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DEPUTY

NEW HANOVER COUNTY,

TAMMY THEUSCH BEASLEY

REGISTER OF DEEDS

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ELECTRONICALLY RECORDED

Prepared by and return to Kennon Craver, PLLC (WAA), PO Box 51579, Durham, NC 27717-1579

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

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

DECLARATION OF RIVER PLACE CONDOMINIUM

THIS DECLARATION OF RIVER PLACE CONDOMINIUM is made to be effective as of this 30 day of March, 2020 by SCP-EW River Place LLC, a Delaware limited liability company (hereinafter referred to as "**Declarant**"). Declarant hereby states and declares as follows:

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in the City of Wilmington, New Hanover County, North Carolina that is part of the River Place development, more particularly described on Exhibit A attached hereto, in which it has constructed a building or buildings intended to contain residential condominium units and certain other improvements; and

WHEREAS, Declarant desires to submit said real property and the improvements located therein (collectively, the "Property") to the terms and provisions of the North Carolina Condominium Act and by so doing intends to protect the value and the desirability of the Property, further a plan for condominium ownership of the Property, create a harmonious and attractive development, and promote and safeguard the health, comfort, safety, convenience and welfare of the owners of the condominium units;

Submitted electronically by "Kennon Craver, PLLC"
 in compliance with North Carolina statutes governing recordable documents
 and the terms of the submitter agreement with the New Hanover County Register of Deeds.

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

ARTICLE I **DEFINITIONS**

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

10 Grace Street means the portion of the midrise “wrapper” along portions of Grace Street and Water Street River Place containing Units. 10 Grace Street will be within the Property and will be part of the Building.

14 Grace Street means the portion of the twelve story high rise tower at the north end of River Place containing residential dwelling units. 14 Grace Street is not part of the Property and does not contain Units, but Declarant reserves the right to add 14 Grace Street to the Property which would add Units to the Condominium and will be part of the Building.

240 N. Water Street means the portion of the thirteen story high rise tower at the south end of River Place containing Units. 10 Grace Street will be within the Property and will be part of the Building.

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

Articles or Articles of Incorporation means the articles of incorporation filed with the office of the North Carolina Secretary of State which establishes River Place Condominium Association as a North Carolina nonprofit corporation.

Association means the Unit Owners' association as defined by the Act, and also means the River Place Condominium Association, the nonprofit corporation by which the Unit Owners' association shall operate the Condominium.

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

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

Building means the structure or structures known as 240 N. Water Street and 10 Grace Street (both defined above) containing Units which comprises a part of the Property.

Common Elements means all portions of the Condominium other than the Units.

Common Expenses means the expenses for which the Unit Owners are liable to the Association consisting of expenditures made by, or financial liabilities of, the Association including, but not limited to, expenses of administration, maintenance, insurance, operations, repair or replacement of the Common Elements, allocations to general operating reserves and any authorized additions thereto, any amount for

general working capital, amounts for a reserve fund for replacements, and to make up any deficit in assessments for Common Expenses for any prior year and any expense or liability covered by the levy of a special assessment, and may include expenses for which the Owners are liable in accordance with the River Place Documents.

Common Interest means each Unit Owner's undivided interest in the Common Elements which is appurtenant to each Unit, and each Unit Owner's proportionate share in the revenues, if any, and liability for Common Expenses. Reference is made to the definition below of Voting Interest.

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

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

Condominium Documents means this Declaration and the Articles of Incorporation and Bylaws for the Association.

Declaration means this Declaration of Condominium, as it may be amended from time to time, which shall be recorded in the New Hanover County Registry, together with the Plat, thereby establishing River Place Condominium by subjecting the Property to the Act.

Declarant means SCP-EW River Place LLC, a Delaware limited liability company with its principal place of business in Orange County, North Carolina, and its successors and assigns.

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

Limited Common Elements means the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of N.C.G.S. § 47C-2-102(2) and (4) of the North Carolina Condominium Act.

