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 Pitt County, NC  
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 1698 E. Arlington Blvd., Greenville, NC 27858

DECLARATION OF CONDOMINIUM  
 UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
 OF THE STATE OF NORTH CAROLINA, AND  
 COVENANTS, CONDITIONS AND RESTRICTIONS  
 OF  
 COVENGTON SQUARE CONDOMINIUMS

THIS DECLARATION OF CONDOMINIUM – COVENGTON SQUARE CONDOMINIUMS, made this 29<sup>TH</sup> day of May, 2008, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

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

WHEREAS, the property was previously owned by SAK Development, Inc. which executed and recorded a Declaration of Condominium of Tara Condominiums – Phase 2 in Deed Book 2285, Page 299 of the Pitt County Registry, as amended by that certain First Amendment recorded in Book 2359, Page 163, of the Pitt County Registry (the “Tara 2 Declaration”); and

WHEREAS, following the recording of the Tara 2 Declaration, SAK Development, Inc. purported to convey Unit 104 of Building 1905 in Tara Condominiums – Phase 2 to Christopher Scott Williams and Paul Joel Williams (collectively, “Williams”) by deed recorded in Book 2359, Page 166, of the Pitt County Registry; and

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WHEREAS, after purchasing the property, Declarant discovered certain deficiencies in the Tara 2 Declaration which required correction before the further conveyance of any units; and

WHEREAS, Williams has executed a quit claim deed to Declarant for Unit 104 of Building 1905 in Tara Condominiums – Phase 2 recorded in Book 2503, Page 867, of the Pitt County Registry; and

WHEREAS, Declarant, being the owner of all of the property described on Exhibit A attached hereto, desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant as the owner of said property, hereby declare as follows:

#### ARTICLE I.

##### Definitions

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

- 1.1 Act. The North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.
- 1.2 Additional Real Estate. The real estate described in Exhibit A-1 together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.
- 1.3 Association. COVENGTON SQUARE CONDOMINIUMS OWNERS' ASSOCIATION, INC., a nonprofit corporation organized under Section 47C-3-101, North Carolina General Statutes.
- 1.4 Board. The Board of Directors of the Association.
- 1.5 Bylaws. The Bylaws of the Association which have been adopted by the Association.
- 1.6 Common Elements. All portions of the Condominium except the Units. Limited Common Elements are Common Elements.
- 1.7 Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.
- 1.8 Condominium. The condominium created by this Declaration.
- 1.9 Declarant. Lewis Land Development, LLC, a North Carolina limited liability company, and any person who succeeds to any Special Declarant Rights as defined in Section 47C-1-103(23) of the Act.
- 1.10 Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the maximum number of Units which Declarant may create on the Property.

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

1.12 Limited Common Elements. Those portions of the Common Elements allocated by this Declaration, the Plans or by operation of Section 47C-2-102(2) or (4) of the Act for the exclusive use of at least one but fewer than all of the Units including, but not limited to, any balcony, porch or patio appurtenant to a Unit and any attic storage areas appurtenant to a Unit. That portion of the property upon which heating and air conditioning equipment serving a Unit is located shall constitute a Limited Common Element allocated specifically to the Unit served by such equipment.

1.13 Occupant(s). Any person or persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees.

1.14 Person. A natural person, corporation, partnership, trust or other legal or commercial entity, or any combination thereof.

1.15 Plans. The plans of the Condominium, including a survey map depicting the Condominium (the "Map") recorded in Unit Ownership Book No. 3, Pages 108-111 in the Office of the Register of Deeds for Pitt County, North Carolina, and by the Act made a part of this Declaration.

1.16 Property. The real estate described on Exhibit A, together with all building and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.17 Rules and Regulations. The rules and regulations of the Condominium promulgated by the Board or the Association from time to time, the initial rules and regulations being set forth on Exhibit D of this Declaration.

1.18 Special Declarant Rights. The rights as defined in Section 47C-1-103(23) of the Act for the benefit of a Declarant, including but not limited to the following: to complete the improvements indicated on the Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to exercise any development right as defined in Section 47C-2-110 of the Act; to use easements through the Common Elements; to elect, appoint or remove members of the Board during the Declarant Control Period; and to withdraw any portion of the Property from the Condominium.

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

1.20 Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows

facing the interior of the Unit, the undecorated surfaces of the roof facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries. Also included as a part of the Unit shall be those portions of the heating and air conditioning system for the Unit which are located within the perimeter walls of the Unit and those portions of the heating and air conditioning system located in the Common Elements, wherever located.

1.21 Unit Owner(s). The person or persons, including the Declarant, owning a Unit in fee simple.

1.22 Other Definitions. The definitions as contained in the Act, including Section 47C-1-103, which are not in conflict with the foregoing definitions, have the meanings stated in the Act.

## ARTICLE II.

### Submission of Property to the Act

2.1 Submission. Declarant and Williams hereby submit the Property to the Act.

2.2 Name. The Property shall hereafter be known as COVENGTON SQUARE CONDOMINIUMS.

2.3 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the property described on Exhibit A into three (3) buildings with each building containing eight (8) Units and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.4 hereof.

2.4 Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered only pursuant to the provisions of Section 47C-2-111 of the Act.

2.5 Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit.

2.6 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements and of a percentage of the Common Expenses are as stated on Exhibit B. The allocation of undivided interest in the Common Elements and of the Common Expenses shall be allocated equally to each Unit based upon a fraction having "1" as the numerator, and having a denominator equal to the total number of Units. The votes in the Association are allocated to all Units as stated on Exhibit B.

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

2.8 Condominium Ordinances. The Condominium is not subject to any code, real estate use law, ordinance, charter provisions, or regulation (i) prohibiting the condominium form of ownership; or (ii) imposing conditions or requirements upon a condominium which are not imposed upon substantially similar developments under a different form of ownership. This statement is made pursuant to Section 47C-1-106 of the Act for the purpose of providing marketable title to the Units in the Condominium.

2.9 Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights, as defined in Article 1.18, including the right to subdivide a Unit or convert a Unit previously created into additional Units, Common Elements or both pursuant to the provisions of Section 47C-2-110 of the Act. If the Special Declarant Rights are not exercised by December 31, 2028, then they shall expire.

### ARTICLE III.

#### Additional Real Estate

3.1 Declarant's Rights to Add Additional Real Estate. Declarant expressly reserves the right to add all or part of the Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on Exhibit A-1 may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligations of any kind to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate to the Condominium shall be pursuant to Section 47C-2-110 of the Act.

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

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

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

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

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

### ARTICLE IV

#### Easements

4.1 Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of any Unit now or hereafter encroaches upon any part of the Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

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

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

4.4 Easements for Utilities. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under the Declaration and Bylaws and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section 4.4 shall include, without limitation, rights of Declarant, the Association, any company providing utility installation or maintenance, any service company, and any governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television and equipment facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 4.4, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use of occupancy of the Unit by its owners.

4.5 Declarant's Easement. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purpose. Declarant shall have a duty to restore any property damaged by use of such easements.

4.6 Easements to Run With Land. All easements and rights described in this Article IV are appurtenant easements running with the land, and except as otherwise expressly provided in this Article IV shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, its successors and assigns owning the Property, or any portion thereof, Declarant's mortgagees, the Association, Unit Owners, Occupants, First Mortgagees and any other person having any interest in the Condominium or any part thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

4.7 Cable or Satellite Television and/or Internet Service and Easement. Declarant may elect to negotiate agreements with cable and/or satellite television and/or high speed internet service providers which would provide those services to all Units. Any such agreements would provide for easements for installation and maintenance of lines connecting wires located in buildings to the system of COVENGTON SQUARE

CONDOMINIUMS. Any such agreement would be entered into by Declarant and/or the Association, and Unit Owners and Occupants would thereafter be barred from obtaining those services except through a monthly subscription fee to be paid to the Association, such fee in an amount to be set from time to time by the Declarant and/or the Board, and included in the monthly dues.

