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**DECLARATION OF CONDOMINIUM**  
**OF**  
**IRON HORSE STATION CONDOMINIUM**  
**DECLARANT: GOSS IHS, LLC**

Prepared by and Return to: Thomas C. Grella, McGuire, Wood & Bissette, P.A.  
ROD Box 31

DECLARATION OF CLASSIC CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM is made as of this 18<sup>th</sup> day of February, 2026, by GOSS IHS, LLC, a North Carolina limited liability company (herein the “Declarant”), all pursuant to and under the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes.

ARTICLE I

CREATION

1.1. Creation of the Condominium. Declarant as the owner of the real property (the “Parcel”), all of which is located in the County of Madison, North Carolina and described on Exhibit A attached hereto, hereby creates, in accordance herewith, a condominium comprised of the Parcel, all improvements located on the Parcel and all easements, rights and appurtenances thereunto appertaining (the sum of the foregoing being the “Property”). The name of the condominium is “IRON HORSE STATION CONDOMINIUM” (“Condominium”). As of the date hereof, Declarant is the fee owner of the Condominium Property which is shown on the plat of record in the Office of the Register of Deeds of Madison County, North Carolina, as referenced in Exhibit C attached hereto (such plat, the “Plat”) and the plans of the Condominium filed for record contemporaneously herewith in the Unit Ownership File of said office, which are referenced in Exhibit D (such plans, the “Plans”).

ARTICLE II

DEFINITIONS

2.1 Definitions. As used herein the following words and terms shall have the following meanings:  
Act. “Act” shall mean the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

Association. “Association” shall mean and refer to the Iron Horse Station Condominium Association, Inc., a non-profit corporation organized and existing under laws of the North Carolina Nonprofit Corporation Act pursuant to and in accordance with this Declaration, the Bylaws, and the North Carolina Condominium Act.

Board of Directors. “Board of Directors” or “Board” shall mean and refer to the governing body from time to time of the Association as constituted in accordance with the Articles of Incorporation of the Association, the Bylaws and the North Carolina Condominium Act.

Bylaws. “Bylaws” shall mean and refer to the bylaws of the Association, a copy of which is attached

hereto as Exhibit F and incorporated herein by reference, and all amendments to such bylaws which may from time to time be adopted.

Common Element Interest. “Common Element Interest” shall mean the percentages assigned to each Unit by this Declaration, which establishes each Unit's: (a) appurtenant undivided ownership interest in the Common Elements; (b) liability for Common Expenses; (c) interest in surplus funds of the Association; and (d) votes in the Association.

Common Expenses. “Common Expenses” shall mean and include:

(1) All lawful expenditures made or incurred by or on behalf of the Association (“General Common Expenses” and “Limited Common Expenses”), including all assessments for the creation and maintenance of reserves;

(2) Expenses of administration, maintenance, repair or replacement of the Common Elements, including repair and replacement reserves as may be established from time to time;

(3) Expenses agreed upon to be Common Expenses by the Association; and

(4) Expenses declared Common Expenses by this Declaration or the Bylaws.

Condominium. “Condominium” shall mean and refer to Classic Condominium, as established by the submission of the Property to the terms of the North Carolina Condominium Act by this Declaration.

Condominium Instruments. “Condominium Instruments” shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws and the Rules and all attachments and exhibits thereto.

Declarant. “Declarant” shall mean and refer to Goss IHS, LLC, a North Carolina limited liability company, its successors, or any party to which it assigns its rights as Declarant under this Declaration.

Declarant Control Period. “Declarant Control Period” shall mean and refer to the Declarant Control Period as defined in the Bylaws.

Declaration. “Declaration” shall mean and refer to this Declaration of Condominium, as it may be amended in the future.

General Common Elements. “General Common Elements” shall mean all of the Common Elements other than Limited Common Elements. The General Common Elements shall include all areas shown on Plans which are not identified as Units or Limited Common Elements. The Common Element Interest establishes each Owner’s appurtenant undivided interest in the General Common Elements.

General Common Expense. “General Common Expense” shall mean and include that part of the Common Expenses attributable to the maintenance, management, operation, repair and replacement of the General Common Elements or other Common Expenses incurred by or on behalf of the Association for the benefit of all Units and their respective Owners. The Common Element Interest establishes each Owner’s liability for General Common Expenses.

Land. “Land” or “Parcel” shall mean and refer to the real property subject to this Declaration, exclusive of

any improvements located thereon or incorporated therein, which is more particularly described on Exhibit A attached hereto.

Limited Common Elements. "Limited Common Elements" shall mean those parts of the Common Elements which are Limited Common Elements within the meaning of the Condominium Act and which are reserved for the exclusive use of one or more, but less than all, of the Units and the Unit Owners. The Limited Common Elements existing at the time of the recordation of this Declaration are shown on the Plans, but shall also consist of any other portions of the Condominium which serve and benefit less than all of the Units.

Limited Common Expenses. "Limited Common Expenses" shall mean expenses separately assessed against one (1) or more but less than all Units. Except where the context requires otherwise, Common Expenses shall include Limited Common Expenses.

Majority Vote. "Majority Vote" shall mean more than fifty percent (50%) of the votes in the Association at a duly called and held meeting at which a quorum is present, with the allocation of votes among Owners in accordance with Article VII. Any specified percentage vote means that percentage vote with respect to the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of Units to which such percentage of the total number of votes appertain.

Member. "Member" shall mean and refer to any Unit Owner.

Officer. "Officer" shall mean any person holding office pursuant to the Bylaws but shall not mean members of the Board of Directors, unless such directors are also officers pursuant to the Bylaws.

Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit but shall exclude those persons or entities having an interest in any Unit, or holding title to any Unit merely as security for the payment or performance of a debt or obligation.

Person. "Person" shall mean an individual, partnership, joint venture, association, limited liability company, corporation, trust or any other legal entity.

Property. "Property" shall mean and refer to the Land, the Buildings and all other improvements and structures located on the Land; all easements, rights and appurtenances belonging or appertaining to the Land; and all articles of personal property intended for common use in connection therewith.

Replacements Reserves. "Replacement Reserves" shall mean those Common Expense assessments collected and held by the Association, as agent for the Unit Owners, in accordance with the Bylaws, for the purposes of defraying projected future replacement costs of Common Elements.

Rules. "Rules" shall mean the Initial Condominium Rules attached to the Bylaws as Exhibit A thereto and included in the Bylaws by reference as a part thereof and those other rules and regulations adopted from time to time by the Board of Directors ("Condominium Rules") that are deemed necessary for the enjoyment of the General Common Elements and Limited Common Elements, respectively, provided they are not in conflict with this Declaration and the Bylaws.

2.2. Defined Terms. Except as otherwise defined herein or in the bylaws ("Bylaws") of the

Condominium Association (“Association”), all terms used in any of the Condominium instruments shall have the meaning specified in Section 1-103 of the Act as in effect at the time of the recording thereof. All Exhibits referred to in any Condominium instruments are Exhibits to this Declaration and all Exhibits are incorporated herein by reference as if set out in full herein.

ARTICLE III

BUILDINGS ON THE PARCEL: UNIT BOUNDARIES

3.1. Location and Dimensions of Building. There previously has been constructed on the Parcel those improvements described on Exhibit B. The maximum total number of Units which may be created in the building improvement on the Parcel existing as of the date hereof (sometimes hereinafter referred to as the “Building”) is twenty-two (22) Units. The number of Units in the Building as of the date of recording of this Declaration, as described on Exhibit B and shown on the Plans certified to in Exhibit D, is Three (3).

3.2. Units. The location of the three initial Units within the Building and their dimensions are shown on the Plans. These Units are identified as “Unit 1”, “Unit 2”, and “Unit 3” on the Plans. The term “Unit” includes as an appurtenance the undivided interest in the Common Elements that is allocated to each Unit as set out on Exhibit E attached hereto. The undivided allocated interest in the Common Elements that is appurtenant to each Unit, as shown on Exhibit E, has been determined by Declarant by the ratio that the approximate square footage of each Unit at the date of the Declaration bears to the then aggregate square footage of all Units having an interest in the Common Elements. The foregoing allocation shall be binding upon all Unit owners. The percentage amount of allocated undivided interests in the Common Elements assigned to each Condominium Unit shall not be severed from the Unit or changed, except as provided herein or except with the unanimous consent of all owners of all of the Units and the First Mortgagees (as defined in Article XIV below). Unit Owners acknowledge, by acceptance of a deed to a Unit, that the allocation of undivided interest ownership in the Common Elements (determined as set forth above) shall be the same percentage as allocated Common Expense per each Unit. In the event that any Unit Owner divides its Unit into an additional Unit in accordance with and as permitted hereby, all allocations of common ownership, expense and voting applicable to the original Unit shall be divided among the Units created thereby such that the original allocations to the Units not subdivided are not changed.

3.3. Unit Boundaries. The boundaries of each Unit both as to vertical and horizontal planes as shown on the Plans are (1) the undecorated interior surfaces of the perimeter walls, (2) the undecorated exterior surfaces of exterior doors and exterior windows (i.e. all glass is part of the Unit), (3) the undecorated interior surfaces of the ceilings and (4) the topmost surfaces of the sub-flooring. All decoration and finishing on all such interior and topmost surfaces of walls, ceilings and subflooring designated as boundaries of a Unit are a part of the Unit, including, without limitation, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and all interior partitions, and other fixtures and improvements within such boundaries are a part of the Unit. Notwithstanding the foregoing, the Unit shall not

include (i) any load-bearing walls affecting the structural integrity of the Building, its roof, or any Unit above another Unit, which load-bearing walls shall be deemed as Common Elements, and may not be altered or removed without the consent of the Association or (ii) the spaces and/or improvements lying beneath the subflooring of any Unit, or (iii) the spaces and/or improvements behind the undecorated interior surface of any perimeter wall, or (iv) the spaces and/or improvements above the undecorated interior surface of the ceiling, or (v) any air shafts benefiting the Building or the Units therein, including the spaces and/or improvements behind the undecorated surfaces of any air shaft walls facing within the interior of any Unit, which airshafts and their walls shall be deemed Common Elements and may not be altered or removed without the consent of the Association or (vi) any pipe, duct, conduit and other facilities for the furnishing of utilities and other services to the Units and Common Elements up to and including the point of entry of such pipes, ducts, wire, and conduits through the undecorated interior surface of walls, ceilings and/or sub-flooring of a Unit. All pipes, ducts, wires, conduits and other such facilities shall become a part of the respective Units at such points of entry. All exterior doors, windows and windowpanes shall be part of the respective condominium Unit and any damage thereto shall be restored at the expense of the particular Unit owner or its lessee and not as an expense of the Association; provided, however, that the exterior decoration and painting of the exterior surface of all such doors and window frames shall be the responsibility of the Association as hereinafter defined.

Each Unit is serviced by one or more heating, ventilation and air conditioning facilities located on the Common Element roof. These facilities are Limited Common Elements (individual or shared depending on whether an individual facility services one Unit or shares service among more than one unit) of the Unit(s) they service (each such heating, ventilation and air conditioning facility, an "HVAC LCE"). The Units owners whose Units are serviced by an HVAC LCE shall be solely responsible for the care and upkeep of the respective HVAC LCE that services the Unit owner's Unit and shall maintain their HVAC LCE in a safe and operable condition at all times. Unit owners shall have the right to access the roof for the purpose of upkeep, care, maintenance and replacement of their allocated HVAC LCE as needed in their reasonable determination, but shall be individually responsible to the Association for any damaged to the Common Element Roof caused by the operation of the Unit Owner's HVAC LCE or the access to the Common Element roof made by a Unit Owner pursuant to the right of access in this paragraph.