Owner or Unit Owner has the same definition as "Co-owner" as set forth above in this Article 1.

Period of Declarant Control means the period during which the Declarant shall control the Association, which period shall commence on the date this Declaration is recorded and continue until the earlier of (i) 120 days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than Declarant; (ii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) two years after any development right to add new Units was last exercised.

Plat means the survey of the Property and the plans for the Condominium recorded in the New Hanover County Registry in Condominium Plat Book 19, Pages 134 through 156, inclusive. The Plat is hereby incorporated herein by reference and is made an integral part of this Declaration.

Property means and includes the three dimensional areas of air, the Building, all other improvements and structures therein, as described in Exhibit A attached hereto and incorporated herein by reference, and all easements, rights and appurtenances belonging thereto.

River Place means the development in downtown Wilmington, North Carolina, generally existing between N. Water Street, Grace Street, Chestnut Street and a private alley known as Nutt Street on the 1.403 acre lot shown on the plat recorded in Map Book 61, Page 384, New Hanover County Registry.

River Place Documents has the meaning given in section 10.7 of this Declaration.

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

Unit or Condominium Unit means the physical portion of the Condominium which is designated for separate ownership, the boundaries of which are described in section 3.2 hereof and which are shown on the Plat.

Voting Interest means the interest allocated to each Unit for the purposes of voting in the Association. Each Unit is allocated an equal vote; therefore, the Voting Interest allocated to each Unit is different than the Common Interest allocated to each Unit.

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

ARTICLE II

SUBMISSION OF PROPERTY TO CONDOMINIUM ACT

2.1 Submission of Property. Declarant hereby submits the Property to the provisions of the Act. The Property will be administered in accordance with the provisions of the Act, the Declaration, the Bylaws, and the Articles.

2.2 Condominium Name. The name of the Condominium is "River Place Condominium".

2.3 Plat and Plans. The Property is located in City of Wilmington, New Hanover County, North Carolina. Attached hereto as Exhibit A is a legal description of the Property, which Property is more particularly shown on the Plat. The architectural plans filed as part of the Plat show and describe the Units and certain Limited Common Elements.

2.4 Number of Units. Declarant hereby establishes within the Property ninety two (92) Units and does hereby designate all such Units for separate ownership. The maximum number of Units permitted in the Condominium is two hundred (200). Subdivision of Units is prohibited. Unit boundaries are described in below section 3.2 and on the Plat. Identifying Unit numbers and Unit locations are also shown on the Plat.

2.5 Association Membership. Each Owner shall be a member of the Association, and each Owner shall be entitled to one (1) vote in the Association.

2.6 Limited Common Elements Generally. Other than those portions of Common Elements allocated by operation of N.C.G.S. § 47C-2-102(2) or (4) and those created and allocated by operation of section 4.2 below, there are no additional Limited Common Elements.

2.7 Special Declarant Rights. Declarant reserves all Special Declarant Rights for the entire Property as defined above in Article I including the following:

- (a) To complete any and all improvements indicated on the Plat;
- (b) To construct and maintain any sales offices, management offices, signs advertising the Condominium (including "For Sale" or "For Rent" signs), or model or guest rooms in any of the Units or on any of the Common Elements shown in the Condominium;
- (c) To use those easements through any Common Elements which are reasonably necessary for the purpose of making any improvement indicated on the Plat, or otherwise necessary for the exercise of these Special Declarant Rights or otherwise discharging its obligations or rights hereunder;
- (d) During the Period of Declarant Control, to appoint and remove any officers or Executive Board members; provided, however, that: (i) not later than sixty (60) days after the conveyance of 25% of the Units to Owners other than Declarant, two members of the Executive Board shall be elected by Owners other than Declarant; and (ii) not later than sixty (60) days after conveyance of 50% of the Units to Owners other than Declarant, an additional member of the Executive Board shall be elected by Owners other than the Declarant;
- (e) To assign, collaterally or otherwise, in whole or in part, to its successors in title to any of Declarant's Units hereunder, or to its agent, or to an independent third party, or to the Association, any of the rights reserved in this Declaration, including these Special Declarant Rights. All references to Declarant and Declarant's rights hereunder shall be deemed to include any specific assignee of Declarant;
- (f) To add additional Units, Common Elements, and Limited Common Elements to the Condominium subject to the maximum number of Units allowable hereunder; and to reallocate certain Limited Common Elements as more particularly described herein; and
- (g) To add and withdraw property (including Units) to and from the Condominium. Declarant specifically reserves the right to add 14 Grace Street to the Condominium and withdraw 14 Grace Street from the Condominium.