#### ARTICLE IV.

##### Restrictions, Conditions and Covenants

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

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

5.3 Use Restricted; Use by Declarant.

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

(b) No "For Sale" signs, "For Rent" signs or other window displays or advertising, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any part of the Condominium without the prior written approval of the Board or as provided for by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws.

(c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models.

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

5.4 Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (i.e., damage, abuse, or destruction) to or in his Unit or the Common Elements.

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

5.6 Lease of Units. Any lease of a Unit or portion thereof shall be in writing, must be for a term equal to or greater than six (6) months, and shall provide that the terms of the lease shall be subject in all respects to the Declaration, Bylaws and Rules and Regulations for the Condominium (the "Condominium Documents") and that any failure by the lessee to comply with all the terms of such Condominium Documents shall constitute a default under the Lease. No lease, however, shall relieve a Unit Owner from any liabilities or duties herein nor shall any Unit Owner's privileges in any way be changed because of said lease.

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

5.8 Outside Antennas. Outside radio or television antennas or other similar reception devices (including satellite discs) may be permitted at the sole discretion of the Board and subject to the Rules and Regulations for the Condominium.

5.9 Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws. The initial rules and regulations of the Association are set forth on Exhibit D of this Declaration.

5.10 Pets. No pet shall be allowed in the Condominium except as may be provided by the Rules and Regulations of the Condominium or as provided by the Bylaws. Notwithstanding the foregoing, no animals, livestock, or poultry of any kind shall be kept, bred or maintained in any Unit or upon the Common Elements, except that no more than two (2) dogs, two (2) cats or any other household pets, but not to exceed three (3) total animals at any time, may be kept or maintained in each Unit, provided that such pets are not maintained or kept for commercial purposes; and provided further that, notwithstanding the foregoing, the Board may exclude any pet permitted by this paragraph which the Board, in its sole discretion, deems to be a nuisance to other Occupants or to the Association as owner of the Common Elements. No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet, and in no event may any savage or dangerous pet be kept within any Unit or in the Condominium. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) within any Unit or upon the Common Elements. If a pet defecates in the Common Elements, each Occupant shall immediately clean up after his or her pet. All pets shall be registered or inoculated as required by law. Each Unit Owner shall hold the Association harmless from any claim resulting from any action of any pet kept or maintained in the Unit Owner's Unit, whether or not owned by the Unit Owner, and shall repair at his or her sole expense any damage to the Common Elements caused by such pet.

5.11 Restrictions, Conditions and Covenants to Run With Land. Each Unit Owner and Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.



5.12 Use of the Easements and Property Rights. The use of the easements and property rights granted herein shall be subject in all respects to the restrictions, conditions and covenants of the Declaration and the expenses therefore shall be an obligation of the Association.

5.13 Access to Units. The Association and its agents shall have access to each Unit from time to time during reasonable working hours, upon oral or written notice to its Unit Owner or Occupant of the Unit, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association and its agents shall also have access to each Unit at all times without notice, as may be necessary to make emergency repairs to prevent damage to Common Elements or to other Units.

## ARTICLE VI.

### Assessments

6.1 Assessment Liens. The Board has the power to levy assessments against the Units for Common Expenses. Any assessment levied against a Unit remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on the Unit when a claim of lien is filed of record in the Office of the Clerk of Superior Court for Pitt County. Such the lien may be foreclosed and the Unit sold, or a money judgment obtained against the Persons liable therefor, all as set forth in the Bylaws and Section 47C-3-116 of the Act. Any assessment which remains unpaid for more than thirty (30) days past the due date shall bear interest at the rate of eighteen percent (18%) per annum until paid in full. In the event that legal action is commenced to collect any assessment, the Unit Owner shall also be obligated to pay all costs and reasonable attorney's fees associated with such action.

### 6.2 Personal Liability of Transferees; Statement; Liability of First Mortgage

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

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

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

(d) Without releasing the transferor from any liability therefore, any unpaid portion of assessments which is not a lien under (a) above, or, resulting, as provided in (c) above, from the exercise of remedies in a mortgage or deed of trust, or by, foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the First Mortgagee of such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

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

6.4 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the first Unit by the Declarant. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

6.5 Assessments. Assessments shall be due and payable in advance on a monthly basis. As legally required by Section 47C-1-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that unit. Unit Owners shall have no obligation to pay annually assessments until an assessment is levied.

## ARTICLE VII.

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

#### 7.1 Common Elements

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

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

#### 7.2 Common Expenses Associated with Limited Common Elements or Benefiting Less Than All Units

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

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

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

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

7.5 Right of Entry

(a) By the Association. The Association, and any Person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous conditions or situation originating in or threatening that Unit or any of the Limited Common Elements or other Units. The Association, and any Person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

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

(c) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of

entry shall be immediate. Notwithstanding Section 7.4, the Person making such entry shall be responsible for repair of any damage caused by such Person to the entered Unit or Limited Common Element.

## ARTICLE VIII.

### Insurance

8.1 Casualty Insurance. The Association shall maintain, to the extent available, casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and First Mortgagees as their interest may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than one hundred percent (100%) of the full insurable value of the Property on a replacement cost basis exclusive of land, excavations, foundations and other items normally excluded from property policies, and shall insure against such risks and contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-113(h) of the Act. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of this policy in the percentage of common ownership or as otherwise set forth in the Declaration or Bylaws. Certificates of insurance shall be issued to each Unit Owner and mortgagee upon request.

8.2 Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million and no/100 Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall comply in all respects with the requirements of the Act and shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the managing agent, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

8.3 Insurance Unavailable. If the insurance described in Sections 8.1 or 8.2 is not reasonably available, the Association shall promptly cause notice of such fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners.

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

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

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

ARTICLE IX.

Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced unless: (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners elect not to rebuild or replace by an eighty percent (80%) vote, including one hundred percent (100%) approval of Owners of Units not to be rebuilt or Unit Owners assigned to Limited Common Elements not to be rebuilt. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act.

ARTICLE X.

Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the awards paid on account thereof shall be applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XI.

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act.

ARTICLE XII.

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Section 47C-2-117 of the Act; provided that the terms and provisions of this Declaration may be amended by the Declarant at any time within seven (7) years of the date of recording of this Declaration, without the approval of the Association or any other party, as necessary to exercise the development rights reserved in Section 2.9 and Article III above or if the proposed amendment is required to obtain any approval of HUD, FHA, VA, FNMA or FHLMC. Any amendment or rescission must be recorded in the office of the Register of Deeds of Pitt County to be effective. Notwithstanding the foregoing, no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant

ARTICLE XIII.

Rights of First Mortgagees

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

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

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

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

ARTICLE XIV.

General Provisions

14.1 Conflict With the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any Person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

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

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

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

14.5 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

14.6 Waiver. No provision of 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.

14.7 Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of North Carolina.

IN WITNESS WHEREOF, Declarant hereby executes this Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

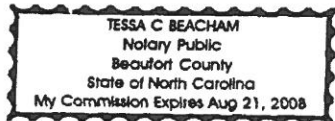
By: *Harvey R. Lewis* (SEAL)  
Harvey R. Lewis, Manager

STATE OF NORTH CAROLINA

COUNTY OF PITT

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: Harvey R. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 29<sup>th</sup> day of May, 2008.



*Tessa C. Beacham*  
Name: Tessa C. Beacham  
Notary Public

My Commission Expires: 8.21.08

LENDER SUBORDINATION

The undersigned, being "Grantee" or "Beneficiary" under that certain Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596 of the Pitt County, North Carolina, Register of Deeds' Office, does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deed of trust shall be subject to and subordinate to the foregoing Declaration of Condominium - Coverington Square Condominium. The Trustee also joins in and executes this Subordination as Trustee for the purposes set forth above.