3.4. Subdivision of Units and Relocation of Boundaries. Except for Declarant, which may subdivide any Unit as a developmental right, a Unit may not be subdivided for the purposes of sale by the Owner of such Unit, unless written notice is delivered to the Association, which notice shall confirm to the Association that the Unit as subdivided will be into no more than a total of two (2) Units each, and the resulting cumulative vote of the two resulting Units shall not increase. The provisions of Sections 2-112 and 2-113 of the Act and all applicable building codes must be complied with. Unit boundaries may be altered only in accordance with Section 2-112 of the Act. Reallocation of the subdivided Unit's Common Element interest, as contemplated by Section 2-110 (c)(2) of the Act, shall be based upon the respective square footages of the resulting Units. At the time of recording of this Declaration, the Building contains three (3) Units as shown on

the Plans attached to this Declaration. Specifically, and not by way of limitation of the right of subdivision of any Unit by Declarant, Declarant hereby discloses that it may subdivide Unit 1 into a total of up to twenty (20) separate Units. The rights of subdivision granted to Declarant in this Section 3.4 are to be considered development rights pursuant to NCGS 47C-2-105(8) and shall exist (and the right may be exercised) for twenty (20) years from the date of this Declaration.

#### ARTICLE IV

##### COMMON ELEMENTS

4.1. Common Elements. All portions of the Property which are not Units or Limited Common Elements are Common Elements, and Limited Common Elements are, as so limited, Common Elements. Said Common Elements and Limited Common Elements are more particularly described and depicted on the Plans referenced in Exhibit "D" hereto.

4.2. Limited Common Elements. Certain portions of the Common Elements may have been reserved for the use or benefit of a particular Unit or Units to the exclusion of other Units and are designated as "Limited Common Elements" as provided in Section 3.3 hereof. Limited Common Elements and the condominium Units to which they are reserved are depicted on the Plat (as described in Exhibit "C") hereto and/or the Plans (as described in Exhibit "D") hereto. Such Limited Common Elements are allocated to Units as indicated on the Plans. In addition, those improvements described in Sections 2-102(2) and (4) of the Act shall be Limited Common Elements allocated to the applicable Units.

#### ARTICLE V

##### EASEMENTS

In addition to the easements created by the Act, including but not limited to those in Section 2-114 and 2-116 thereof, the following easements are hereby established:

5.1 Encroachments and General Easements. If by reason of destruction, reconstruction, rehabilitation, alteration or improvement of any building or improvement comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit and/or Limited Common Element, or any part of any Unit and/or Limited Common Element 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 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 any new encroachment be created after the date hereof if such encroachment interferes with the reasonable use of the Common Elements, Limited Common Elements or Units so encroached upon; and further provided that such encroachment must be consented to in advance by the Association. In addition, each Owner shall have an easement in common with the Owners of all other Units for ingress and egress through, and use and enjoyment of, all of the Common Elements (other than the Limited Common Elements), including without limitation an easement to use all pipes, wires, ducts, cables, conduits,

public utility lines and all other utility distribution systems, whether or not Common Elements, located in any of the other Units, to the extent any such pipe, duct, cable, wire, conduit, public utility line or other utility distribution system serves any Unit or is necessary for service to any Unit.

5.2. 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, ceilings and floors of the Units whether such walls, ceilings and floors lie in whole or in part within the boundaries of any Unit. No such easements shall be allowed to permanently interfere with the reasonable use of a Unit.

5.3. Easements to Repair, Maintain or Restore and Reconstruct. An easement in favor of the Association to enter, repair, maintain, restore or reconstruct all or any part of the Unit or the Common Elements or the Limited Common Elements is hereby declared and granted. In case of emergency, the Association shall have the right of immediate entry whether or not the Unit owner is present at the time. Specifically, and not by way of limitation, the following rights of entry are granted:

(a) By the Association. The Association, and those authorized by it, may enter any Unit, the Common Elements and all the Limited Common Elements in case of any emergency or dangerous condition or situation originating in or threatening that Unit, the Common Elements or any of the Limited Common Elements. The Association, and those authorized by it, after reasonable notice to a Unit owner or occupant, may enter a Unit and its Limited Common Elements for the purposes of performing any of the Association's duties or obligations and/or exercising its 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. The Association shall, to the extent not covered by the Unit owner's insurance, be responsible for the repair of any damage caused by the Association and those authorized by it 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 occupant.

(b) By Unit Owners. Each Unit owner may, directly or by its representative, enter other Units and Limited Common Elements, but only when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the entering Unit owner's Unit and/or performing the duties and obligations under the Act, this Declaration or the Bylaws. Except as otherwise permitted herein, in the absence of emergency no Unit shall be entered by another Unit's owner, unless a request for entry is made in advance and such entry is at a time convenient to the Unit occupant of the Unit to be entered. In case of emergency or dangerous condition, such right of entry shall be immediate. Notwithstanding anything to the contrary in Section 8.4, the owner of the Unit causing entry to be made to another's Unit shall be responsible for repair of any damage caused by such entry.

(c) The Association, and Unit owners (for such purpose as access to HVAC units, or in the event a Unit has an exhaust chute or chimney that terminates at the roof) shall have a right to enter Unit #1 to access the Common Element roof of the Building, through use of the access which is located within Unit #1, for

the purpose of maintenance of said roof, or any appliances or fixtures thereon, whether or not such maintenance is routine, for repair and replacement, or in the event of emergency, but only at such times, and in such manner that the rights of occupancy of any guest to Unit #1 is not disturbed (except in the event of emergency in which event access shall be permitted immediately to address such emergency).

5.4. Declarant's Right to Grant Easements. The Declarant shall have the right to grant and reserve easements and rights of way through, under, over, and across the Property for construction purposes related to Development Rights set forth in Section 3.5 hereof, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and television reception and other utilities. No such easement shall permanently interfere with the reasonable use of a Unit.

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

## ARTICLE VI RESTRICTIONS, CONDITIONS AND COVENANTS

6.1. Compliance with Declaration, Bylaws and Rules and Regulations. Every Unit owner and occupant of a Unit shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation or other governing document of the Association, and Rules and Regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit owner, or any person adversely affected, for recovery of damages injunctive relief and/or other relief and/or combination thereof, including, but not limited to, reasonable attorney fees.

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

6.3. Use Restricted; Use by Declarant. (a) All of the Units shall only be occupied and used for non-residential purposes, which shall include only retail, office, overnight and periodic lodging/hotel/motel, commercial, professional services or institutional use or any other non-residential use which is permitted and approved under applicable zoning regulations. (b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit owner or occupant on any part of the Property without the prior written consent of the Association.

6.4. Hazardous Use and Waste. Nothing shall be done to or kept in any Unit, Limited Common Element or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Association. No Unit owner or occupant shall permit

anything to be done to or kept in any 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 waste, damage, or destruction to or in said Owner's Unit, the Limited Common Elements or the Common Elements.

6.5. Alterations of Common Elements. No Unit owner or occupant shall alter, construct anything upon, or remove anything from, the Common Elements, and/or Limited Common Elements or paint, decorate, landscape or adorn any portion of the Common Elements and/or Limited Common Elements without the prior written consent of the Association.

6.6. Prohibition of Renting for Transient Purposes. No Unit owner shall lease or rent a Unit, or any portion of a Unit (leasing of a portion of a Unit is permitted so long as all of the other terms herein are complied with), for transient purposes (a rental for any period less than twelve months duration) without the prior written consent of the Association. Every lease of a Unit, or a portion of a Unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee under said lease to comply with the terms of such documents shall be a default under said lease. Any Unit owner who enters into a lease for its Unit shall promptly notify the Association in writing of the name and address of each Lessee, the Unit rented (or portion thereof), and the term of the lease and the lessee's use of the leased premises permitted under said lease. No Unit shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by any person, firm or corporation (it being understood, however, that the operation of an inn or hotel (and lodging) in Unit #1 for temporary nightly, weekly or other periodic occupancy shall not be interpreted as a violation of this Section 6.6.

6.7. Rules and Regulations. In addition to all the foregoing, reasonable rules and regulations not in conflict herewith and supplementary hereto may be promulgated and amended from time to time by the Board and/or Association, and the same shall be considered as a part of the Declaration. The rules and regulations may address, without limitation, owners' usage of common utilities (such as water and gas) and may include financial penalties on owners violating those rules and regulations. The initial rules and regulations are recorded herewith as an exhibit to the Association bylaws (which are attached to this Declaration) but may be amended from time to time without the requirement of recording such amendments with the Madison County Registry.

6.8 Changes in Occupancy of a Unit in the Building. All changes or transfers in occupancy or tenancy by lease of any Unit (or portion thereof) in the Building (whether by lease or other occupancy agreement or license) must be in compliance with the Rules and Regulations set forth pursuant to this Declaration.

6.9 Use Restriction. No portion of the Property may at any time be used for the following purposes: pawn shops, gun shops, adult bookstores, adult video stores, strip clubs, vape shop or pet stores.

6.10 Signs and Signage. Unit owners may not install exterior signs, marquees, billboards, outside lighting fixtures and/or other decorations on the Building or Property, except as shall have the prior written consent of the Association Board of Directors, which consent shall not be unreasonably withheld, but which

signs must, in any event, be in full compliance with all requirements of the Town of Hot Springs. Notwithstanding the preceding requirement, the current signage on the Property is deemed approved by the Association. The care and maintenance of all signage shall be the sole responsibility of the Unit owner owning such signage and erecting (or having erected it). The Board of Directors shall remove any signage that has not been approved, unless the Board of Directors votes to not remove same, and any such cost of removal shall be the sole obligation of the Unit Owner who installed it. If any sign becomes in non-compliance with any governmental ordinance or law, it shall be the duty of the Unit owner owning such sign to make modifications to bring the sign into compliance with such ordinance or law, or to remove it. In any event, no portable and/or trailer signs are allowed on the Property at any time. All signs shall be maintained in good condition and proper operating order at all times by the owner thereof. It being understood that the costs of all signage that is permitted, including installation and maintenance, is the sole responsibility of the Unit owner or its tenant, erecting same.

6.11. Restrictions, Conditions and Covenants to Run with Land. Unit ownership is subject to the provisions of this Declaration, all of which shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit owner.

## ARTICLE VII ADMINISTRATION

7.1. A non-profit organization which is incorporated, and known and designated as Iron Horse Station Condominium Association, Inc. (the "Association") has been organized. The Association through its board of directors (the "Board") shall administer the operation and management of the Condominium and shall undertake and perform all acts and duties incident thereto in accordance with the terms of its Bylaws. The owner of each Unit is automatically a member of the Association upon acquisition of the ownership interest in the Unit. Membership of such owner shall terminate automatically upon such owner no longer being an owner. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in said Association or to any of the rights and privileges of such membership prior to foreclosure thereof except as by law provided. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units, Common Elements and Limited Common Elements as the Board deems to be in the best interests of the Association. A true copy of the Bylaws was attached to each copy hereof provided to a Unit owner, as Exhibit "F" hereto and the terms thereof are incorporated herein by reference.