These Special Declarant Rights shall expire upon the earlier of: 1) fifty (50) years from the recording of this Declaration; or 2) upon Declarant's recording an instrument in the New Hanover County land records expressly stating that Declarant is terminating its Declarant's rights. Notwithstanding the expiration of the Special Declarant Rights, the Declarant may retain ownership of any number of the Units for any amount of time. Declarant may transfer any Special Declarant Rights created or reserved under the Condominium Documents to any person or entity, by an instrument evidencing the transfer duly recorded in the Registry. The instrument shall not be effective unless it is executed by the transferor and the transferee. Upon the transfer of any Special Declarant Rights, the liability of the transferor and the transferee shall be as set forth in Section 47C-3-104 of the Act.

ARTICLE III

DESCRIPTION OF UNITS; USE; REPAIRS; RESTRICTIONS; **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

3.1 General Description of Units. All of the Units are more particularly shown on the Plat, which is incorporated herein in the same manner as if expressly set forth in this section 3.1. The Plat provides the relative locations of all the Units, the Unit numbers, the square footage area of each Unit, and depicts the Unit boundaries that are further described in section 3.2 below, which together with this Declaration shall constitute a complete description of the Units within the Condominium. The square footage measurements of each Unit are established by Declarant using the same measuring methods for all Units, and by accepting a deed to a Unit, an Owner accepts such measurement.

3.2 Unit Boundaries. Generally, the vertical and horizontal perimetric boundaries of each Unit shall consist of the unfinished perimeter walls facing into the Unit, the top surfaces of the subfloors, and the bottom surfaces of the ceiling structural members, provided that the following specific rules shall be applied in determining the Unit boundaries:

(a) The Unit boundary line coincides with the back face of the wallboard at exterior, demising, and corridor walls.

(b) The Unit boundary line coincides with the front face of the wallboard at mechanical chases serving common areas.

(c) The Unit boundary line coincides with the interior face of glass at exterior windows and sliding doors to balconies.

(d) The Unit boundary line runs straight through structural columns.

(e) In 240 N. Water Street, the Unit boundary line coincides with the face of the structural concrete wall at stair and elevator towers. In 240 N. Water Street stud walls against the structure concrete walls at stair and elevator towers are furred out in front of the concrete walls to facilitate the installation of electrical wiring.

(f) In 10 Grace Street, the Unit boundary line coincides with the front face of drywall at the stair towers at 10 Grace Street. Studs walls are furred out in front of the 3-hour rated stair walls to facilitate the installation of electrical wiring and prevent penetrations into the rated wall.

The Unit boundaries are all more particularly shown on the Plat. In the event of any conflict between the foregoing rules concerning the location of the Unit boundaries and the Unit boundaries shown on the Plat, the boundaries shown on the Plat shall control.

Except as described above, all lath, furrowing, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be a part of the Unit. All other portions of such walls, floors, or ceilings not included within the Units are a part of the Common Elements. Interior walls, partitions, fixtures, appliances, cabinets and other facilities and other improvements lying completely within the boundaries of a Unit, if any, shall be part of such Unit.