IN WITNESS WHEREOF, Lender and Trustee have executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By: \_\_\_\_\_  
Name: Jim Fielding  
Title: SVP R/E Underwriter President

TRUSTEE:  
[Signature]  
Martin W. Borden

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

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: Jim Fielding, SVP R/E Underwriter of Paragon Commercial Bank

Witness my hand and Notary Seal this the 29<sup>th</sup> day of May, 2008.



Signature: [Signature]  
Print Name: Judith E. Surabian  
Notary Public

My Commission Expires: 3/26/2011

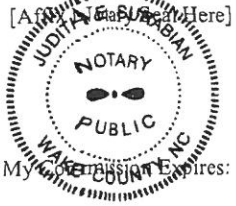


STATE OF NORTH CAROLINA  
COUNTY OF WAKE

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: Martin W. Borden, Trustee for Paragon Commercial Bank.

Witness my hand and Notary Seal this the 29<sup>th</sup> day of May, 2008.

[Affirmation Here]



My Notary Seal Expires: 3/26/2011

Signature: [Handwritten Signature]  
Print Name: Judith A. Surabian  
Notary Public

**Exhibit A**  
**Legal Description of Property Subject to Declaration**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

Commencing at an existing iron pipe located at the intersection of the eastern right-of-way of Arlington Boulevard and the north right-of-way of Turnbury Drive; thence along the eastern right-of-way of Arlington Boulevard N 23-49-37 W 223.47 feet to an existing iron pipe; thence N 25-53-50 W 180.56 feet to an iron pipe, the POINT OF BEGINNING; thence continuing along the eastern right-of-way of Arlington Boulevard N 25-53-50 W 447.65 feet to an iron pipe, a corner; thence N 64-06-10 E 200.00 feet to a point, a corner; thence S 25-53-50 E feet 447.65 feet to an iron pipe, a corner; thence S 64-06-10 W 200.00 feet to the POINT OF BEGINNING and being all of that certain tract of land containing 2.056 acres, more or less, as shown on map entitled "COVENGTON SQUARE CONDOMINIUMS Buildings 1901, 1905 & 1909" recorded in Unit Ownership (Condominium) Book 3, at pages 108-111 in the Pitt County Register of Deeds Office.

**Exhibit A-1**  
**Legal Description of Additional Property**  
**which may be Subjected to Declaration**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

All that certain tract or parcel of land containing 6.71 acres, more or less, and being described as Lot 10, Block A, Bradford Executive Park as shown on map entitled "Final Plat Bradford Executive Park Section 5" dated March 1, 2006, and recorded in Map Book 65, Page 121, Pitt County Registry, reference to map being made for a more accurate description of said tract of land.

LESS AND EXCEPT THE FOLLOWING PARCEL OF LAND (which is the same parcel described on Exhibit A above):

Commencing at an existing iron pipe located at the intersection of the eastern right-of-way of Arlington Boulevard and the north right-of-way of Turnbury Drive; thence along the eastern right-of-way of Arlington Boulevard N 23-49-37 W 223.47 feet to an existing iron pipe; thence N 25-53-50 W 180.56 feet to an iron pipe, the POINT OF BEGINNING; thence continuing along the eastern right-of-way of Arlington Boulevard N 25-53-50 W 447.65 feet to an iron pipe, a corner; thence N 64-06-10 E 200.00 feet to a point, a corner; thence S 25-53-50 E feet 447.65 feet to an iron pipe, a corner; thence S 64-06-10 W 200.00 feet to the POINT OF BEGINNING and being all of that certain tract of land containing 2.056 acres, more or less, as shown on map entitled "COVENGTON SQUARE CONDOMINIUMS Buildings 1901, 1905 & 1909" recorded in Unit Ownership (Condominium) Book 3, at pages 108-111 in the Pitt County Register of Deeds Office.

**Exhibit B**  
**Unit Allocations**

1. Voting Rights: Each Unit shall have one vote, with the total number of votes being equal to the total number of Units.
  
2. Undivided Interest in Common Elements and Liability for Common Expenses:
  - a. Undivided interest in the common area shall be allocated equally such that each Unit shall have a fractional interest in the Common Elements, such fraction having "1" as the numerator, and having as the denominator, a number equal to the total number of Units.
  - b. Each Unit's liability for Common Expenses shall be determined by the total amount of estimated Common Expenses divided by the total number of Units, with one-twelfth (1/12) of that amount due monthly from each Unit.
  - c. Water and sewer charges for the Condominium shall be included in the annual budget for the Condominium and shall be assessed to the Unit Owners. The water and sewer assessment shall be included in the annual assessment and be paid as part of the Unit Owners' monthly assessment installment payment.
  
3. Such interests shall be reallocated according to this formula as new Units are brought into the Condominium pursuant to Declarant's Development Rights.

**Exhibit C**  
**Encumbrances**

1. There is an outstanding deed of trust in favor of Paragon Commercial Bank recorded in Book 2435, Page 343 and re-recorded in Book 2480, Page 596, Pitt County Registry. Each Unit will be released from this deed of trust at closing pursuant to the terms of the deed of trust.
2. The provisions of the Articles of Incorporation, Bylaws and Declaration of Condominium for Covengton Square Condominiums.
3. All matters shown on the Condominium plans.
4. Existing streets, alleys, restrictions, utility easements and other easements of record, if any.
5. The provisions of North Carolina General Statutes Chapter 47C – North Carolina Condominium Act.
6. Current ad valorem taxes of the City of Greenville and County of Pitt.

## Exhibit D

### Rules and Regulations of Covington Square Condominiums

1. Subject to the provisions of Section 5.10 of the Declaration, dogs, cats and other household pets are allowed, provided that no more than two (2) dogs, two (2) cats or any other household pets, but not to exceed three (3) total animals at any time, may be kept or maintained in each Unit. The City of Greenville leash law shall be adhered to; that is, pets shall not run free. If pets defecate in the common area, the pet owner must immediately clean up after his or her pet. Dogs may not be walked near shrubbery or air conditioner condensers. Pets will be reported to the City of Greenville Animal Control Officer if unleashed.

2. Only passenger cars and/or trucks of one-quarter ton capacity or less shall be permitted to utilize parking spaces. Boats, trailers, recreational vehicles and large trucks exceeding one-quarter ton capacity are expressly prohibited. Parking of any kind shall be prohibited except in parking spaces designated as such. No parking is allowed in front of the dumpsters or in turnaround areas. No unlicensed vehicles shall be allowed on the premises. No maintenance of vehicles is allowed on the premises.

3. Children are not to play in and around the mailboxes. Parents will be responsible for replacing any common property damaged or destroyed by their children. The common grounds may be used for playing so long as it does not destroy grass or plantings and is not too loud so as to be an annoyance or nuisance to the neighborhood. No playground equipment should be erected on common grounds by residents.

4. Items may not be stored in or on Common Elements.

5. No yard sales will be allowed.

6. Radios, stereos, televisions or pets must not be louder than normal conversation level in a Unit with its doors or windows open. Patio or balcony usage must be monitored so that noise is not above normal conversational level. Loud noises must be avoided at all times, but especially between the hours of 11:00 p.m. and 8:00 a.m.

7. Committees may be established by the Board of Directors. The Board of Directors is authorized to adopt rules regarding use of the premises, which rules may be enforced as set out herein.

8. Use of recreational facilities (the swimming pool and poolhouse) is subject to the following:

(a) At the beginning of the pool season, notice will be posted at the poolhouse regarding pool opening and days and times of admittance.