7.2. As of the date hereof, the Association shall assume and become responsible for the maintenance, repair and replacement of the Common Elements and, except as otherwise set forth herein, the Limited Common Elements of the Condominium. Upon an Owner's acquisition of any Unit, the Owner of the

Unit shall become liable on the first day of the first month thereafter for an appropriate proportional share of the Common Expenses incurred by the Association, all in accordance with the Bylaws, this Declaration and the relevant provisions of the Act. The Declarant shall be responsible for assessments on Declarant's Units until such Unit is sold by the Declarant. Said proportional shares shall be allocated to and among the individual Units in accordance with the percentage of the undivided interest in the Common Elements appurtenant to each Unit as set forth in Exhibit "E" hereto.

## ARTICLE VIII

### MANAGEMENT OF THE BUILDING

#### 8.1. Common Elements.

(a) By the Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements (including the Limited Common Elements, with the exception of certain obligations of Unit Owners as are set forth in the Bylaws of the Association) shall be the sole responsibility of the Association and, except as otherwise provided herein (or, with respect to Limited Common Elements, as set forth in the Bylaws of the Association) the cost thereof shall be a Common Expense. All damage to a Unit resulting from any work 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. A Unit owner shall reimburse the Association for all costs to repair and/or replace any portion of the Common Elements, which are damaged or destroyed by the intentional or negligent acts of any Unit owner or the occupant of such Unit owner's Unit. Such reimbursement shall be paid upon demand made by the Association.

#### 8.2. Common Expenses Associated with Limited Common Elements Or Benefiting Less Than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit(s) to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense which benefits less than all of the Units against only the Units benefited, in the proportion that the Common Expense liability (percentage of undivided interest) of each Unit benefited bears to the other.

(c) In furtherance of the immediately preceding subparagraph, in accordance with NCGS 47C-3-115(c)(2), and for clarification, the following is understood to apply regarding certain individual and shared operating expenses:

1. All Units are separately metered for electricity, and all electricity expenses are to be paid by the individual Unit owners.

2. Units #2 and #3 share water and sewer service (metered jointly) and shall share equally the expenses of same, and cooperatively pay 100% of each bill issued for same; however to the extent

these bills remain unpaid after they become due, they may be treated by the Association as a shared limited common expense of Units #2 and #3, paid by the Association and allocated equally to each of Units #2 and #3, or to the one Unit that is delinquent in payment of an equal share of such expense.

3. Unit #1 shall have exclusive access to an 8-yard dumpster shown on the Plat, and shall be solely responsible for its care, upkeep, maintenance and replacement.

4. Units #2 and #3 shall share access to an 8-yard dumpster shown on the Plat, and shall be jointly responsible for its care, upkeep, maintenance and replacement.

8.3. Units. The owner of each Unit shall maintain, repair and replace such Unit at all times in a good and clean condition at such Unit Owner's expense. Each Unit owner shall promptly report to the Association any repairs required to be done by the Association pursuant hereto; and to the extent that such expense is not covered by the proceeds of the insurance carried by the Association, shall pay all costs to repair and/or replace any Unit or portion thereof that has become damaged or destroyed by reason of the acts or omissions of the owner or any other occupant of the Unit. All payments due from an owner shall be made upon demand. Nothing herein contained shall provide any insurance company with rights of subrogation greater than those existing in its policy or policies.

8.4. Waiver of Claims. Except as otherwise provided herein, no claim shall be made against Unit owners, the members of the Board, officers of the Association, or employees or agents of any thereof 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 to the extent the same are compensated by insurance. This waiver does not apply to any such loss or damage due to intentional or uninsured acts.

## ARTICLE IX

### INSURANCE

9.1. Property Insurance. The Association shall maintain a policy of property insurance (ISO special form or its equivalent) upon the Property, exclusive of those items inside Units which are upfit improvements or betterments made by or for a Unit owner, but the Association's policy shall cover any Common Elements or Limited Common Elements within the bounds of a Unit as well as any utility lines or equipment located inside a Unit, which provide service to more than one (1) Unit. Such insurance shall be in an amount not less than that required by the Act and shall insure against such risks and contain such provisions in accordance with the requirements of the Act.

9.2. Liability Insurance. The Association shall maintain a policy of commercial general liability insurance on a current ISO form for the benefit of, and naming as additional insureds, the Unit owners, the property manager, if any, 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 liability insurance shall be for at least One Million Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability

because of negligent acts of any insured. All insureds shall be insured against liability arising out of or in connection with the use, ownership or maintenance of the Common Elements and the Limited Common Elements. Any additional premiums due as a result of insuring a certain type of commercial, retail or office use unique to a specific Unit shall be charged to and solely payable by the owners of the such Units so affected.

9.3. Fidelity Coverage. Fidelity coverage may be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association. Any fidelity coverage shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression and shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on said policy shall be a Common Expense.

9.4. Individual Commercial General Liability Insurance. Each Unit Owner shall maintain insurance against general commercial general liability, including that from personal injury or property damage in or about the Unit owner’s Unit resulting from the occupation, use, or operation of the business on or in the Unit, insuring the Unit Owner, and naming all other Unit owners in the Condominium, the Association and the Association’s property manager, if any, and their respective officers, directors, agents and employees as additional insureds therein, in amounts of not less than TWO MILLION DOLLARS (\$2,000,000.00) against liability for bodily injury including death and personal injury for more than one (1) occurrence and not less than ONE MILLION DOLLARS (\$1,000,000.00) against liability for bodily injury including death and personal injury for one (1) occurrence, and not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for property damage.

9.5. Waiver of Subrogation. To the fullest extent permitted by law, each of the Unit Owners, and the Association, on its own behalf and on behalf of its insurers, waives all right of recovery against the other (and any officers, directors, partners, employees, agents, and representatives of the other) for, and agrees to release the other (and any officers, directors, partners, employees, agents, and representatives of the other) from liability for, loss or damage to the extent such loss or damage is covered by valid and collectible insurance in effect at the time of such loss or damage. THE FOREGOING WAIVER SHALL BE EFFECTIVE REGARDLESS OF THE FAULT OF EITHER PARTY, INCLUDING WITHOUT LIMITATION, THE NEGLIGENCE OF THE PARTY AGAINST WHO CLAIMS ARE BEING WAIVED. If the release of either party, as set forth above, should contravene any law with respect to exculpatory agreements, the liability of the party in question shall be deemed not released but shall be secondary to the liability of the other’s insurer.

9.6. Other Insurance. The Association may procure such other insurance as is permitted by the Act and the premiums thereof shall be a Common Expense.

9.7. Insurance Trustee. The Board may engage an insurance trustee and pay any cost thereof as a common expense. The duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust and disburse the same for the purposes elsewhere stated in the Declaration, Bylaws or Act, for the benefit of the insured(s).

9.8. Individual Policy for Unit Owners. Each Unit owner shall obtain property insurance covering the improvements and fixtures contained within said Unit owner's Unit (and not covered by the insurance policy required to be procured by the Association in accordance with Section 9.1 above), in such amounts and with such coverage as shall be commercially reasonable. Each Unit owner shall provide the Association with evidence of such insurance as kept current. The Association shall have the right to procure condominium coverage on any such property in the event that any Unit owner fails to fulfill their obligations hereunder, and the Association shall have the right to assess the Unit owner for the cost of such premium plus ten percent (10%). Except as otherwise provided herein, any Unit owner may obtain insurance of any kind or nature, at said Unit owner's own expense, to the extent and in the amount such Unit owner deems necessary. No such insurance shall be in conflict herewith, nor shall it provide that contribution as against the insurance purchased by the Association is available. If a casualty loss is sustained and a reduction in the amount of the Association's proceeds occurs due to the insurance purchased by a Unit owner under this Section (or due to the failure of any such Unit owner to maintain proper insurance as required in this Section 9.8), such Unit owner must reimburse the Association to the extent of such reduction upon demand; and, by acceptance of the deed to a Unit, assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE X  
CASUALTY DAMAGE

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be used and applied in accordance with the provisions of Article 7 of the Bylaws and Sections 3-113 and 2-118 of the Act.

ARTICLE XI  
CONDEMNATION

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

ARTICLE XII  
TERMINATION

The condominium may be terminated only if affirmatively voted upon by at least eighty percent (80%) of the votes in the Association.

ARTICLE XIII  
AMENDMENT

This Declaration may be amended only in compliance with the requirements of Section 2-117 Act. No amendment to this Declaration shall be effective unless signed by the President or any Vice President of the Association, and properly recorded in the office of the Register of Deeds of Madison County, North Carolina. Notwithstanding the foregoing, no amendment to this Declaration shall be adopted or passed which shall impair or prejudice the rights and priorities of any First Mortgagee without the written consent of such First Mortgagee.

#### ARTICLE XIV

##### RIGHTS OF FIRST MORTGAGEES

The holder, insurer and guarantor (“First Mortgagee”) of valid first lien deeds of trust (“First Mortgage”) on any part of the Condominium Property who have given written notice of the deed of trust to the Association shall have the rights set forth hereafter.

14.1. Availability of Condominium Documents, Books, Records and Financial Statements. First Mortgagees may inspect, at the Association office, upon prior request and during normal business hours, copies of the Declaration governing the Condominium and the books, records and financial statements of the Association. The Association shall provide the financial statement for the preceding fiscal year if requested in writing by a First Mortgagee. If any First Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant. The Association may require anyone requesting copies of any documents to pay a reasonable charge for the reproduction cost.

14.2. Consent of First Mortgagees and Unit Owners. Notwithstanding anything else herein to the contrary, without the prior written consent of 75% of the First Mortgagees holding Mortgages on Units (based on relative allocated votes in the Association of all of the Units which are subject to First Mortgages) , the Association shall not be entitled to:

- (a) by act or omission, seek to abandon or terminate the Condominium (including Units, Common Elements and/or Limited Common Elements);
- (b) change the pro rata interest or obligations of any Unit for the purpose of:
  - (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
  - (ii) determining the pro rata share of ownership of each Unit in the Common Elements (unless said change is due to the division of a Unit pursuant to the terms hereof);
- (c) use hazard insurance proceeds or losses to any part of the Condominium (whether to Units or to Common Elements) for other than repair, replacement or reconstruction thereof.
- (d) change the voting rights allocated to any Unit unless said change is due to the division of a Unit pursuant to the terms hereof;

- (e) increase the annual assessments by more than thirty percent (30%) from the prior year;
- (f) impose any additional restrictions on any Owner's right to sell, transfer or lease its Unit;
- (g) modify the responsibility for maintenance and repairs of the Units, the Limited Common Elements, or the Common Elements; or
- (h) modify or waive the requirements for insurance and fidelity bonds set forth in Article IX of this Declaration.

14.3. Notice. Each First Mortgagee, upon written request to the Association stating its name and address and describing the Unit encumbered by the First Mortgage, shall be entitled to timely written notification by the Association of (i) any proposed action requiring consent of First Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage; (iii) any 60-day delinquency in the performance of any obligation under this Declaration or the Bylaws by said First Mortgagees; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

14.4. Assessments. Assessments shall be due and payable in monthly installments, as provided in the Bylaws and as required by Section 3-107 of the Act. Assessments shall be subordinate to any First Mortgage recorded prior to the docketing of an Assessment lien in accordance with Section 3-116(b) of the Act.

14.5 Matters affecting Limited Common Elements shall be considered only by those First Mortgagees whose debtors are authorized to vote thereon.

ARTICLE XV  
RESERVATION OF DECLARANT CONTROL

15.1 Control. Declarant hereby reserves unto Declarant, and it is hereby provided to Declarant, to the maximum period permitted by Section 3-103 of the Act, the right to control the Association pursuant to the provisions of Section 3-103 of the Act. Said period shall be the Declarant Control Period as otherwise referred to herein. Notwithstanding the foregoing, at all times subsequent to the conveyance of the first Unit to someone other than Declarant, Unit Owners other than Declarant shall have the right to elect at least one member of the Board.