3.3 Unit Owners' Responsibilities for Maintenance and Repair.

(a) Each Owner shall be responsible for the maintenance and repair of his Unit. All Owners shall be responsible for routine cleaning of the interior surfaces of the exterior windows and doors, which are Limited Common Elements allocated exclusively to the Unit served. Except as otherwise set forth herein, the maintenance, repair and replacement of balconies, and exterior windows and doors serving Units shall be the responsibility of the Association and the cost of such repair or replacement shall be borne by

all of the Owners, and such repair or replacement shall be made with materials and finishes of equal or better quality to those installed by the Declarant, and shall be made in accordance with a set of standards maintained by the Association. In the event any window or exterior door is broken, the Unit Owner shall be responsible for securing her Unit until such time as the window or door can be repaired or replaced.

(b) Each Owner shall be responsible for any damage to his Unit or to any other Unit caused by any action or inaction of that Owner, his lessee, invitee, or agent (i.e., actions other than what is customarily considered normal wear and tear), and damage attributable to keeping pets, smoking, and similar kinds of activity, which directly or indirectly causes damage to any other Unit or to any of the Common Elements. If damage for which a Unit Owner is legally responsible and which is not covered by insurance provided by the Association is inflicted on any Common Element or Limited Common Element, the Association may direct such Unit Owner to repair such damage or the Association may itself cause the repairs to be made and recover the costs thereof from the responsible Unit Owner. Damage caused to balconies or to exterior windows and doors by Unit Owners shall be repaired by the Association at the sole cost of the Unit Owner causing such damage.

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

3.4 Uses of Units; Use Restrictions.

(a) It is the intent of the Declarant that the Property be maintained and enjoyed as an attractive, well maintained residential condominium. Therefore the following covenants, conditions and restrictions are hereby placed on the Property:

(i) The Owners shall each comply with all federal, state and local laws, statutes, codes, rules, orders, decrees, ordinance, regulations and requirements now or hereafter enacted. Owners shall make all payments of taxes and other charges, the nonpayment of which entitles the unpaid party to assert a lien on an Owner's property, or if noncompliance or nonpayment by one Owner with respect to his Unit or any part thereof would subject the other Owner to civil or criminal liability, or would jeopardize the full force or effect of any certificate of occupancy issued to such other Owner or for the Building itself or would jeopardize such other Owner's right to occupy or use beneficially his respective Unit or any part thereof, or would result in the imposition of a lien against any other property of an Owner.

(ii) Each Owner (hereinafter for the purposes of this section 3.4(a)(ii), "Indemnifying Owner") covenants and agrees, at its sole cost and expense, to indemnify and hold harmless any other Owner, its partners, agents, directors, officers, employees and members (collectively referred to for the purposes of this section 3.4(a)(ii) as the "Indemnitee") from and against any and all claims against

Indemnatee for losses, liabilities, damages, judgments, costs and expenses and any actions or proceedings arising therefrom, by or on behalf of any person, firm, corporation or governmental authority, other than the Indemnatee, arising from the Indemnifying Owner's or its permittees' use, possession, or management of the Indemnifying Owner's Unit or activities therein or arising out of the Indemnifying Owner's or its permittees' use, exercise or enjoyment of an easement and from and against all costs, reasonable attorney's fees, expenses and liabilities incurred with respect to any such claim, action or proceeding brought against the Indemnatee by reason of any such claim, Indemnifying Owner, upon notice from Indemnatee, covenants to resist or defend such action or proceeding with attorneys reasonably satisfactory to Indemnatee. (Any counsel for the insurance company providing insurance against such claim, action or proceeding shall be presumed reasonably satisfactory to Indemnatee.)

(iii) No Unit Owner shall do, suffer, or permit to be done, anything in his Unit which would impair the soundness or safety of the Condominium, or which would be noxious or offensive or an interference (including noise) with the peaceful possession and proper use of other Units, or which would require any alteration of or addition to any of the Common Elements to maintain compliance with any applicable law or regulation, or which would otherwise be in violation of any law, or which would cause the insurance rates for the insurance carried by the Association, or by any other Unit Owner on his Unit or personal property kept on the Property, to increase above the commercially reasonable rates available for similar purposes.