(b) Use of recreation facilities is restricted to Unit Owners and Occupants of Covington Square Condominiums and their guests. Neither Unit Owners, Occupants, nor their guests shall have pool or poolhouse privileges if Association dues and assessments for their Unit are delinquent.

(c) Unit Owners may be issued an access card or otherwise sign in upon arrival to use the pool and/or poolhouse. Upon application to the Board, a Unit Owner who does not occupy his or her Unit may obtain an additional access card, if one is issued, for use by the Unit's Occupant.

(d) A maximum of four (4) guests per Unit will be allowed on a limited basis. All guests

must be accompanied by a Unit Owner or Occupant at all times while at the pool or poolhouse. Abuse of guest privileges may result in loss of pool and poolhouse facilities and/or a fine of \$25.00 for the first violation, \$50.00 for a second violation, \$100.00 for a third violation and any subsequent violation. Any unpaid fines shall be an additional added assessment on the violator's Unit. No person whose pool and poolhouse privileges have been suspended for any reason may be a guest of any other person with privileges.

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

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

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

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

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

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

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

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

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

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

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

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

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

(r) Personal electronic devices (including without limitation, radios, CD players, MP3 players and iPods) may be used in the pool area only with individual headphones.

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

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

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

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

(w) Any Unit Owner or Occupant wishing to use the pool and/or poolhouse facilities for special events must contact the management office and make reservations. The Association may, from time to time, establish a fee schedule for use of these facilities for special events.

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

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





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Recorded: 07/23/2008 at 10:52:08 AM  
Fee Amt: \$29.00 Page 1 of 6  
Pitt County, NC  
Judy J. Tart Register of Deeds  
BK 2525 PG 316-321

(Space Above for Recorder's Use)

Prepared by: Christian E. Porter, Attorney  
File: Colombo, Kitchin, Dunn, Ball & Porter, LLP  
1698 E. Arlington Blvd., Greenville, NC 27858

FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM  
UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
OF THE STATE OF NORTH CAROLINA, AND  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
COVENGTION SQUARE CONDOMINIUMS

THIS FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM – COVENGTION SQUARE CONDOMINIUMS, made this 22<sup>nd</sup> day of July, 2008, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

WHEREAS, Declarant recorded Declaration of Condominium – Covengton Square Condominiums in Book 2504, Page 11, Pitt County Registry; and

WHEREAS, Declarant is developing the Property known as “Covengton Square Condominium” for sale to prospective Units Owners with the intention that Housing and Urban Development (hereinafter “HUD”) will approve loans insured by FHA, FNMA, FHLMC and VA made to the prospective Unit Owners and secured by the Units; and

WHEREAS, for HUD to approve the loans to Unit Owners, secured by the Units, the Declarant will have to amend the Declaration to comply with HUD requirements.

NOW, THEREFORE, Declarant as the owner of said property, hereby amends the Declaration as follows:

1. Section 3.1 of the Declaration is hereby deleted and the following new Section 3.1 is substituted therefore:

3.1 Declarant's Rights to Add Additional Real Estate.

- (a) Declarant expressly reserves the right to add all or part of the Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on Exhibit A-1 may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligations of any kind to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate to the Condominium shall be pursuant to Section 47C-2-110 of the Act.
  - (b) Before adding Additional Real Estate to the Condominium, Declarant shall obtain the consent of HUD, VA, and/or FNMA, if any shall hold, insure, or guarantee any mortgage in the Condominium when the Declarant adds the Additional Real Estate.
  - (c) Any amendment to the Declaration to add Additional Real Estate shall set out reallocation of ownership interests of the Unit Owners.
2. Section 4.7 of the Declaration is hereby deleted and the following new Section 4.7 is substituted therefore:

4.7 Cable or Satellite Television and/or Internet Service and Easement.

- (a) Declarant may elect to negotiate agreements with cable and/or satellite television and/or high speed internet service providers which would provide those services to all Units. Any such agreements would provide for easements for installation and maintenance of lines connecting wires located in buildings to the system of COVENGTON SQUARE CONDOMINIUMS. Any such agreement would be entered into by Declarant and/or the Association, and Unit Owners and Occupants would thereafter be barred from obtaining those services except through a monthly subscription fee to be paid to the Association, such fee in an amount to be set from time to time by the Declarant and/or the Board, and included in the monthly dues.
- (b) At the end of Declarant's Control Period, upon no more than ninety days notice and exercisable without penalty, the Association shall have the right of termination of agreements with cable and/or satellite television and/or high speed internet service providers which would provide those services to all Units. The agreements would also provide for termination of easements with the cable and/or satellite television and/or high speed internet service providers for installation and maintenance of lines connecting wires located in buildings to the system of COVENGTON SQUARE CONDOMINIUMS.

3. Section 7.6 of the Declaration is hereby deleted and the following new Section 7.6 is substituted therefore:

7.6 Reserves and Working Capital for Maintenance of Common Elements.

(a) The Association shall establish an adequate reserve fund set aside in the budget of the Association, said reserve fund to be earmarked for periodic maintenance, repair, and replacement of the Common Elements. The reserve fund shall be maintained out the Assessments.

(b) A working capital fund must be established at the beginning of the Declarant Control Period equal to at least two months' maintenance for the Common Elements as allocated to each Unit.

4. Section 8.5 of the Declaration is hereby deleted and the following new Section 8.5 is substituted therefore:

8.1 Insurance Trustee.

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

(b) The insurance trustee shall have exclusive authority to negotiate losses under any policy and execute release of liability under any policy.

5. Section 13.9 of the Declaration is hereby deleted and the following new Section 13.9 is substituted therefore:

13.2 Notice. Each First Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any condemnation or casualty loss that affects either a material portion of the Condominium or the Units securing its First Mortgages; (ii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee held its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; (iii) any lapse, cancellation or material modification of any insurance policy maintained by the Association; (iv) amendments affecting boundaries of Units; (v) amendments affecting easement rights of Units; (vi) amendments regarding interests in the Common Elements on Limited Common Elements; (vii) amendments in changes in voting rights

of Units; (viii) amendments restricting the purposes of the Units, Common Elements, or Limited Common Elements; and (ix) termination of the Condominium.

IN WITNESS WHEREOF, Declarant hereby executes this First Amendment to Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

By: Brenda T. Lewis (SEAL)  
Brenda T. Lewis, Manager

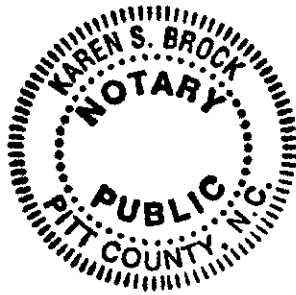
STATE OF NORTH CAROLINA

COUNTY OF PITT

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: Brenda T. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 22<sup>nd</sup> day of July, 2008.

Karen S Brock  
Name: Karen S. Brock  
Notary Public



My Commission Expires:

3-19-2013

LENDER SUBORDINATION

The undersigned, being "Grantee" or "Beneficiary" under that certain Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596 of the Pitt County, North Carolina, Register of Deeds' Office, does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deed of trust shall be subject to and subordinate to the foregoing Declaration of Condominium - Covington Square Condominium. The Trustee also joins in and executes this Subordination as Trustee for the purposes set forth above.

IN WITNESS WHEREOF, Lender and Trustee have executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By: [Signature]  
Name: Greg C. Steele  
Title: Sr. Vice President

TRUSTEE:

[Signature]  
Martin W. Borden

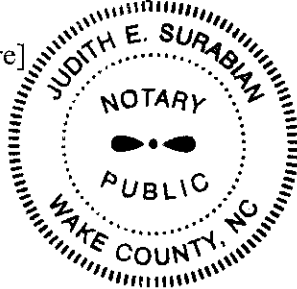
STATE OF NORTH CAROLINA

COUNTY OF WAKE

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: Martin W. Borden Sr. VP. of Paragon Commercial Bank

Witness my hand and Notary Seal this the 15<sup>th</sup> day of July, 2008.