15.2 Amendments. During the Declarant Control Period, the Declarant may, without agreement or joinder of any other Unit Owner, make any amendments to this Declaration as permitted under the Act. During the Declarant Control Period no amendment hereto or the Bylaws shall occur without approval of Declarant.

15.3 Transfer. Declarant may, at any time hereafter, by written notice to the Association, terminate the Declarant Control Period. Thereafter, Declarant shall have the same rights and votes as arising by virtue of the number of Units then owned by Declarant.

## ARTICLE XVI

### GENERAL PROVISIONS

16.1. Conflict with the Act; Severability. Should any provision or portion thereof of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits this Declaration to override the Act, in which event the Declaration shall control. The invalidity of any provision, or of any part of the same, shall not affect in any manner the validity, enforceability or effect of the rest of this Declaration.

16.2. 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.

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

16.4. Rights of Action. The Association and any aggrieved Unit Owner has a right of action against any party violating this Declaration, the Bylaws and/or the rules and regulations lawfully adopted by the Association.

## ARTICLE XVII

### SPECIAL DECLARANT RIGHTS; TRANSFER

17.1 Special Declarant Rights. Subject to the conditions herein noted, certain Special Declarant Rights are reserved for the benefit of the Declarant, and include the following rights: None except as otherwise set forth in other terms and provisions herein.

17.2. Transfer of Special Declarant’s Rights. To the full extent permitted by Section 3-104 of the Act, the Declarant may transfer the Special Declarant Rights.

## ARTICLE VIII

### ENFORCEMENT; MEDIATION; ARBITRATION

18.1 Actions by Owners. If the Association, Board of Directors or any Unit Owner shall fail to perform any obligation imposed upon them by the Condominium Instruments (Declaration, Bylaws, Rules and Regulations, Association Articles of Incorporation), and such failure shall cause an immediate risk of substantial economic loss to any Unit Owner, or shall significantly jeopardize the physical condition of the Property, or any

part thereof, then any Unit Owner shall have the right to perform such obligation and to exercise any authority otherwise delegated to the Association, or the Board, or any other Unit Owner, necessary to perform such obligation. If an obligation so performed was the obligation of a Unit Owner, the reasonable cost of performing such obligation shall be immediately due and payable from the Unit Owner who has failed to perform the obligation to the Unit Owner who performed it. If an obligation so performed was the obligation of the Association or the Board of Directors, the reasonable cost of performing such obligation shall be a Common Expense.

18.2 Mediation. Each Owner, by accepting a deed to a Unit, agrees that any Unit Owner or the Association may require that any unresolved matter among the Unit Owners or before the Board of Directors or before the Association be submitted to non-binding mediation, prior to pursuing any other remedies. The fees and expenses of mediation shall be paid by the participants and shall not be a Common Expense unless Association is a party, or all Unit Owners in the Condominium so agree in writing.

18.3 Arbitration. Each Unit Owner, by accepting a deed to a Unit, agrees that the Association may require that any unresolved matter before the Association be submitted to binding arbitration pursuant to the Uniform Arbitration Act set forth in N.C.G.S. Section 1-569.1 et seq. as the same shall be amended from time to time. The fees and expenses of arbitration shall be paid as set forth in the award and shall not be a Common Expense unless Association is a party and the award so indicates, or all Unit Owners in the Condominium so agree in writing.

18.4 Civil Suit. Any Unit Owner may also bring a civil action against any other Unit Owner, or against the Association, or against the Board of Directors, or any one of more of them, to enforce any obligation imposed hereunder.

## ARTICLE XIX

### CONTROLLING LAWS; EXHIBITS

19.1 Controlling Laws. All provisions of the Act referred to herein, directly or indirectly, are hereby incorporated by reference as if set out in full.

19.2 Exhibits. The following exhibits are attached hereto and made a part of this Declaration:

Exhibit "A" - A valid legal description of the Parcel.

Exhibit "B"- A narrative description of the Improvements.

Exhibit "C" - Verified Certificate by Eric S. McAbee, PLS, registered under Chapter 89C of the General Statutes of North Carolina, with reference to the survey of the Property comprising the Condominium recorded in Plat Book 11, at Page 21, in the Office of the Register of Deeds for Madison County, North Carolina, as required by Section 47C-2(b)(6a) of the Act.

Exhibit "D"- The Plans, as prepared by Peter Y. Alberice, Registered Architect, showing all those matters not shown on the Plat and thus required thereon by Section 2-109 of the Act which is recorded

contemporaneously herewith, together with said Architect's verified statement as required by Section 47C-2-109(b) (6) of the Act.

Exhibit "E" - The fractional undivided interests in Common Elements, Common Expense and voting rights of the respective Units in the Condominium.

Exhibit "F" - Bylaws of the Association.

Exhibit "G" – Initial Rules and Regulations which may be amended by the Association without recorded amendment to this Declaration.

**EXECUTION ON FOLLOWING PAGE**

IN WITNESS WHEREOF, the Declarant has caused due execution of this instrument this the day and year first above written.

Goss IHS, LLC, a North Carolina limited liability company

By: [Signature] (SEAL)  
Gary Goss, President and Manager

*Catawba cfc*

STATE OF NORTH CAROLINA, COUNTY OF ~~BUNCOMBE~~

I, a Notary Public of said County and State, do hereby certify that Gary Goss, President and Manager of Goss IHS, LLC, a North Carolina limited liability company, for and on behalf of said Goss IHS, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes expressed therein.

Witness my hand and official seal, this 13 day of February, 2026.

[Signature]

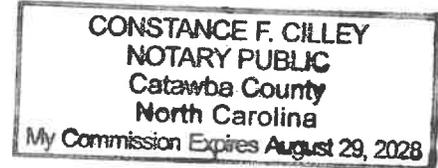
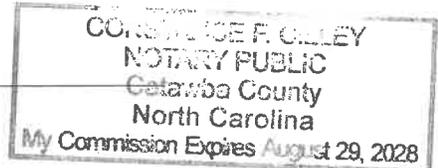
Notary Public

Printed Name of Notary

Constance F. Cilley

My Commission Expires:

8/29/2028



**EXHIBIT "A"**

Being all of that parcel of real property shown on that Condominium Plat of Iron Horse Station Condominium for Goss IHS, LLC of 28 South Andrews Avenue (shown thereon as "Condominium Building"), recorded in Plat Book 11, at Page 21, Madison County Registry (the "Plat" as referred to in this Declaration), reference to which is hereby made for a more particular description.

## EXHIBIT B

The Condominium Development is contained on the Parcel in a building that has two levels, a Main (Bridge Street and South Andrews Avenue) Level, and Upper Level. On the Main Level (so designated on the Plans) are a portion of Unit 1, and all of Unit 2 and Unit 3. Unit 1 is comprised of two non-contiguous areas. The Upper Level only contains the larger portion of Unit 1. The Main Level portion of Unit 1 is an area of 1,889 square feet, and the Upper Level consists of an area of 5,665 square feet, and which stairwell leads to an exit to Bridge Street. Appurtenant to Unit 1 is an entry and stairwell to the Upper Level, which entry and stairwell are Limited Common Elements to Unit 1, and an exterior storage area which is also a Limited Common Element allocated exclusively to Unit 1) Unit 2 contains a total area of 2,445 square feet, with an exit to South Andrews Avenue. Unit 3 contains a total area of 1,108 square feet, with an exit to Bridge Street.

All Units, Common Elements and Limited Common Elements are specifically shown on the Plans or particularly described in the Declaration. The Units are configured as shown on those plans attached hereto as Exhibit D prepared by Peter Y. Alberice, Registered Architect ("Plans"). The Building does not include any parking or parking rights.

The Plans are filed in Madison County Condominium File No. Plat Book 11 Page 29-33 of the Madison County Registry.

*Exhibit "C" to the Declaration of Condominium of  
Iron Horse Station Condominium*

**CERTIFICATE OF SURVEYOR**

STATE OF NORTH CAROLINA  
COUNTY OF MADISON

Eric S. McAbee, deposes and says:

That he is a registered land surveyor licensed under the provisions of Chapter 89C of the General Statutes of North Carolina and that as such he prepared the Condominium Survey of Iron Horse Station Condominium for Goss IHS, LLC, of 28 South Andrews Ave and 176 Bridge Street recorded in Plat Book 11, at Page 21, in the Office of the Register of Deeds for Madison County, North Carolina; That said Plat, which is incorporated by reference to a Declaration of Condominium by Goss IHS, LLC as Declarant of Iron Horse Station Condominium, dated the 18<sup>th</sup> day of February, 2026, and filed in the Office of the Register of Deeds for Madison County, North Carolina, and that it: (i) conforms to the requirements of subdivisions (1), (2), (3), (4), (5), (7), (8) and (9) of NCGS 47C-2-109(b), and (ii) meets the requirements of NCAC Title 21, Chapter 56 (Board Rules).

This Certificate is given under and in accordance and compliance with Chapter 47C-2-109(b)(6a) of the General Statutes of North Carolina, and the plat contains the surveyor information required by NCGS 47C-2-109.

This 24<sup>th</sup> day of February, 2026.



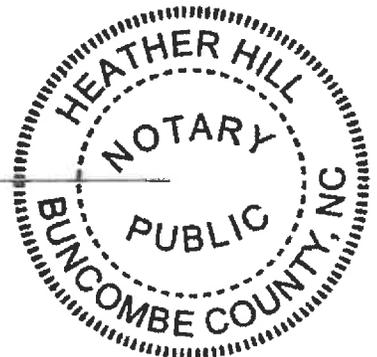
Eric S. McAbee, Professional Land Surveyor  
(N.C. Registration No. L-4095)

Sworn to and subscribed before me, this 24 day of February, 2026.



Notary Public

My commission expires: October 2, 2026



***Exhibit "D" to the Declaration of Condominium  
of  
Iron Horse Station Condominium***

**CERTIFICATE OF ARCHITECT**

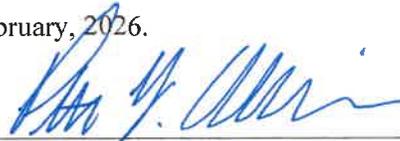
STATE OF NORTH CAROLINA  
COUNTY OF MADISON

Peter Y. Alberice, being duly sworn, deposes and says:

That he is an architect licensed under the provisions of Chapter 83 of the General Statutes of North Carolina and that as such she prepared the Plans for Iron Horse Station Condominium for Goss IHS, LLC; a North Carolina limited liability company; that said Plans as attached hereto and made a part hereof and as attached to a Declaration of Condominium by the said Goss IHS, LLC, dated the 18<sup>th</sup> day of February, 2026, and filed in the Office of the Register of Deeds for Madison County, North Carolina, simultaneously with such Declaration fully and accurately depict (i) the location and dimensions of the horizontally limiting boundaries of each unit, to the extent those boundaries lie within or coincide with the boundaries of the building in which the unit is located, (ii) the location of any vertically limiting boundaries, with reference to established datum, and (iii) an identifying number for each unit. Further, the structural components and mechanical systems of the building containing the condominium units are substantially complete.