(iv) In case of any emergency originating in or threatening any Unit, or any portion of the Common Elements, regardless of whether the Owner, any tenant, or their invitees, if any, are present at the time of such emergency, the Association's Board and all managerial personnel shall have the right to authorize access to such Unit and any Common Element or Limited Common Element for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit with the Association a key to such Unit or Limited Common Element.

(v) No Owner shall (either with or without negligence) cause or permit the escape, disposal or release of any biologically active or other hazardous substances or materials or allow the storage or use of such substances or materials anywhere on the Property in any manner not sanctioned by law for the temporary storage and use of such substances or materials. Each Owner shall maintain his Unit and use the Common Elements so as to comply with all now existing or hereafter enacted or issued statutes, laws, rules, ordinances, orders, permits and regulations of all state, federal, local and other governmental and regulatory authorities, agencies and bodies applicable to the Property pertaining to environmental matters or regulating, prohibiting or otherwise having to do with asbestos, lead or other toxic, radioactive, or hazardous wastes or material including, but not limited to, the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended.

(vi) No television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Unit or to the Common Elements without the express prior written permission of the Association; provided, however, if applicable law (including regulations of the Federal Communications Commission) prohibits the regulation of such installations by homeowners associations like the Association, then such installations shall be governed by such law.

(vii) All garbage and items to be recycled shall be placed only in the receptacles designated by the Association.

(viii) Except as permitted in section 3.6, no Owner shall in any way puncture, tear, cut or otherwise damage the gypsum board which is hung on the perimeter walls and ceilings of the Units; provided, however, this restriction shall be construed to permit the normal hanging of pictures or shelves.

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

(x) The Units shall be used only for residential, noncommercial purposes. Notwithstanding the foregoing, an Owner may “work from home” so long as the Unit in which the Owner works is his primary residence, the Owner’s Unit must be primarily residential in character with minimal space designated to or modifications made to accommodate the Owner’s commercial activity, the Owner’s commercial use must be consistent with residential nature of the Condominium, and the visitors and deliveries received by the Owner in connection with such work are not in excess of customary residential use of the Unit.

(xi) A maximum of two (2) domestic pets per Unit is allowed subject to the provisions of this Declaration. Non-domestic pets shall not be allowed in any Unit. Pets shall not be kept or maintained for commercial purposes or for breeding. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten (10) days written notice from the Association. All pets shall be kept on a leash except when in a Unit, and the Unit Owner shall be responsible for removing all pet waste left on the Property by any pets residing with such Unit Owner.

(xii) Except to the extent such uses are required by law to be permitted, no Unit may be used for day care or group home purposes.

(xiii) No unusual, disturbing or objectionable odor or noise shall be permitted to emanate from any Unit.

(xiv) No Unit Owner shall sweep or throw any debris, dirt or other substance from any window or balcony, patio or terrace or permit any occupant or guest to engage in such activities.

(xv) There shall be no smoking in any of the interior portions of the Common Elements.

(xv) Unit Owners shall not tear, destroy, open or otherwise damage, deface, or disturb the integrity of the wallboard on the mechanical chases or, in 10 Grace Street, against the stair towers, because this wallboard is required by the building code to be “fire rated.”

(xvi) All leases of Units shall be for terms of six (6) months or longer and no more than thirty percent (30%) of the Units may be leased at any time. The Board shall have the right to create such other rules and restrictions regarding the leasing of Units as it deems necessary including, but not limited to, revising the maximum number of Units which may be leased at any time and requiring that leasing Units may be coordinated by a management company chosen by the Association. Each Unit Owner that leases his Unit shall give written notice thereof to the Association.

(b) Special Rules for Signs, Banners, and Flags.