[Affix Notary Seal Here]



Signature: [Signature]  
Print Name: Judith E. Surabian  
Notary Public

My Commission Expires:

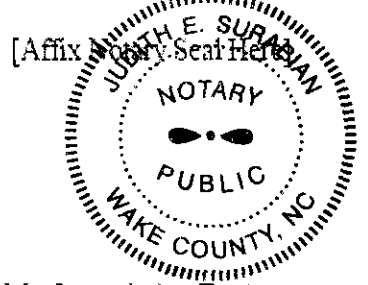
3/26/2011

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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: Greg C. Steele, Sr. V.P. of Paragon Commercial Bank

Witness my hand and Notary Seal this the 15<sup>th</sup> day of July, 2008.



Signature: [Handwritten Signature]  
 Print Name: Judith E. Surabian  
 Notary Public

My Commission Expires:  
3/26/2011



Doc ID: 005989420006 Type: CRP  
Recorded: 10/23/2008 at 03:08:39 PM  
Fee Amt: \$29.00 Page 1 of 6  
Pitt County, NC  
Judy J. Tart Register of Deeds  
BK 2556 PG 546-551

(Space Above for Recorder's Use)

Prepared by: Christian E. Porter, Attorney  
File: Colombo, Kitchin, Dunn, Ball & Porter, LLP  
1698 E. Arlington Blvd., Greenville, NC 27858

SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM  
UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
OF THE STATE OF NORTH CAROLINA, AND  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
COVENGTON SQUARE CONDOMINIUMS

THIS SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM – COVENGTON SQUARE CONDOMINIUMS, made this 23<sup>rd</sup> day of October, 2008, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

WHEREAS, Declarant is the owner of a portion of that certain tract or parcel of land in Pitt County, North Carolina, and more particularly described in Exhibit “A-1” of that certain Declaration of Condominium as to Covengton Square Condominiums recorded in Book 2504, Page 1, of the Pitt County Register of Deeds Office (hereinafter “Original Declaration”); and

WHEREAS, Declarant now wishes to amend the Original Declaration pursuant to Declarant’s rights to amend said Original Declaration as contained in Article XII entitled “Amendment” and Article III entitled “Additional Real Estate” and pursuant to Declarant’s exercise of Special Declarant Rights pursuant to Article 2.9 of the Original Declaration, by adding and delineating a portion of the property described on Exhibit “A-1” of the Original Declaration to the condominium area known as Covengton Square Condominiums.

NOW, THEREFORE, Declarant does hereby publish and declare that all the property described in Exhibit “A” attached hereto and on the plans of specifications of Covengton Square Condominiums Buildings 1904 & 1908 as shown on the condominium plan prepared by Gary S. Miller & Associates, P.A., and recorded in Unit Ownership Book 3 at Pages 113 - 121 of the Pitt County Registry is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved, subject to the following covenants,

conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Affirmation of Declaration. The Declaration of Condominium under the provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Covenants, Conditions and Restrictions of Covengton Square Condominiums, as recorded in Book 2504, Page 1 ("Original Declaration"), and as amended in Book 2525, Page 316 ("First Amendment"), of the Pitt County Registry, is hereby ratified, confirmed, restated and applied to Buildings 1904 & 1908 of Covengton Square Condominiums by this Amendment. Except as hereinafter contained and changed, the Original Declaration and the First Amendment shall apply to Buildings 1904 & 1908 of Covengton Square Condominiums and are incorporated by reference herein as though fully set forth.
2. Location of Land. The location of the land on which the improvements are located for Buildings 1904 & 1908 Covengton Square Condominiums is set forth on Exhibit "A" attached hereto and incorporated herein by reference.
3. Development of Property. The improvements upon the land are constructed substantially in accordance with the plans and specifications for such as prepared by Rivers & Associates, Inc., and Gary S. Miller & Associates, P.A., such plans and specifications and certificate of the Registered Engineer are recorded in Unit Ownership Book 3 at Pages 118-121 of the Pitt County Registry, and incorporated herein by reference.

Except as modified for the purpose of showing Covengton Square Condominiums Buildings 1904 & 1908, all plans and specifications as heretofore recorded for Covengton Square Condominiums as appears of record in Unit Ownership Book 3, Pages 108-111, are hereby ratified in all respects and incorporated herein by reference.

4. Unit Designation and Development. Units are shown and located on the plans and specifications of Covengton Square Condominiums Buildings 1904 & 1908 referred to above and incorporated herein by reference. Each unit shall have access to the Common Elements as shown on the plans.

The aforementioned plans and specifications of said building are filed simultaneously herewith in the Office of the Register of Deeds of Pitt County and designate all particulars of said buildings, Common Elements, and limited Common Elements including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers, dimensions of the units, location of the Common Elements, location of parking facilities, and other facilities affording access to each unit. Said plans are incorporated herein by reference for a more complete and accurate description.

5. Unit Information and Reallocation of Interest Among All Units. Exhibit "B" of the Original Declaration contains the necessary formulas for determining voting rights and the undivided interest in Common Elements and liability for Common Expenses for all units subject to the Original Declaration. Immediately following the recording of this Amendment, the total number



of Units subject to the Original Declaration, as amended, shall be forty (40).

IN WITNESS WHEREOF, Declarant hereby executes this Second Amendment to Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

By: Brenda T. Lewis (SEAL)  
Brenda T. Lewis, Manager

STATE OF NORTH CAROLINA

COUNTY OF PITT

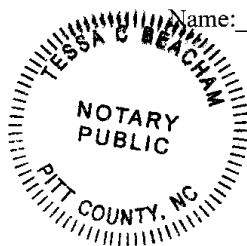
I certify that the following person(s) personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Brenda T. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 23<sup>d</sup> day of October, 2008.

Tessa C Beacham

Name: Tessa C Beacham  
Notary Public

My Commission Expires: 8-21-2013



**LENDER SUBORDINATION**

The undersigned, being "Grantee" or "Beneficiary" under that certain Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596 of the Pitt County, North Carolina, Register of Deeds' Office, does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deed of trust shall be subject to and subordinate to the foregoing Declaration of Condominium - Covington Square Condominium. The Trustee also joins in and executes this Subordination as Trustee for the purposes set forth above.

IN WITNESS WHEREOF, Lender and Trustee have executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By: [Signature]  
Name: Greg C. Steele  
Title: Sr Vice President

TRUSTEE:

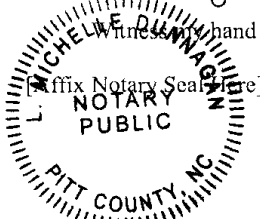
[Signature]  
Martin W. Borden

STATE OF NORTH CAROLINA

COUNTY OF Pitt

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: Gregory C. Steele, Sr. Vice President of Paragon Commercial Bank

Witness my hand and Notary Seal this the 22 day of October, 2008.



Signature: [Signature]  
Print Name: L. Michelle Dunnagan  
Notary Public

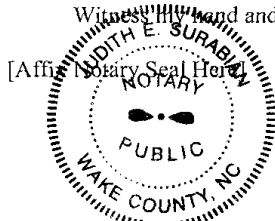
My Commission Expires: 3/21/11

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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: Martin W. Borden, Trustee

Witness my hand and Notary Seal this the 31<sup>st</sup> day of October, 2008.