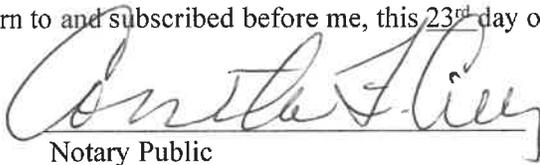
This Certificate is given under and in accordance and compliance with Chapter 47C-2-109 (b) (6) and 47C-2-101(b) of the General Statutes of North Carolina of the General Statutes of North Carolina.

Effective as of the 18<sup>th</sup> day of February, 2026.

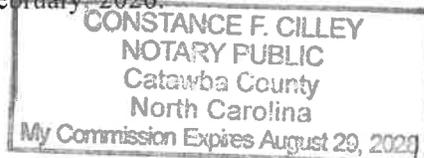


Peter Y. Alberice, Licensed Architect  
(NC Registration Number 4401)

Sworn to and subscribed before me, this 23<sup>rd</sup> day of February, 2026.



Notary Public



My commission expires: 8/29/2028

**EXHIBIT "E" TO THE DECLARATION OF CONDOMINIUM  
OF IRON HORSE STATION CONDOMINIUM  
Allocation of Common Element Ownership, Common Expense and Voting**

<u>Unit</u>	<u>Unit Square feet</u>	<u>Common Element Ownership, Common Expense and Voting %</u>
<b>Building 138 Biltmore</b>		
Unit 1	7,554.00	68.01%
Unit 2	2,445.00	22.01%
Unit 3	1,108.00	9.98%
Total all Units Square feet	11,107.00	100.00%

EXHIBIT F

BYLAWS OF IRON HORSE STATION CONDOMINIUM ASSOCIATION, INC.  
("ASSOCIATION")

ARTICLE I  
General Provisions

Section 1.1. Name. These Bylaws provide for the governance of the Condominium by the Unit Owners Association pursuant to the requirements of Section 47C-3-106 of the North Carolina Condominium Act (the "Condominium Act"). The name of the Unit Owners Association (hereinafter "Association" or "Unit Owners Association") shall be IRON HORSE STATION CONDOMINIUM ASSOCIATION, INC.

Section 1.2. Office. The office of the Condominium, the Unit Owners Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 1.3. Definitions. Terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws are attached as Exhibit F, or if not defined therein, the meanings specified for such terms in Section 47C-1-103 of the Condominium Act. The following terms have the following meanings in the condominium instruments:

(a) "Board of Directors" or "Board" means the executive organ established pursuant to Article 3 of these Bylaws and as defined in Section 47C-1-103(13) of the Act.

(b) "Common Element Interest" means the number allocated to each Unit by Exhibit E to the Declaration which establishes each Unit's undivided interest in the Common Elements, common expenses and votes in the Unit Owners Association.

(c) "Condominium instruments" shall be a collective term referring to the Declaration, Bylaws, and Plats and Plans, and any other documents relating to the Condominium recorded pursuant to the Condominium Act. Any exhibit, schedule or certification accompanying a condominium instrument and recorded simultaneously therewith shall be deemed an integral part of that condominium instrument. Any amendment or certification or any condominium instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument.

(d) "Common Expenses" means expenses made by or financial liabilities of the Association, together with any allocations to reserves.

(e) "Majority Vote" means a simple majority (more than fifty percent) of the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote means that percentage vote with respect to the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of condominium Units to which such percentage of the total number of votes appertain.

(f) "Mortgagee" or "First Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts including but not

limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust (“Mortgage”) encumbering a condominium Unit in the Condominium which has notified the Unit Owners Association of its status and has requested all rights under the condominium instruments. For purposes of Article 8 only, when any right is to be given to a Mortgagee, the Board of Directors shall also give such right to any public or private secondary mortgage market entity participating in purchasing or guaranteeing Mortgages if the Board has notice of such participation.

(g) “Officer” means any person holding office pursuant to Article 4 of these Bylaws.

(h) “Unit Owners Association” or “Association” means the non-profit corporation of all the Unit owners owning condominium Units in the Condominium.

## ARTICLE 2

### Unit Owners Association

Section 2.1. Composition. The Unit Owners Association shall consist of all Unit owners. For all purposes the Unit Owners Association shall act merely as an agent for the Unit owners as a group. The Unit Owners Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or managing agent, if any.

Section 2.2. Annual Meetings. The annual meetings of the Association shall be held on weekdays (other than legal holidays) at least thirty days before the beginning of each calendar year.

Section 2.3. Place of Meeting. Meetings of the Unit Owners Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit owners as may be designated by the Board of Directors.

Section 2.4. Special Meetings. (a) The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors; or (ii) upon a petition signed and presented to the Secretary by Unit owners of not less than twenty percent of the aggregate Common Element Interests. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.5 of these Bylaws, or else specify that the Secretary shall designate the date of the meeting, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Secretary. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Initially, Declarant shall appoint a Board of Directors in accordance with Section 3.3 herein. The Association shall publish the names and addresses of all Directors within 30 days of their election to office.

Section 2.5. Notice of Meetings. The Secretary shall notify each Unit owner of each annual

or regularly scheduled meeting of the Unit owners at least fifteen (15) but not more than thirty (30) days, and of each special meeting of the Unit owners at least five (5) but not more than twenty (20) days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this section and Section 11.1 of the Bylaws shall be considered service of notice.

Section 2.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit owners representing sixty-six percent (66.0%) or more of the total Common Element Interest shall constitute a quorum at all meetings of the Unit Owners Association. If at any meeting of the Unit Owners Association a quorum is not present, Unit owners of a majority of the Common Element Interests who are present at such meeting in person or by proxy may: (i) recess the meeting to such date, time and place as such Unit owners may agree not more than forty-eight (48) hours after the time the original meeting was called, whereupon the Secretary shall make reasonable efforts to notify Unit owners of such date time and place.

Section 2.7. Order of Business. The order of business at all meetings of the Unit Owners Association shall be as follows: (a) roll call (proof of quorum); (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of Board of Directors; (f) reports of committees; (g) appointment of inspectors of election (when so required); (h) election of directors (when so required); (i) unfinished business; and (j) new business; provided, however, that balloting for election of directors may commence at any time.

Section 2.8. Conduct of Meetings. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Condominium Act or the condominium instruments.

Section 2.9. Voting. (a) The total votes in the Association are allocated to Units by the Declaration. The votes allocated to a Unit may be cast by the Unit owner of that Unit. Where the ownership of a Unit is in more than one person or in the name of an entity, the person who shall be entitled to cast the vote for such Unit shall be the person named in the certificate executed by all of the owners of such a Unit and filed with the Secretary (if such a certificate is on file) or, in the absence of such named person from the meeting the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present, or the highest officer present in the event of a Unit owned by an entity. If more than one person owning such Unit is present, the votes allocated to that Unit may be cast only in accordance with the vote of a majority in interest of the multiple owners.

(b) Except where a greater number is required by the Condominium Act or by the condominium instruments, a vote of more than 50% of those in attendance voting their Unit's voting percentage is required to adopt decisions at any meeting of the Unit Owners Association.

(c) No Unit owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if payment by such Unit owner of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 2.10. Proxies. A vote may be cast in person or by proxy duly executed by a Unit owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register

protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Unit owner may not revoke a proxy given pursuant to this section except by written notice of revocation delivered to the person presiding over the meeting of the Association. A proxy is void if it is not dated and terminates one year after its date, unless it specifies a shorter term. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Such proxies may be granted by any Unit owner in favor of only another Unit owner, an officer, the Declarant or such Unit owners' mortgagee, attorney, or additionally in the case of a non-resident Unit owner, the Unit owners Lessee, attorney or rental agent. Only instructed proxies may be granted by any Unit owner to the managing agent.

Section 2.11. Actions Without Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association. In addition, notwithstanding the terms of the preceding sentence, any such action also may be taken by written ballot in accordance with the terms of the North Carolina Nonprofit Corporation Act

### ARTICLE 3 Board of Directors

Section 3.1. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act or the condominium instruments required to be exercised and done by the Association. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:

(a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each Unit owner for the common expenses.

(b) Make assessments against Unit owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit owners and establish the period of installment payment of the annual assessment for common expenses.

(c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium, including the Common Elements.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the assessments against the Unit owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property.

(f) Adopt and amend any rules and regulations; provided, however, that such rules and regulations shall not be in conflict with the Condominium Act or the Condominium Instruments.

(g) Open bank accounts on behalf of the Unit Owners Association and designate the signatures thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations, act on behalf of the Unit owners with respect to all matters arising out of any eminent domain proceeding, and notify the Unit owners of and litigation against the Unit Owners Association involving a claim in excess of ten percent of the amount of the annual budget.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article 6 of these Bylaws, pay the premiums therefore, adjust and settle and claims thereunder.

(k) Keep books and records in accordance with Section 47C-3-118 of the Condominium Act.

(l) Pay the cost of all authorized services rendered to the Unit Owners association and not billed to Unit Owners of individual Units or otherwise provided for in Sections 5.1 and 5.2 of these Bylaws.

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding sixty (60) days.

(q) Do such other things and acts not inconsistent with the Condominium Act or the condominium instruments which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association, or as set forth in Section 47C-3-102 of the Act.

Section 3.2 Managing Agent. The Board of Directors may contract with or employ any person, firm or corporation to serve as management agent for the Condominium and the Association, at a compensation established by the Board of Directors. Any such contract shall provide that it is terminable by the Association, with or without cause, upon not more than ninety (90) days' prior written notice and without payment of any penalty.

Section 3.3 Number and Term of Office. Subject to the terms of the Declaration, the initial Board of Directors shall consist of three (3) persons, who shall be selected by Declarant (but subject to the terms of the Act and election of one or more directors at such time as one or more Units have been transferred by Declarant, though the Declarant Control period has not expired. All actions taken by the Board must be voted on and approved by a vote of 66% or more of the Directors.

After the Declarant Control Period has expired, a special meeting shall be called and at such meeting for the election of Directors. The persons elected for terms of office necessary so that the term of office for generally one-third of the directors shall expire at each of the first three annual meetings after their election. The directors receiving the greatest vote shall be elected for the longest available terms. All directors elected thereafter shall be elected to serve for a term of three years.

Section 3.4. Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Unit Owners Association shall be held within thirty days thereafter at such time and place as shall be determined by a majority of the directors at the meeting at which such Board of Directors shall have been elected. No notice shall be necessary to the newly elected

directors in order legally to constitute such meeting if a majority of the entire Board of Directors is present at the meeting.

Section 3.5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, electronic mail, telegraph or telephone, at least three business days prior to the day named for such meeting.

Section 3.6. Special Meetings. Special meetings of the Board of Directors may be called by the President on three business days notice to each director, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

Section 3.7. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by such director of the time, place and purpose of such a meeting, unless such director upon arrival at the meeting immediately announces that the director's attendance is solely for the purpose of objecting to the meeting being held. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.8. Quorum of Board of Directors. At all meetings of the Board of Directors all of the directors must be present for a quorum to exist. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 3.9. Compensation. No director shall receive any compensation from the Condominium for acting as such.

Section 3.10. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Condominium Acts or the condominium instruments. At regular intervals, the Board shall provide Unit owners an opportunity to attend a portion of a meeting of the Board and to speak to the Board about their issues and concerns, however, at such times the Board may place reasonable restrictions on the number of persons who speak on each side of any issue, and may place time restrictions on persons who speak.

Section 3.11. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting of all of the directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.12. Liability of the Board of Directors, Officers, Unit Owners and Unit Owners Association.