(i) General Rules. No signs, banners, or flags of any type shall be posted, hung or erected by any Owner or any other person on any part of the Common Elements or displayed from within a Unit except as permitted by this subsection 3.4(b) or by the prior approval of the Association, provided, however, if applicable law prohibits such restrictions, then the posting of signs, banners and flags shall be governed by such law;

(ii) Permitted Displays for Residential Units. The following displays are permitted in a Residential Unit: “For Sale,” “For Lease” or other similar signs that do not exceed two square feet in size

for the purpose of marketing the Unit but for no more than sixty (60) days in any twelve (12) month period; and

(iii) Flags of the United States of America, North Carolina, and Political Signage. The display of any flag of the United States of America or of North Carolina is permitted in any Unit so long as the flag is no larger than four feet by six feet. Political signs are permitted to be displayed in any Unit, but no more than forty five (45) days prior to, nor seven (7) days after, the election. Except as may be permitted by the local ordinances of the City of Wilmington or the County of New Hanover, there shall be only one political sign per Unit displayed, and such sign shall not exceed two feet by two feet.

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

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

3.5 Assessments for Common Expenses.

(a) Periodic Assessments for Common Expenses. The Association shall have the power to levy, and all Unit Owners shall be obligated to pay, periodic assessments imposed by the Association to meet all Association Common Expenses. Payment of the periodic assessments shall be in equal monthly installments on or before the first day of each month, or in such other reasonable manner as the Board shall designate so long as the assessments are levied at least annually. Within thirty (30) days of the Board's adoption of a proposed budget for the Association for the next fiscal year, the Board shall furnish all Unit Owners with a summary of the budget, advise the Owners of the amount of the periodic assessments payable by each of them, and notice the Owners of the date and time of the meeting at which budget ratification will be considered, such meeting to be held not less than fourteen (14) and not more than thirty (30) days after the mailing of the budget summary.

(b) Assessments to Remain in Effect Until New Assessments Made. The omission by the Board before the expiration of any year, to fix the assessments hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or the Bylaws or a release of any Unit Owner from the obligation to pay the assessments or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her or its Unit.

(c) Special Assessments. All Unit Owners shall be obligated to pay special assessments imposed by the Association to meet the costs of, among other things, capital improvements, repair or replacement of the Common Elements, allocations to reserves and other extraordinary expenses.

(d) Records. The Board shall keep detailed records of the receipts and expenditures according to the Bylaws, and the Association's financial records shall be available to the Owners as prescribed in the Bylaws. Upon written request from an Eligible Holder, the Association shall prepare and furnish within a reasonable time an audited financial statement of the Association for the immediately preceding fiscal year.

(e) Default in Payment of Assessments. The Board shall take prompt action to collect any periodic and special assessments, or portions thereof, due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying any assessments as determined by the Board, such Unit Owner shall be obligated to pay a late charge of the greater of \$20.00 or 10% of the payment. The Board shall have the right and duty to attempt to recover such assessments and late charges in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by N.C.G.S. § 47C-3-116, provided that the Association acts in accordance with N.C.G.S. § 47C-3-116. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of N.C.G.S. § 47C-3-116(d), as amended, shall be controlling.

(f) Statement of Assessments or Other Charges. The Board shall, within ten (10) days of a request and for a reasonable fee not to exceed Ten Dollars (\$10.00), provide any purchaser, Unit Owner, lender or prospective lender so requesting the same in writing, with a written statement of all unpaid assessments or other charges due from the Owner of that Unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement.

(g) Utilities. If utility services serving Units are separately metered for each Unit, then each Unit Owner will maintain those utility accounts in her own name and be responsible for direct payment of the bills. For any utility services serving Units that are not separately metered for each Unit, the Association will maintain the utility account and utility charges will be included in the assessments levied by the Association, based on objective measurements of use if available, and otherwise based on as equitable allocation of use to be reasonably determined by the Association.

3.6 Alterations; No Subdivision.

(a) An Owner may make improvements or alterations within his Unit that do not in any way change the Common Elements or otherwise impair the structural integrity of the Building or the mechanical systems. Declarant may make changes in any Unit or in the Common Elements at any time to meet mandatory requirements of applicable law.