My Commission Expires:  
3/26/2011

Signature: [Handwritten Signature]  
Print Name: Judith E. Surabian  
Notary Public

**EXHIBIT "A"**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

Commencing at an existing iron pipe located at the intersection of the eastern right of way of Arlington Boulevard and the northern right of way of Turnbury Drive; thence along the eastern right of way of Arlington Boulevard North 23-49-37 West 223.47 feet to an existing iron pipe; thence North 82-00-02 East 125.07 feet to an iron pipe, the POINT OF BEGINNING; thence North 5-36-11 West 233.48 feet to an iron pipe, a corner; thence South 89-40-43 East 245.22 feet to an iron pipe, a corner; thence South 25-53-50 East 207.84 feet to an iron pipe, a corner; thence South 82-00-02 West 316.28 feet to the POINT OF BEGINNING and being all that certain tract of land containing 1.372 acres, more or less, as shown on Map entitled "Covengton Square Condominiums 1904 & 1908" recorded in Unit Ownership (Condominium) Book 2 at Pages 113 - 121 in the Pitt County Register of Deeds Office.



Doc ID: 008114820006 Type: CRP  
Recorded: 05/26/2009 at 03:35:56 PM  
Fee Amt: \$29.00 Page 1 of 6  
Pitt County, NC  
Judy J. Tart Register of Deeds

BK **2628** PG **723-728**

(Space Above for Recorder's Use)

Prepared by: Christian E. Porter, Attorney  
File: Colombo, Kitchin, Dunn, Ball & Porter, LLP  
1698 E. Arlington Blvd., Greenville, NC 27858

THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM  
UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
OF THE STATE OF NORTH CAROLINA, AND  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
COVENGTON SQUARE CONDOMINIUMS

THIS THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM – COVENGTON SQUARE CONDOMINIUMS, made this 26<sup>th</sup> day of May, 2009, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

WHEREAS, Declarant is the owner of a portion of that certain tract or parcel of land in Pitt County, North Carolina, and more particularly described in Exhibit “A-1” of that certain Declaration of Condominium as to Covengton Square Condominiums recorded in Book 2504, Page 1, of the Pitt County Register of Deeds Office (hereinafter “Original Declaration”); and

WHEREAS, Declarant now wishes to amend the Original Declaration pursuant to Declarant’s rights to amend said Original Declaration as contained in Article XII entitled “Amendment” and Article III entitled “Additional Real Estate” and pursuant to Declarant’s exercise of Special Declarant Rights pursuant to Article 2.9 of the Original Declaration, by adding and delineating a portion of the property described on Exhibit “A-1” of the Original Declaration to the condominium area known as Covengton Square Condominiums.

NOW, THEREFORE, Declarant does hereby publish and declare that all the property described in Exhibit “A” attached hereto is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved, subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and

benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Affirmation of Declaration. The Declaration of Condominium under the provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Covenants, Conditions and Restrictions of Covington Square Condominiums, as recorded in Book 2504, Page 1 (“Original Declaration”), and as amended in Book 2525, Page 316 (“First Amendment”) and in Book 2556, Page 546 (the “Second Amendment”) of the Pitt County Register of Deeds Office, is hereby ratified, confirmed, restated and applied to the property described on Exhibit “A” by this Amendment. Except as hereinafter contained and changed, the Original Declaration, the First Amendment and the Second Amendment shall apply to the property described on Exhibit “A” and are incorporated by reference herein as though fully set forth.
2. Location of Land. The land described on Exhibit “A” attached hereto and incorporated herein by reference shall be held as Common Elements for the use and benefit of all Unit Owners.
3. Development of Property. The property described on Exhibit “A” together with any and all improvements upon said land, including without limitation a swimming pool and poolhouse is hereby dedicated as Common Elements and shall held as Common Elements for the use and benefit of all Unit Owners. Each unit shall have access to the Common Elements as provided in the Original Declaration, as amended.
4. Unit Information and Reallocation of Interest Among All Units. Exhibit “B” of the Original Declaration contains the necessary formulas for determining voting rights and the undivided interest in Common Elements and liability for Common Expenses for all units subject to the Original Declaration. Immediately following the recording of this Amendment, the total number of Units subject to the Original Declaration, as amended, shall be forty (40).

IN WITNESS WHEREOF, Declarant hereby executes this Third Amendment to Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

By:  (SEAL)  
Harvey R. Lewis, Manager

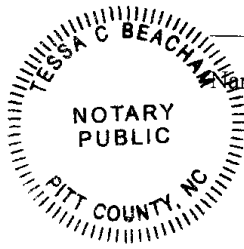
STATE OF NORTH CAROLINA

COUNTY OF PITT

I certify that the following person(s) 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: Harvey R. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 26<sup>th</sup> day of May, 2009.

My Commission Expires: 8-21-2013



Tessa Beacham

Name: Tessa C Beacham

Notary Public

**LENDER SUBORDINATION**

The undersigned, being "Grantee" or "Beneficiary" under that certain Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596 of the Pitt County, North Carolina, Register of Deeds' Office, does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deed of trust shall be subject to and subordinate to the foregoing Third Amendment to the Declaration of Condominium - Covington Square Condominiums. The Trustee also joins in and executes this Subordination as Trustee for the purposes set forth above.

IN WITNESS WHEREOF, Lender and Trustee have executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By: *Greg C. Steele*  
Name: Greg C. Steele  
Title: Sr. Vice President

TRUSTEE:

*[Signature]*  
Martin W. Borden

STATE OF NORTH CAROLINA

COUNTY OF Wake

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: Greg C. Steele, Sr. Vice President of Paragon Commercial Bank

Witnessed and Notary Seal this the 21<sup>st</sup> day of May, 2009.



Signature: *[Signature]*  
Print Name: Lisa M. Mrazdotta  
Notary Public

My Commission Expires: 09/07/2013



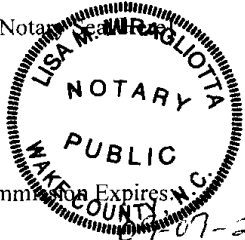
STATE OF NORTH CAROLINA

COUNTY OF Wake

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: Martin W. Borden

Witness my hand and Notary Seal this the 21<sup>st</sup> day of May, 2009.

[Affix Notary Seal]



Signature: *Lisa M. Murgulotta*  
Print Name: Lisa M. Murgulotta  
Notary Public

**EXHIBIT "A"**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

Commencing at an existing iron pipe located at the intersection of the eastern right of way of Arlington Boulevard and the northern right of way of Turnbury Drive; thence along the eastern right of way of Arlington Boulevard North 23-49-37 West 223.47 feet to an existing iron pipe, the POINT OF BEGINNING; thence North 25-53-50 West 180.56 feet to an iron pipe, a corner; thence North 64-06-10 East 200.00 feet to an iron pipe, a corner; thence South 5-36-11 East 233.48 feet to an iron pipe, a corner; thence South 82-00-02 West 125.07 feet to the POINT OF BEGINNING and being all that certain tract of land lying between Covengton Square Condominiums Building 1901 as shown on map recorded in Unit Ownership (Condominium) Book 3 at Pages 108-111 in the Pitt County Register of Deeds Office and Covengton Square Condominiums Building 1904 as shown on map recorded in Unit Ownership (Condominium) Book 3 at Pages 118-121 in the Pitt County Register of Deeds Office, said tract of land being shown and labeled as "Common Area" on Map entitled "Covengton Square Condominiums Buildings 1904 & 1908" recorded in Unit Ownership (Condominium) Book 3 at Pages 118-121 in the Pitt County Register of Deeds Office.