(a) The officers and directors shall not be liable to the Unit Owners Association or any Unit owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act or the condominium instruments, except to the extent that such liability is satisfied by directors and officers liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners Association. The liability of any Unit owner arising out of any contract made by the Officers or Board of Directors, or out of the indemnification of the Officers or directors, or the damages as a result of injuries arising in connection with the Common Elements solely by virtue of ownership of a Common Element Interest therein or for liabilities incurred by the Unit Owners Association, shall be limited to the total liability multiplied by such Unit owner's Common Element Interest. Every agreement made by the Officers, the Board of Directors or a managing agent on behalf of the Unit Owners Association shall, if obtainable, provide that the Officers, the directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit owners). The Unit Owners Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer or director or the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with, such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Condominium.

(b) The Unit Owners Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a common expense, or for injury or damage to person or property caused by the elements or by the Unit owner of any condominium Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Unit Owners Association shall not be liable to any Unit owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Unit Owners Association to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 3.14. Common or Interested Directors. Each director shall exercise such director's powers duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Unit Owners Association and any of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board or Directors or any committee thereof which authorizes or approves the contract or transaction, or because such directors vote is counted for such purpose, if any of the conditions specified in any of the following subsections exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Unit owners, and the Unit owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Unit Owners Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such director of the Unit Owners Association were not an officer or director of such other corporation, firm or association or not so interested.

#### ARTICLE 4 Officers

Section 4.1. Designation and Duties. The principal Officers of the Unit Owners Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a vice president, an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary.

Section 4.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the Board of Directors. The Association shall publish the names and addresses of all officers within 30 days of their election to office. The Directors shall in good faith, and with reasonable judgement, determine which of each of them shall serve in the role of President, Secretary and Treasurer.

Section 4.3. Removal of Officers. Upon a vote of the Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4.4. President. The President shall: be the chief executive officer of the Unit Owners Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; and appoint committees from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.6. Secretary. The Secretary shall: keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the places to which all notices to Unit owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary.

Section 4.7. Treasurer. The Treasurer shall: be responsible for Unit Owners Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable

effects in the name of the Board of Directors, the Association or the managing agent, in such depositories as may from time to time be designated by the Board; and in general, perform all the duties incident to the office of treasurer.

Section 4.8. Execution of Documents. Unless authorized by a resolution of the Board of Directors: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditures or obligations in excess of \$1000 and all checks drawn upon reserve accounts, shall be executed by any two officers designated by the Board of Directors.

Section 4.9. Compensation of Officers. No Officer shall receive any compensation from the Unit Owners Association for acting as such Officer.

## ARTICLE 5 Operation of the Property

Section 5.1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Unit Owners Association shall be the calendar year beginning January 1 and ending December 31 unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budget

(1) At least sixty (60) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget (which shall consist of two Sub-Budgets, namely the Operating Budget and the Capital Budget) for the Unit Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by the Condominium Act, the condominium instruments or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit owners of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. Within thirty (30) days after adoption of any proposed budget, a summary notice shall be sent to each Unit owner which sets forth the amount of the common expenses and any special assessment payable by each Unit owner and shall set a date for a meeting of the Unit Owners to consider ratification of the budget, said meeting to be not less than fourteen nor more than thirty days after mailing of the summary. At said meeting (which shall not require that a quorum be present) the budget shall be considered as ratified upon a majority of all the Unit owners voting in favor of its adoption, it being understood that each Sub-Budget shall be considered and approved separately). In the event the proposed budget is rejected, the budget last ratified shall be continued until such time as the Unit owners ratify a subsequent budget proposed by the Board of Directors. The Sub-Budgets as ratified shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses.

(1) Subject to the provisions of subsection 9.1(a) hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the

budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to such Unit Owner's respective Common Element interest, except for Limited Common Expenses which shall be assessed against each Unit Owner benefited in proportion to the relative Common Element Interest of such Units inter se, or Common Expenses which shall be assessed against the Units benefited in proportion to the relative Unit share of such Units, inter se, and which assessments shall be a lien against each Unit Owner's Unit as provided in Section 9.2 of these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Unit Owner shall be obligated to pay to the Unit Owners Association (or its managing agent, if any), one-twelfth of such assessment. Within ninety (90) days after the end of each fiscal year, the Unit Owners Association shall supply to all Unit Owners, and to each mortgagee requesting the same, and itemized accounting of the common expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for that fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the Unit Owners, be credited according to each Unit Owners Common Element Interest to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted, or distributed to the Unit Owners. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Common Element Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six equal monthly installments, as the Board of Directors may determine.

(2) Any Common Expenses paid or incurred in making available the same off-site amenities to some or all of the Unit owners shall be assessed equally against the condominium Units involved, and (ii) any Common Expenses paid or incurred in providing metered utility services to some or all of the Units shall be assessed against each condominium Unit involved based on its actual consumption of such services, if determinable, and otherwise based on allocated Common Expense percentages).

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except for the normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against such reserves. Unless otherwise determined by a vote of the Board of Directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Unit owners. If the reserves are inadequate for any reason, including non-payment of any Unit owners assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Common Element Interests, and which may be payable in a lump sum or in installments as the Board may determine. The Board of Directors shall serve notice of any further assessment on Unit Owners by a statement in writing giving the amount and reasons therefore, and

such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Unit Owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in subsection (c).

(e) Initial Budget and Initial Capital Payment. Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this section, for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Unit owners during such period as provided in subsection (c).

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owners obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Unit Owners Association with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund or held for each Unit Owner in accordance with such Unit Owners Common Element Interest.

Section 5.2. Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses, including Limited Common Expenses, assessed by the Board of Directors pursuant to the provisions of Section 5.1 hereof. No Unit Owner may be exempted from liability for the assessment for Common Expenses by reason of waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against its Unit subsequent to a sale, transfer or other conveyance by it (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit. A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Common Expenses assessed against such Unit prior to the acquisition by the purchaser of such Unit, without prejudice to the purchaser's rights to recover such amounts from the seller.

Section 5.3. Collection of Assessments. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. If a Unit Owner is delinquent for more than sixty (60) days, the Board of Directors shall notify the First Mortgagee of such delinquency, as provided in Article XIV of the Declaration, and shall file a lien of record in the office of the Clerk of Superior Court for Madison County, North Carolina, in manner provided in Section 9.2 of these Bylaws.

Section 5.4. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for common expenses due from such Unit owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 5.5. Maintenance, Repair, Replacement and Other Common Expenses.

(a) By the Unit Owners Association. The Unit Owners Association shall be

responsible for the maintenance, repair and replacement of all the Common Elements (including the Limited Common Elements) as defined herein or in the Declaration, whether located inside or outside of the Units, the cost of which shall be charged to all Unit Owners as a Common Expense; provided, however, that the Board of Directors may elect not to do so if it determines that such maintenance, repair or replacement was necessitated by the negligence, misuse or neglect of a Unit Owner and provided, further, that each Unit Owner shall perform normal maintenance on the limited Common Elements appurtenant to such Unit Owners Unit and any portion of the remaining Common Elements which the Board of Directors pursuant to the Rules and Regulations has given such Unit Owner permission to utilize, including without limitation the items enumerated in subsection (b).

(b) By the Unit Owner.

(1) Each Unit Owner shall keep the Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition. Each Unit Owner shall perform this responsibility in such a manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit owner shall promptly report to the Board of Directors or the managing agent any defect or need for repairs for which the Association is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element is appurtenant shall perform the normal maintenance for such Limited Common Element, including keeping it in a clean and sanitary condition and shall also make all repairs caused by the Unit Owner's misuse or neglect. All structural repair or replacement shall be made by the Association as a common expense, as provided in subsection (a).

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 5.6. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations, or improvements collectively on an annual basis costing in excess of ten percent (10%) of the Capital Budget, the Board of Directors shall assess all Unit Owners for the cost thereof as a Common Expense.

Section 5.7. Additions, Alterations or Improvements by the Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to the Unit without the prior written consent of the Board of Directors. No Unit Owner shall paint or alter any Common Element or the exterior of a Unit, including the doors and windows, without the prior written consent of the Board of Directors.

Section 5.8. Restrictions on Use of Units and Common Elements; Rules and Regulations.

(a) Restrictions. Each Unit and the Common Elements shall be occupied and used as follows:

(1) No Unit shall be used for housing or residential purposes; however, this prohibition shall not be interpreted to prohibit Unit 1 from use as overnight and periodic lodging/hotel/motel. All Units shall be used for non-residential purposes, which shall include only office or institutional use or any other non-residential use which is permitted and approved under applicable zoning regulations.

(2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of property and casualty insurance for the Property without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in any Unit which would cause the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be permitted on the Common Elements.

(3) No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then cost of such compliance shall be a common expense.

(4) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements (except those areas designated for such storage, if any, by the condominium instruments or the Board of Directors) without the approval of the Board. Nothing shall be altered or constructed in or removed from the Common Elements except with the prior written consent of the Board of Directors.

(5) Subject to the terms of the Declaration, no Unit owner shall lease a Unit other than on a written form of lease (however, lease forms shall not be required of overnight or periodic guests staying in Unit 1 overnight): (i) requiring the lessee to comply with the Condominium Instruments and the Rules and Regulations of the Association; (ii) providing that failure to comply constitutes a default under the lease, and (iii) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder after forty-five (45) days prior written notice to the Unit Owner, in the event of a default by the tenant in the performance of the lease.

(6) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited within any Unit or upon the Common Elements, and no domestic pets are allowed or permitted (other than Pet Visitors and Office Pets as defined by the Association Board of Directors in the Rules and Regulations, it being understood that the rules related to Office Pets shall not be revised absent an amendment to these Bylaws) unless the Board of Directors promulgates rules and regulations allowing same, which is within its absolute and sole discretion.

(7) All signs or displays must fully comply with the Declaration, the Rules and Regulations and the ordinances of the City of Asheville.

(8) No Unit shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple Unit Owners, cooperators, licensees, or timesharing participants.

(9) None of the following uses shall be allowed in or on the Building, Property or Condominium, or in any Unit, at any time: pawn shops, gun shops, adult bookstores, adult video stores, strip clubs, vape shop or pet stores.

(b) Changes to Rules and Regulations. Each Unit and the Common Elements shall be occupied and used in compliance with reasonable Rules and Regulations which may be promulgated

and changed by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit owner. Changes to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

Section 5.9. Right of Access. By acceptance of the deed of conveyance, and subject to the restrictions contained in the Declaration pertaining to any Unit operated as a pharmacy, each Unit Owner thereby grants a right of access to the Unit, as provided by the Condominium Act and the Declaration, to the Board of Directors or the managing agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in the Unit or in a Common Element to which access is obtained through the Unit threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical systems or the Common Elements in the Unit or elsewhere on the Property or to correct any condition which violated any Mortgage; provided, however, that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the owner is present. Each Unit owner shall provide a working copy of all Unit keys to the Unit Owners Association.

Section 5.10. Utility Charges; User Fees. The cost of utilities serving the Condominium not individually metered to a Unit may be common expenses allocated pursuant to Section 5.1 hereof.

## ARTICLE 6 Insurance

Section 6.1. Authority to Purchase; Notice. (a) Except as otherwise provided in Section 6.5 hereof, all insurance policies relating to the Property shall be purchased by the Board of Directors. The Board of Directors shall not be liable for failure to obtain any type of coverage required by this Article 6 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such type of coverage from reputable insurance companies, or if such type of coverage are so available only at demonstrably unreasonable cost. The Board of Directors shall promptly furnish to each Unit Owner written notice of the procurement of, subsequent changes in, or termination of, types of insurance coverage obtained on behalf of the Unit Owners Association, in compliance with Section 47C-3-1 13 of the Condominium Act.