(b) Unit Owners may remove the partitions between adjoining Units in accordance with N.C.G.S. § 47C-2-111. No boundary shared by a Unit shall be relocated. Any removal of partitions between Units or creation of apertures between Units shall be subject to below subsection 3.6(d).

(c) Subdivision of Units is prohibited.

(d) Prior to the commencement of any work to remove partitions between adjoining Units or create any apertures between Units, the Unit Owner shall:

(i) Notify the Association in writing of the intent to commence work and provide for waivers of all mechanics' and materialmen's lien rights which may arise as a result of the alteration if requested by the Association;

(ii) Secure all proper governmental permits necessary for the completion of the work, including, but not limited to, building permits;

(iii) Purchase insurance insuring against all losses commonly insured against arising out of the work, name Declarant and the Association as additional insureds and provide certificates of insurance with respect to such insurance;

(iv) Indemnify and hold the Declarant, the Association and all other Unit Owners harmless from the effect of the work including, but not limited to, any damage resulting from any disturbance to, or compromise of, the structural support of the Building;

(v) Minimize the disturbance to other Unit Owners during the work; and

(vi) Reimburse the Declarant and the Association for any expenses incurred by the Association, including but not limited to legal, architectural, and other consulting fees.

ARTICLE IV **COMMON ELEMENTS**

4.1 Common Elements. The real estate which comprises the Common Elements as of the recording of this Declaration is all of the Property except the Units. In addition to all of the rights reserved to Declarant hereunder, Declarant specifically reserves the right to improve, upgrade, expand, modify and enlarge the Common Elements, including the addition of certain easement rights in favor of Declarant. Subject to the other provisions of this Declaration, the Association shall be responsible for the maintenance, replacement and repair of the Common Elements and the cost for such maintenance, repair or replacement shall be borne by all the Unit Owners.

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

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

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

Subject to the other provisions of this Declaration, the Association shall be responsible for the maintenance, replacement and repair of the Limited Common Elements and the cost for such maintenance, repair or replacement shall be borne by the Unit Owner so benefited by the Limited Common Element, as more specifically set forth in the Bylaws. Unit Owners shall be directly responsible for arranging for the maintenance, repair or replacement of their HVAC systems and for payment of the same.

4.3 Parking. Declarant has or will assign to the Association rights under a parking license agreement with the City of Wilmington to use 132 parking spaces in the River Place parking garage for the benefit of the Unit Owners. Upon closing the purchase of a Unit from the Declarant, each Unit Owner must enter into a parking sublicense agreement with the Association for an assigned parking space or spaces in the River Place parking garage. A Unit Owner of a one bedroom Unit must enter into a sublicense for the use of one (1) parking space, and a Unit Owner of a two or three bedroom Unit must enter into a sublicense for two (2) parking spaces. When any Unit Owner other than Declarant sells or conveys his Unit in fee, he must assign the parking sublicense to the purchaser or transferee of his Unit. If a Unit Owner fails to assign the parking sublicense to his Unit purchaser, the parking sublicense for that Unit will nevertheless be deemed assigned upon the recording of the deed for the Unit, and the new Unit Owner will continue to be responsible for payment of the mandatory parking charges. The initial parking sublicense fee is \$100 per

month per parking space. The parking charges will change over time in accordance with the parking license and in turn in accordance with the parking sublicense. These parking space fees are payable to the Association as part of the Common Expenses assessable to the Units. The Association may make reasonable rules concerning parking for the operation of the parking, and is empowered to enforce the same through fines (as limited by the Condominium Documents), towing, booting, or other such means. There is no vehicular parking within the Condominium itself. By accepting a deed to a Unit, each Unit Owner acknowledges and understands that the Association must make payments to the City under the parking license; therefore, all parking sublicense fees are mandatory and shall be paid.