Doc ID: 011971820005 Type: CRP  
Recorded: 09/20/2013 at 11:39:10 AM  
Fee Amt: \$26.00 Page 1 of 5  
Pitt County, NC  
Lisa P. Nichols REG OF DEEDS  
BK **3154** PG **421-425**

(Space Above for Recorder's Use)

Prepared by: Christian E. Porter, Attorney  
File: Colombo, Kitchin, Dunn, Ball & Porter, LLP  
1698 E. Arlington Blvd., Greenville, NC 27858

FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM  
UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
OF THE STATE OF NORTH CAROLINA, AND  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
COVENGTON SQUARE CONDOMINIUMS

THIS FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM – COVENGTON SQUARE CONDOMINIUMS, made this 17<sup>th</sup> day of September, 2013, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

WHEREAS, Declarant is the owner of a portion of that certain tract or parcel of land in Pitt County, North Carolina, and more particularly described in Exhibit “A-1” of that certain Declaration of Condominium as to Covengton Square Condominiums recorded in Book 2504, Page 1, of the Pitt County Register of Deeds Office (hereinafter “Original Declaration”); and

WHEREAS, Declarant now wishes to amend the Original Declaration pursuant to Declarant’s rights to amend said Original Declaration as contained in Article XII entitled “Amendment” and Article III entitled “Additional Real Estate” and pursuant to Declarant’s exercise of Special Declarant Rights pursuant to Article 2.9 of the Original Declaration, by adding and delineating a portion of the property described on Exhibit “A-1” of the Original Declaration to the condominium area known as Covengton Square Condominiums.

NOW, THEREFORE, Declarant does hereby publish and declare that all the property described in Exhibit “A” attached hereto and on the plans of specifications of Covengton Square Condominiums Building 1921 as shown on the condominium plan prepared by Gary S. Miller & Associates, P.A., and recorded in Unit Ownership Book 3 at Page 158 of the Pitt County Registry is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved, subject to the following covenants,

5

conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Affirmation of Declaration. The Declaration of Condominium under the provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Covenants, Conditions and Restrictions of Covengton Square Condominiums, as recorded in Book 2504, Page 1 (“Original Declaration”), and as amended in Book 2525, Page 316 (“First Amendment”) and in Book 2556, Page 546 (the “Second Amendment”) and in Book 2628, Page 723 (the “Third Amendment”) of the Pitt County Register of Deeds Office, is hereby ratified, confirmed, restated and applied to Building 1921 of Covengton Square Condominiums by this Amendment. Except as hereinafter contained and changed, the Original Declaration, the First Amendment, the Second Amendment and the Third Amendment shall apply to Building 1921 of Covengton Square Condominiums and are incorporated by reference herein as though fully set forth.
2. Location of Land. The location of the land on which the improvements are located for Building 1921 Covengton Square Condominiums is set forth on Exhibit “A” attached hereto and incorporated herein by reference.
3. Development of Property. The improvements upon the land are constructed substantially in accordance with the plans and specifications for such as prepared by Rivers & Associates, Inc., and Gary S. Miller & Associates, P.A., such plans and specifications and certificate of the Registered Engineer are recorded in Unit Ownership Book 3 at Pages 158 of the Pitt County Registry, and incorporated herein by reference.

Except as modified for the purpose of showing Covengton Square Condominiums Buildings 1921, all plans and specifications as heretofore recorded for Covengton Square Condominiums as appears of record in Unit Ownership Book 3, at Pages 108-111 and Unit Ownership Book 3, at Pages 118 through 121, are hereby ratified in all respects and incorporated herein by reference.

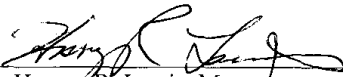
4. Unit Designation and Development. Units are shown and located on the plans and specifications of Covengton Square Condominiums Building 1921 referred to above and incorporated herein by reference. Each unit shall have access to the Common Elements as shown on the plans.

The aforementioned plans and specifications of said building are filed in the Office of the Register of Deeds of Pitt County and designate all particulars of said buildings, Common Elements, and limited Common Elements including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers, dimensions of the units, location of the Common Elements, location of parking facilities, and other facilities affording access to each unit. Said plans are incorporated herein by reference for a more complete and accurate description.

5. Unit Information and Reallocation of Interest Among All Units. Exhibit “B” of the Original Declaration contains the necessary formulas for determining voting rights and the undivided interest in Common Elements and liability for Common Expenses for all units subject to the Original Declaration. Immediately following the recording of this Amendment, the total number of Units subject to the Original Declaration, as amended, shall be forty-eight (48).

IN WITNESS WHEREOF, Declarant hereby executes this Fourth Amendment to Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

By:  (SEAL)  
Harvey R. Lewis, Manager

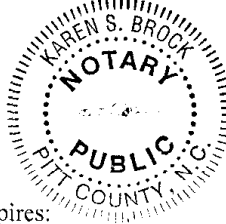
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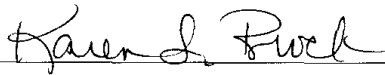
STATE OF NORTH CAROLINA

COUNTY OF PITT

I certify that the following person(s) 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: Harvey R. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 17<sup>th</sup> day of September, 2013.



Signature:   
Print Name: Karen S. Brock  
Notary Public

My Commission Expires:  
3-19-2018

**LENDER SUBORDINATION**

The undersigned is the "Grantee" or "Beneficiary" under the following instruments:


- a) Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596, and as modified by Modification Agreement recorded in Book 2928, Page 755 of the office of the Pitt County Register of Deeds; and
- b) Deed of Trust recorded in Book 3100, Page 718, in the office of the Pitt County Register of Deeds.

The undersigned does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deeds of trust shall be subject to and subordinate to the foregoing Fourth Amendment to the Declaration of Condominium – Covengton Square Condominiums.

IN WITNESS WHEREOF, Lender has executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By:   
 Name: Shane Parker  
 Title: Vice President

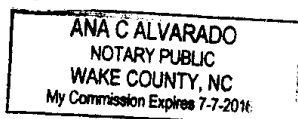
STATE OF NORTH CAROLINA

COUNTY OF Wake

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: Shane Parker Vice President of Paragon Commercial Bank

Witness my hand and Notary Seal this the 12<sup>th</sup> day of September, 2013.

[Affix Notary Seal Here]



Signature:   
 Print Name: Ana C Alvarado  
 Notary Public

My Commission Expires: 7/7/16

**EXHIBIT "A"**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

Commencing at an existing iron pipe located at the intersection of the eastern right of way of Arlington Boulevard and the northern right of way of Turnbury Drive; thence along the eastern right of way of Arlington Boulevard North 23-49-37 West 223.47 feet to an existing iron pipe, thence continuing along the eastern right of way of Arlington Boulevard North 25-53-50 West 180.56 feet to a point, thence North 64-06-10 East 200.00 feet to the POINT OF BEGINNING; thence North 25-53-50 West 113.05 feet to a point, a corner; thence North 64-06-10 East 220.00 feet to a point, a corner; thence South 25-53-50 East 221.39 feet to a point, a corner; thence, North 89-40-43 West 245.22 feet to the POINT OF BEGINNING and being all that certain tract of land containing Building 1921 Covengton Square Condominiums and shown on map entitled "Covengton Square Condominiums Building 1921" as recorded in Unit Ownership Book 3, Page 158 of the Pitt County Registry.



Doc ID: 013095260005 Type: CRP  
Recorded: 03/25/2015 at 02:56:16 PM  
Fee Amt: \$26.00 Page 1 of 5  
Pitt County, NC  
Lisa P. Nichols REG OF DEEDS

BK **3308** PG **468-472**

(Space Above for Recorder's Use)

Prepared by: Christian E. Porter, Attorney  
File: Colombo, Kitchin, Dunn, Ball & Porter, LLP  
1698 E. Arlington Blvd., Greenville, NC 27858

FIFTH AMENDMENT TO DECLARATION OF CONDOMINIUM  
UNDER THE PROVISIONS OF CHAPTER 47C OF THE GENERAL STATUTES  
OF THE STATE OF NORTH CAROLINA, AND  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
COVENGTON SQUARE CONDOMINIUMS

THIS FIFTH AMENDMENT TO DECLARATION OF CONDOMINIUM – COVENGTON SQUARE CONDOMINIUMS, made this 23<sup>rd</sup> day of March, 2015, by LEWIS LAND DEVELOPMENT, LLC, a North Carolina limited liability company (“Declarant”), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (“Act”).

