Carolina limited liability company; **Stephen S. Logue**; and **Phillip E. Caldwell.**

W I T N E S S E T H:

WHEREAS, that certain Declaration and Covenants, Conditions and Restrictions of Medco Condominiums recorded in Book 3224, Page 184, as amended by First Amendment in Book 3368, Page 205, all Cumberland County, NC Registry (together, and as such may have been further amended, the "Declaration"), governs that certain nine (9) unit (each a "Unit", together the "Units") medical office condominium development located off Metromedical Drive in Fayetteville, North Carolina, commonly known as "Medco Condominiums", and more specifically described in the Declaration;

WHEREAS, the parties hereto comprise the current owners (the "Owners") of all nine (9) condominium Units;

WHEREAS, the Owners desire to amend the Declaration, as follows:

NOW, THEREFORE, pursuant to their rights as set forth in Article XII of the Declaration, as well as pursuant to authority contained elsewhere in the Declaration, and for and in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners hereby amend the Declaration as follows:

1. Article XXII of the Declaration, which is entitled "Conveyance of Units" and which reserves a right of first refusal in favor of the Board of Directors when any Owner decides to sell his/ her/ its condominium Unit, is hereby deleted in its entirety;

2. Except as specifically amended herein, the Declaration remains unchanged and in full force and effect, and the Declarant by its execution hereof, hereby ratifies, affirms and approves the Declaration, as specifically amended hereby. All capitalized terms that are not specifically defined herein shall have the meanings attributed to them in the Declaration.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned Owners have executed this Amendment as of the dates set forth in the below notary acknowledgments, the latter of which shall comprise the effective date of this instrument.

OWNER:

Uroprop, L.L.C.

By: _____
Manager

[Owner of Units 1 and 2]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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 F. NOLAN, as Manager of Uroprop, L.L.C., a North Carolina limited liability company.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

(N.P. SEAL)

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

OWNER (Continued):

Dental Health Plus Properties, LLC

By:_____
Manager

[Owner of Unit 3]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: Hollis Lee Jones, as Manager of **Dental Health Plus Properties, LLC,** a North Carolina limited liability company.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)

OWNER (Continued):

G P Dwivedi 10/2/2013

Ghanshyam P. Dwivedi

V. Dwivedi 10/2/13

Vibha G. Dwivedi

[Owner of Unit 4]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: Ghanshyam P. Dwivedi and wife, Vibha G. Dwivedi, in their individual capacities.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)

OWNER (Continued):

Ramzydaz Enterprises, LLC

By:_____
Manager

[Owner of Unit 5]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: CHUCK CHIMA, as Manager of **Ramzydaz Enterprises, LLC**, a North Carolina limited liability company.

Date: 10. 2. 2013

Official Signature of Notary: Kendra Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)

OWNER (Continued):

C & N Investments, LLC

By: _____
Robert R. Nimocks
Manager

[Owner of Units 6 and 7]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: Robert R. Nimocks, as Manager of **C & N Investments, LLC**, a North Carolina limited liability company.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)

OWNER (Continued):

Stephen S. Logue

[Owner of Unit 8]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: Stephen S. Logue, in his individual capacity.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Bright

Notary's Printed Name: Kendra-Paige Bright

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)

OWNER (Continued):

Phillip E. Caldwell

Phillip E. Caldwell

[Owner of Unit 9]

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

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: Phillip E. Caldwell, in his individual capacity.

Date: October 2, 2013

Official Signature of Notary: Kendra-Paige Lancaster

Notary's Printed Name: Kendra-Paige Lancaster

My commission expires: December 13, 2016

[Affix Notary Seal or Stamp]

KENDRA-PAIGE LANCASTER
NOTARY
MY
COMMISSION EXPIRES
December 13, 2016
PUBLIC
CUMBERLAND COUNTY, NC

(N.P. SEAL)