(b) Each such policy shall provide that:

(1) The Insurer waives any right to claim by way of subrogation against the Declarant, the Unit Owners Association, the Board of Directors, the managing agent or the Unit Owners, and their respective guests, invitees, tenants, agents and employees and, in the case of the Unit Owners, and their officers, managers, members and employees;

(2) Such policy shall not be canceled, invalidated or suspended due to the conduct of any Unit Owner (including such Unit owners guests, invitees, tenants, agents and employees) or of any member, officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect, and neither shall have so cured within sixty days after such demand;

(3) Such policy may not be canceled or substantially modified (including cancellation for non-payment) without at least sixty (60) days prior written notice to the Board of

Directors, the managing agent and all Mortgagees.

(c) The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as a Unit Owner.

(d) All policies of insurance shall be written by reputable companies licensed or qualified to do business in the State of North Carolina.

(e) The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense; provided, however, that the Association may, pursuant to subsection 5.5 (a) of these Bylaws, assess any deductible amount necessitated by the negligence, misuse or neglect of a Unit Owner against such Unit Owner.

Section 6.2. Property Insurance. (a) The Board of Directors shall obtain and maintain a special form policy of property insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsement, insuring the entire Property (including without limitation all of the Units and the fixtures initially installed therein by the Declarant, and replacements thereof up to the value of those initially installed by the Declarant, but not including furniture, improvements, betterments and additions, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning and heating equipment and other service machinery contained therein and covering the interest of the Unit Owners Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear, in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be re-determined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property, owned by the Unit Owners Association.

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;

(2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or Unit owner of their agents when such act or neglect is not within the control of the insured, or the Unit Owners collectively, nor by any failure of the insured, or the Unit Owners collectively; nor by any failure of the insured, or the Unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the Unit Owners collectively, have no control); (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws or codes"; (iv) "increased cost of construction"; and (v) "agreed amount" or elimination of coinsurance clause; and

(3) That any "no other insurance" clause expressly exclude individual Unit Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees, unless otherwise required by law.

Section 6.3. Other Insurance. The Board of Directors shall obtain and maintain all other forms and types of insurance as is required by the Declaration, consistent with the terms of Section

6.1 of these Bylaws.

## ARTICLE 7

### Repair and Reconstruction After Fire or Other Casualty

Section 7.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 7.4, in the event of damage to or destruction of all or any part of the Building as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof (including without limitation any damaged Units, and the floor coverings, improvements, betterments, fixtures and appliances originally installed therein by the original Building contractor (adjusted for inflation), and replacements thereof installed by the Unit Owners up to the value of those originally installed by the original Building contractor, but not including any furniture, furnishings, improvements, betterments, fixtures, equipment or other personal property supplied or installed by the Unit Owner). Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecoration of their Unit.

Section 7.2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of the Building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring such portion (including without limitation any damaged Units and any floor coverings and fixtures and appliances originally installed by the original Building contractor, and the replacements thereof installed by the Unit Owners up to the value of those initially installed by the Declarant, but not including any other furniture, furnishings, improvements, betterments, fixtures or equipment installed by the Unit Owner in the Unit unless covered by insurance obtained by the Unit Owners) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the insurance trustee determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a common expense and a special assessment therefore shall be levied.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of Property, subject to any modification required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible; provided, however, that other action may be taken if approved by at least fifty one percent of the Mortgagees.

Section 7.3. Disbursements of Construction Funds. The proceeds of insurance collected on account of casualty, and the sums received by the insurance trustee from collections of assessments against Unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair as determined by the Board of Directors.

Section 7.4. When Reconstruction Is Not Required. If the Board of Directors elects not to repair insubstantial damage to the Common Elements, the Board of Directors shall remove all

remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Condominium and the balance of any insurance proceeds received on account of such damage shall be distributed or credited, as the Board of Directors may decide, to all Unit owners in proportion to their respective Common Element Interests. If the Condominium shall be terminated pursuant to Section 47C-2- 118 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the insurance trustee among all Unit Owners in proportion to their respective Common Element Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefore, the amount of any unpaid liens on the Unit in the order of priority of such liens.

## ARTICLE 8 Mortgages

Section 8.1. Notice of Board of Directors. A Unit Owner who mortgages the Unit shall notify the Board of Directors of the name and address of the Mortgagee and, upon request, shall file a conformed copy of the Mortgage with the Board.

Section 8.2. Notice of Default, Casualty or Condemnation. The Board of Directors when giving notice to any Unit Owner of a default in paying an assessment for common expenses (which remains uncured for sixty days) or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty when required by Section 6.2 (c) hereof, of all actions taken under Article 7 and of any taking in condemnation or by eminent domain pursuant to Section 47C-1 -107 of the Condominium Act and actions of the Unit Owners Association with respect thereto, in addition to other notices required under Article XIV of the Declaration.

## ARTICLE 9 Compliance and Default

Section 9.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Condominium Act, condominium instruments and Rules and Regulations, as any of the same may be amended from time to time. In addition to the remedies provided in Section 47C-3-116 of the Condominium Act, a default by a Unit owner shall entitle the Association, acting through its Board of Directors or through the managing agent, to the following relief.

(a) Additional Liability. Each Unit Owner shall be liable to the Association or to any affected Unit Owner for the expense of all maintenance, repair or replacement rendered necessary by such Unit Owners act, neglect or carelessness or the act, neglect or carelessness of any Unit Owners guests, invitees, tenants, agents or employees, but only to the extent that such expense is not covered by an insurance policy carried by the Board of Directors. Such liability shall include any increased casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Condominium Act, the condominium instruments and the Rules and Regulations by any Unit Owner (or any of Unit Owners guests, invitees, tenants, officers, directors, members, managers, agents or employees) may be assessed

against such Unit Owner's Unit.

(b) No waiver of rights. The failure of the Unit Owners Association, the Board of Directors or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the condominium instruments or the Condominium Act shall not constitute a waiver of the right of the Association, the Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Unit Owners Association, the Board of Directors or any Unit owner pursuant to any term, provision, covenant or condition of the condominium instruments or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the condominium instruments or the Condominium Act or at law or in equity.

(c) Interest. In the event of a default by any Unit Owner in paying any sum assessed against the condominium Unit other than for common expenses which continues for a period in excess of fifteen days, interest at a rate of eighteen (18%) percent per annum or such greater rate not to exceed the maximum permissible interest rate allowed by law may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid. The Board of Directors shall also have the right to impose uniform late payment charges for delinquent Common Expense payments, which charges shall be recoverable by the proceedings specified below.

(d) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any provision of the condominium instruments or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the Common Elements or in any Unit; or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, continuance of any breach.

(e) Legal Proceedings. Failure to comply with any of the terms of the condominium instruments and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved Unit owner and shall not constitute an election of remedies.

(f) Charges. In accordance with Section 47C-3-102(11) of the Condominium Act, the Board of Directors may levy reasonable charges against Unit Owners for violations of the Condominium Act, the condominium instruments or the Rules and Regulations by the Unit Owner, or any of Unit Owners guests, invitees, tenants, officers, directors, members, managers, agents or employees. Each day a violation continues, after notice is given to the Unit Owner, is a separate violation. If a Unit Owner requests in writing a hearing before the charge is imposed, the imposition of the charge shall be suspended until the hearing is held. Charges are special assessments and shall be collectible as such.

Section 9.2. Lien of Assessments.

(a) Lien. The total annual assessment of each Unit owner for common expenses or any special assessment, or any other sum duly levied (including without limitation charges, interest, and late charges), made pursuant to these Bylaws and remaining unpaid for a period of thirty days or longer shall constitute a lien on that Unit when filed of record in the Office of the Clerk of Superior Court of Madison County, North Carolina, pursuant to Section 47C-3-116 of the Act. Such lien shall be prior to all other liens excepting only (i) assessments, liens and charges for real estate taxes due and unpaid on the Unit and (ii) all sums unpaid on any First Mortgage duly recorded against the Unit prior to the docketing of such lien.

The lien for unpaid assessments shall not be affected by the sale or transfer of any Unit, except in the case of a foreclosure of a First Mortgage on such Unit, in which event the purchaser at foreclosure shall not be liable for any assessments against such Unit that became due prior to the date of acquisition of title by such purchaser. Such unpaid assessments shall be deemed Common Expenses collectible from all Owners of Units, including the purchaser at foreclosure

(b) Acceleration. In any case where an assessment against a Unit owner is payable in installments, upon a default by such Unit owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire remaining balance declared immediately due and payable, upon written notice being given to the defaulting Unit Owner.

(c) Enforcement. The lien for assessments may be enforced and foreclosed pursuant to the provisions of Section 47C-3-116 of the Act and the other provisions of the North Carolina General Statutes referenced therein.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE 10  
Amendments to Bylaws

10.1 Amendments. Amendments to these Bylaws shall be proposed and adopted in the following manner.

(a) Amendments to these Bylaws may be proposed by the Board of Directors acting upon a vote in accordance with the terms of the Declaration, whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment to these Bylaws being proposed by said Board of Directors or members, such proposed amendment shall be transmitted to the President or other officer of the Association in absence of the President, who shall thereupon call a Special Joint Meeting of the Board of Directors and Association membership not earlier than twenty (20) days or later than thirty (30) days from receipt by such officer of the proposed amendment, and it shall be the duty of the Secretary to give each director and member written or printed notice of such meeting in the same form and the same manner as required for notice of any members' meeting.

(c) In order for such Amendment to become effective, the same must be approved by

a 66% or more vote or written consent of the Board of Directors and, except as otherwise set forth herein, by an affirmative vote of the members owning a 66% of the voting rights in the Association. No amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights and priorities of any First Mortgagee without the consent of such First Mortgagee.

(d) Notwithstanding that the original Bylaws of the Association are recorded in the Madison County Registry, amendments hereto are not required to be recorded in the public registry in order to be effective.

## ARTICLE 11

### Miscellaneous

Section 11.1. Notices. All notices, demands, bills, and statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return-receipt requested, postage prepaid, (i) if to a Unit owner, at the address which the Unit owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit owner, or (ii) if to the Unit Owners Association, the Board of Directors or to the managing agent, at the principal office of the Unit Owners Association or at such other address as shall be designated by notice in writing to the Unit owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designated an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 11.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 11.3. Gender. The use of masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and *vice versa*, whenever the context so requires.

Section 11.4. Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied. The failure to comply strictly with the time periods required by the Condominium Instruments, unless also required by the Condominium Act, shall not invalidate any action of the Board of Directors or the Unit Owners Association in the absence of a written objection by the Declarant or a Unit owner within ten (10) days after the failure to comply. Should any of the terms of these Bylaws conflict with any of the provisions of the Act, the provisions of the Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. In case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph or clause of these Bylaws or application thereof to any person or circumstance is judicially held to be invalid, such determination shall not affect the enforceability, validity or affect the remainder of these Bylaws, or the application thereof to any other person or circumstance.