WITNESSETH:

WHEREAS, Declarant is the owner of a portion of that certain tract or parcel of land in Pitt County, North Carolina, and more particularly described in Exhibit “A-1” of that certain Declaration of Condominium as to Covengton Square Condominiums recorded in Book 2504, Page 1, of the Pitt County Register of Deeds Office (hereinafter “Original Declaration”); and

WHEREAS, Declarant now wishes to amend the Original Declaration pursuant to Declarant’s rights to amend said Original Declaration as contained in Article XII entitled “Amendment” and Article III entitled “Additional Real Estate” and pursuant to Declarant’s exercise of Special Declarant Rights pursuant to Article 2.9 of the Original Declaration, by adding and delineating a portion of the property described on Exhibit “A-1” of the Original Declaration to the condominium area known as Covengton Square Condominiums.

NOW, THEREFORE, Declarant does hereby publish and declare that all the property described in Exhibit “A” attached hereto and on the plans of specifications of Covengton Square Condominiums Building 1913 and 1917 as shown on the condominium plan prepared by Gary S. Miller & Associates, P.A., and recorded in Unit Ownership Book 3 at Page 177 of the Pitt County Registry is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved, subject to the following covenants,

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conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Affirmation of Declaration. The Declaration of Condominium under the provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Covenants, Conditions and Restrictions of Covengton Square Condominiums, as recorded in Book 2504, Page 1 (“Original Declaration”), and as amended in Book 2525, Page 316 (“First Amendment”) and in Book 2556, Page 546 (the “Second Amendment”) and in Book 2628, Page 723 (the “Third Amendment”) and in Book 3154, Page 421 (the “Fourth Amendment”) of the Pitt County Register of Deeds Office, is hereby ratified, confirmed, restated and applied to Buildings 1913 and 1917 of Covengton Square Condominiums by this Amendment. Except as hereinafter contained and changed, the Original Declaration, the First Amendment, the Second Amendment, the Third Amendment, and the Fourth Amendment shall apply to Buildings 1913 and 1917 of Covengton Square Condominiums and are incorporated by reference herein as though fully set forth.
2. Location of Land. The location of the land on which the improvements are located for Buildings 1913 and 1917 Covengton Square Condominiums is set forth on Exhibit “A” attached hereto and incorporated herein by reference.
3. Development of Property. The improvements upon the land are constructed substantially in accordance with the plans and specifications for such as prepared by Rivers & Associates, Inc., and Gary S. Miller & Associates, P.A., such plans and specifications and certificate of the Registered Engineer are recorded in Unit Ownership Book 3 at Pages 117 of the Pitt County Registry, and incorporated herein by reference.

Except as modified for the purpose of showing Covengton Square Condominiums Buildings 1913 and 1917, all plans and specifications as heretofore recorded for Covengton Square Condominiums as appears of record in Unit Ownership Book 3, at Pages 108-111, and Unit Ownership Book 3, at Pages 118 through 121, and Unit Ownership Book 3, Page 158 are hereby ratified in all respects and incorporated herein by reference.

4. Unit Designation and Development. Units are shown and located on the plans and specifications of Covengton Square Condominiums Buildings 1913 and 1917 referred to above and incorporated herein by reference. Each unit shall have access to the Common Elements as shown on the plans.

The aforementioned plans and specifications of said building are filed in the Office of the Register of Deeds of Pitt County and designate all particulars of said buildings, Common Elements, and limited Common Elements including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers, dimensions of the units, location of the Common Elements, location of parking facilities, and other facilities affording access to each unit. Said plans are incorporated herein by reference for a more complete and accurate description.

5. Unit Information and Reallocation of Interest Among All Units. Exhibit “B” of the Original Declaration contains the necessary formulas for determining voting rights and the undivided

interest in Common Elements and liability for Common Expenses for all units subject to the Original Declaration. Immediately following the recording of this Amendment, the total number of Units subject to the Original Declaration, as amended, shall be sixty-four (64).

IN WITNESS WHEREOF, Declarant hereby executes this Fifth Amendment to Declaration by and through its authorized representatives on the day and year first above written.

LEWIS LAND DEVELOPMENT, LLC

By: [Signature] (SEAL)  
Harvey R. Lewis, Manager

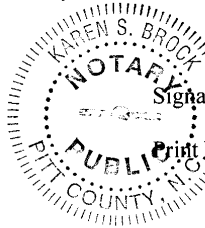
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STATE OF NORTH CAROLINA

COUNTY OF PITT

I certify that the following person(s) 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: Harvey R. Lewis, Manager of Lewis Land Development, LLC

Witness my hand and Notary Seal this the 23<sup>rd</sup> day of March, 2015.



Signature: [Signature]  
Print Name: Karen S. Brock  
Notary Public

My Commission Expires:

3-19-2018

**LENDER SUBORDINATION**

The undersigned is the "Grantee" or "Beneficiary" under the following instruments:

- a) Deed of Trust recorded in Book 2435, Page 343, and rerecorded in Book 2480, Page 596, and as modified by Modification Agreement recorded in Book 2928, Page 755 of the office of the Pitt County Register of Deeds; and
- b) Deed of Trust recorded in Book 3225, Page 771, in the office of the Pitt County Register of Deeds.

The undersigned does hereby agree that all of Grantee's right, title and interest in and to the property described in the above-referenced deeds of trust shall be subject to and subordinate to the foregoing Fifth Amendment to the Declaration of Condominium – Covengton Square Condominiums.

IN WITNESS WHEREOF, Lender has executed this Lender Subordination effective as of the date written below.

LENDER:

PARAGON COMMERCIAL BANK

By: \_\_\_\_\_  
 Name: James M. Fielding  
 Title: Vice President / COO

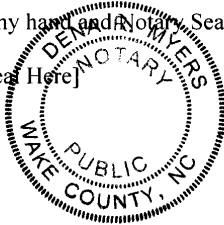
STATE OF NORTH CAROLINA

COUNTY OF Wake

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 M. Fielding Vice President of Paragon Commercial Bank

Witness my hand and Notary Seal this the 13<sup>th</sup> day of March, 2015.

[Affix Notary Seal Here]



Signature: Dena R. Myers  
 Print Name: Dena R. Myers  
 Notary Public

My Commission Expires: 9/3/19

**EXHIBIT "A"**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, and being more particularly described as follows:

Commencing at an existing iron pipe located at the intersection of the eastern right of way of Arlington Boulevard and the northern right of way of Turnbury Drive; thence along the eastern right of way of Arlington Boulevard North 23-49-37 West 223.47 feet to an existing iron pipe, thence continuing along the eastern right of way of Arlington Boulevard North 25-53-50 West 628.21 feet to a point, thence leaving the right of way of Arlington Boulevard bearing North 64-06-10 East 200.00 feet to the POINT OF BEGINNING; thence continuing North 64-06-10 East 220.00 feet to a point, a corner; thence South 25-53-50 East 334.59 feet to a point, a corner; thence South 64-06-10 West 220.00 feet to a point, a corner; thence North 25-53-50 West 334.59 feet to the POINT OF BEGINNING and being all that certain tract of land containing Buildings 1913 and 1917 of Covengton Square Condominiums and shown on map entitled "Covengton Square Condominiums Buildings 1913 & 1917" as recorded in Unit Ownership Book 3, Page 122 of the Pitt County Registry.