## EXHIBIT G

### IRON HORSE CONDOMINIUM BUILDING INITIAL RULES & REGULATIONS

TO ASSURE THAT ALL UNIT OWNERS OF THE IRON HORSE STATION CONDOMINIUM ENJOY UNIFORM STANDARDS IN ORDER TO PROVIDE A CONGENIAL COMMUNITY, THE OWNERS OF ALL UNITS, THEIR INVITEES, TENANTS AND/OR GUESTS SHALL ABIDE BY THE FOLLOWING RULES AND REGULATIONS, WHICH THE ASSOCIATION MAY AMEND AT ANY TIME WITHOUT A RECORDED AMENDMENT TO THE DECLARATION:

1. NO UNLAWFUL USE SHALL BE MADE OF THE CONDOMINIUM PROPERTY OR ANY PART THEREOF. NO USE MAY BE MADE WHICH WOULD BE IN VIOLATION OF ANY FEDERAL, STATE, COUNTY OR MUNICIPAL LAW, STATUTE, ORDINANCE OR ADMINISTRATIVE RULE OR REGULATION, OR WOULD BE INJURIOUS TO THE REPUTATION OF THE CONDOMINIUM.

2. PETS OR ANIMALS MAY NOT BE KEPT IN UNITS, HOWEVER THIS PROHIBITION IS NOT INTENDED TO PROHIBIT: 1) "PET VISITORS" TO THE BUILDING AND UNITS IF PERMISSIBLE UNDER LOCAL ORDINANCES APPLICABLE TO THE BUSINESS WITHIN THE UNIT ("PET VISITOR" IS DEFINED AS NON-ROUTINE, NON-PERIODIC, BUT ONLY OCCASSIONAL VISIT TO THE BUILDING OF A PET AS ALLOWED BY A UNIT OWNER), OR 2) A UNIT OWNER HAVING ONE "OFFICE PET" IN AN OFFICE WITHIN UNIT ("OFFICE PET" IS DEFINED AS A PET THAT IS OWNED BY A UNIT OWNER, OR A TENANT OF A UNIT AND ACCOMPANIES THE OWNER OR TENTANT TO THE OFFICE ON A DAILY BASIS), BUT AS TO EITHER EXCEPTION, ONLY SO LONG AS SUCH PET IS NOT DISRUPTIVE TO ANY OTHER UNIT OWNER OR TENANT OF A UNIT OWNER IN THE BUILDING, AND SO LONG AS THE PET IS AT ALL TIMES RESTRAINED ON A LEASH OR OTHER RESTRAINT AS APPROPRIATE FOR EACH SUCH PET.

3. EXCEPT AS MAY BE PERMITTED IN THE DECLARATION, NO IMPROVEMENTS OR ALTERATIONS SHALL BE MADE TO THE EXTERIOR OF ANY UNIT, INCLUDING, BUT NOT UNLIMITED TO THE PAINTING OR OTHER DECORATION, OR THE INSTALLATION OF ELECTRICAL WIRING, TELEVISION OR RADIO ANTENNAE OR RECEIVERS, SATELLITE TRANSMISSION RECEIVERS, OR ANY OTHER OBJECTS, EQUIPMENT OR MACHINERY WHICH MAY PROTRUDE THROUGH THE WALLS, ROOF OR WINDOWS OF THE UNIT, THAT WOULD IN ANY MANNER ALTER THE APPEARANCE OF ANY PORTION OF THE EXTERIOR SURFACE OF THE BUILDING WITHOUT THE PRIOR WRITTEN CONSENT OF THE BOARD OF DIRECTORS. NO OBJECTS OR THINGS SHALL BE AFFIXED TO, PLACED ON OR GROWN UPON THE COMMON ELEMENTS OR THE LIMITED COMMON ELEMENTS, AND NO IMPROVEMENTS OR ALTERATIONS SHALL BE MADE THAT WOULD IN ANY MANNER CHANGE THE APPEARANCE OF THE COMMON ELEMENTS OR LIMITED COMMON ELEMENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE BOARD OF DIRECTORS. NOTWITHSTANDING THE ABOVE, WITH RESPECT OT UNITS THAT HAVE WINDOW-ENCLOSED LIGHT WELLS, UNIT OWNERS AND OCCUPANTS ARE PERMITTED TO DECORATE THE AREA WITHIN THESE AREAS (SUCH AS POTTED PLANTS BEING PLACED ADJACENT THERETO AND WHICH ARE VISIBLE FROM THE OUTSIDE).

4. EACH UNIT OWNER SHALL PERMIT THE BOARD OF DIRECTORS OF THE ASSOCIATION OR THE MANAGING AGENT (IF ANY), OR THEIR REPRESENTATIVES OR AGENTS, TO ENTER ANY UNIT FOR THE MAINTENANCE, REPAIR OR REPLACEMENT OF ANY ITEM WITHIN THE UNIT OR IN ANY OF THE COMMON ELEMENTS. IN FURTHERANCE OF THIS PROVISION, THE ASSOCIATION OR ITS REPRESENTATIVE MAY RETAIN A PASS KEY TO EACH UNIT SO AS TO PERMIT MAINTENANCE PERSONNEL TO ENTER THE UNIT IN CASE OF ANY EMERGENCY

OR THE PROLONGED ABSENCE OF THE OWNER. NO OWNER SHALL ALTER ANY LOCK OR INSTALL A NEW LOCK ON ANY OF THE PREMISES EXTERIOR DOORS WITHOUT THE WRITTEN CONSENT OF THE ASSOCIATION OR THE ASSOCIATION'S REPRESENTATIVE. IN CASE SUCH CONSENT IS GIVEN, THE OWNER SHALL PROVIDE THE ASSOCIATION OR IT'S REPRESENTATIVE WITH AN ADDITIONAL KEY FOR EMERGENCY ACCESS.

5. NO SIGN, ADVERTISEMENT, NOTICE OR OTHER LETTERING SHALL BE VISIBLY DISPLAYED ON THE EXTERIOR OF THE BUILDING OR IN ANY OF THE EXTERIOR COMMON ELEMENTS EXCEPT AS MAY BE DETERMINED ACCEPTABLE BY THE ASSOCIATION, AND WHICH IS ALSO ACCEPTABLE TO, OR APPROVED BY, THE TOWN OF HOT SPRINGS. NOTWITHSTANDING THIS GENERAL PROHIBITION, THE OWNERS OF THE UNITS ARE PERMITTED TO KEEP IN PLACE AND MAINTAIN SIGNAGE EXTERIOR TO THE BUILDING ON THE COMMON ELEMENTS IDENTIFYING THEMSELVES AND IN KEEPING WITH THE EXISTING EXTERIOR SIGNS, BUT SUBJECT TO ANY APPLICABLE OR FUTURE ORDINANCE. ANY SIGN, ADVERTISEMENT, NOTICE OR LETTERING DISPLAYED IN VIOLATION OF THIS REGULATION WILL BE SUBJECT TO REMOVAL WITHOUT NOTICE. THE SIGNAGE ON THE CONDOMINIUM PROPERTY AS OF THE DATE OF RECORDING OF THE DECLARATION OF CONDOMINIUM IS DEEMED ACCEPTABLE.

6. UNLESS OTHERWISE APPROVED BY THE BOARD OF DIRECTORS, NO AWNINGS OR OTHER PROJECTIONS SHALL BE ATTACHED TO THE OUTSIDE WALLS OF THE BUILDING BY ANY OWNER OR OCCUPANT OF A UNIT AND NO OTHER MODIFICATIONS SHALL BE PERMITTED TO THE EXTERIOR OF ANY UNIT. THE AWNINGS ON THE BUILDING AS OF THE DATE OF RECORDING OF THE DECLARATION OF CONDOMINIUM ARE DEEMED ACCEPTABLE.

7. UNIT OWNERS SHALL MAINTAIN IN GOOD CONDITION AND REPAIR ALL INTERIOR SURFACES AND FIXTURES OF THEIR CONDOMINIUM UNIT. ALL UNIT SPECIFIC PLUMBING, HEAT/AIR CONDITIONING AND VENTILATION AND ELECTRICAL EQUIPMENT AND FIXTURES SHALL BE MAINTAINED AND REPAIRED AND PAID FOR BY THE UNIT OWNER. NO STRUCTURAL ALTERATIONS SHALL BE MADE WITHOUT THE PRIOR APPROVAL OF THE ASSOCIATION.

8. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR ANY DAMAGE TO THE COMMON ELEMENTS CAUSED BY THEMSELVES, OR THE GUESTS, TENANTS OR OCCUPANTS OF THEIR RESPECTIVE UNIT.

9. THE ASSOCIATION ASSUMES NO RESPONSIBILITY OR LIABILITY FOR ANY LOSS OR DAMAGE TO ARTICLES STORED IN ANY COMMON ELEMENTS OR LIMITED COMMON ELEMENTS OR ANY OTHER STORAGE AREA WITHIN OR WITHOUT THE BUILDING. THIS RULE IS NOT TO BE INTERPRETED AS GRANTING PERMISSION TO ANY UNIT OWNER TO STORE ANYTHING IN THE COMMON ELEMENTS.

10. UNIT OWNERS SHALL NOT PERMIT ANYTHING TO BE DONE TO THE UNIT OR KEEP ANYTHING IN THE UNIT WHICH WOULD INCREASE THE INSURANCE RATES INCURRED BY THE ASSOCIATION.

11. UNIT OWNERS SHALL MAINTAIN THEIR RESPECTIVE UNIT IN A CLEAN AND SANITARY MANNER AT ALL TIMES AND SHALL NOT ALLOW ANYTHING WHATSOEVER TO FALL FROM THE WINDOWS OR DOORS OF THEIR UNIT, NOR SWEEP OR THROW FROM THE UNIT, ANY DIRT OR OTHER SUBSTANCE INTO ANY OF THE COMMON ELEMENTS.

12. NO GARBAGE CANS, SUPPLIES OR OTHER ARTICLES SHALL BE PLACED IN ANY COMMON ELEMENT AREAS. GARBAGE AND REFUSE MAY ONLY BE PLACED IN AREAS WITHIN THE COMMON ELEMENTS OF THE CONDOMINIUM, OR TO THE EXTERIOR, AS SPECIFICALLY DESIGNATED BY THE ASSOCIATION.

13. SIDEWALK ENTRANCES MUST NOT BE OBSTRUCTED AND SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN INGRESS AND EGRESS TO AND FROM THE BUILDING.

15. NO DISCHARGE OF FIREARMS OR FIREWORKS SHALL BE PERMITTED ON ANY PART OF THE CONDOMINIUM.

16. IN THE EVENT OF A MANAGEMENT AGREEMENT BETWEEN THE CONDOMINIUM ASSOCIATION AND A MANAGING AGENT, ROUTINE ENFORCEMENT OF THESE RULES AND REGULATIONS SHALL BE THE RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING AGENT AND THEY SHALL HAVE FULL AUTHORITY TO IMPLEMENT, INTERPRET AND APPLY THE RULES AND REGULATIONS IN ACCORDANCE WITH ESTABLISHED PROCEDURES.

17. ALL UNIT OWNERS, GUESTS OF OWNERS AND ANYONE ELSE USING OR VISITING ANY UNIT OR THE COMMON ELEMENTS SHALL CONFORM TO AND ABIDE BY ALL TERMS, CONDITIONS AND OBLIGATIONS IMPOSED BY THE DECLARATION OF CONDOMINIUM AND BYLAWS OF THE ASSOCIATION, AND THESE RULES AND REGULATIONS AS THE SAME MAY HAVE BEEN, OR MAY BE, AMENDED FROM TIME TO TIME, AND ANY OTHER DOCUMENTS OR AMENDMENTS THERETO EXECUTED PURSUANT TO THE DECLARATION OF CONDOMINIUM, BYLAWS OF THE ASSOCIATION OR THESE RULES AND REGULATIONS.