4.4 **Conveyance or Encumbrance of Common Elements.** Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if the Owners entitled to cast at least 80% of the votes in the Association, including 80% of the votes allocated to Units not owned by Declarant, agree to that action; provided, that all the Units Owners to which any Limited Common Element is allocated must agree in order to convey such Limited Common Element or subject it to a security interest. The procedure for conveying or encumbering a portion of the Common Elements and distributing the proceeds, if any, shall be that set forth in N.C.G.S. § 47C-3-112.

ARTICLE V

AMENDMENT AND TERMINATION OF CONDOMINIUM

5.1 Amendment of Declaration.

(a) Except in cases of amendments by the Declarant, the Association, or certain Unit Owners pursuant to the exceptions provided in N.C.G.S. § 47C-2-117(a), the Declaration may be amended only by vote or agreement of Owners to which at least 67% of the total votes in the Association are allocated. Provided, however, where the act or approval of a greater percentage of the vote of Unit Owners is expressly required by this Declaration, the Act, or the Association's Articles of Incorporation or Bylaws, this Declaration may not be amended to decrease such greater percentage of votes without the consent of Unit Owners holding that greater percentage of votes. The approval of Eligible Holders shall also be required for certain amendments to the Declaration as more specifically set forth in Article XIII hereof.

(b) Every amendment shall be prepared, executed, recorded and certified by the Association and shall be effective only when recorded in the land records of the county in which the Condominium lies.

(c) Subject to the exceptions of N.C.G.S. § 47C-2-117(a), no amendment which alters the allocation of Common Elements and Common Expenses for a Unit shall be valid unless the same has been signed or consented to by the Owner(s) so affected.

(d) Notwithstanding the foregoing, this Declaration may be amended by the Declarant or Association without the consent of any Owner in order to comply with any provisions of law or to correct manifest errors herein. In addition, for so long as Declarant has the right to appoint the majority of the members of the Executive Board of the Association and to the extent permitted by law, this Declaration and the other Condominium Documents may be amended by the Declarant without the consent of any Owner in order to comply with the rules, regulations and policy statements promulgated and issued by the U.S. Department of Housing and Urban Development, the Veterans' Administration, the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association. Any permitted amendment by Declarant shall be effective upon execution by Declarant and recording of the amendment.

(e) No amendment shall modify, reduce or impair any rights reserved by the Declarant without the consent and joinder of Declarant.

(f) Notwithstanding anything herein to the contrary, certain types of amendments to this Declaration must be approved by Eligible Holders as set forth in Article XIII hereof.

5.2 Termination. Subject to Article XIII hereof, the dedication of the Property to the Condominium herein shall not be revoked, or the Property removed from the Act except that the Condominium may be terminated and the Property removed from the provisions of the Act by at least 90% agreement of Unit Owners, as evidenced by execution of a termination agreement, or ratification thereof, by such Owners, provided that all the mortgagees of the Units (including those mortgagees of Unit Owners who did not consent) are provided with sixty (60) days prior written notice of such termination. Except as otherwise provided for herein, termination of the Condominium shall be in accordance with the Act.

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

ARTICLE VI

COMMON INTERESTS; VOTING INTERESTS

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

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

ARTICLE VII

ADMINISTRATION AND BYLAWS

7.1 Association; Bylaws. Declarant has caused to be incorporated under the laws of the State of North Carolina a nonprofit corporation known as River Place Condominium Association. Each Unit Owner shall have voting rights in the Association as set forth in Article VI hereof. The administration of the Condominium by the Association shall be in accordance with the provisions of the Bylaws.

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

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

ARTICLE VIII

GENERAL CONDITIONS; MISCELLANEOUS MATTERS

8.1 Common Elements Not Partitioned. Unless otherwise herein provided, the Common Elements and Limited Common Elements shall remain undivided and no Unit Owner shall bring any action for partition and/or division of same.

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

8.3 Provisions and Covenants Applicable to Units. Each Unit Owner shall comply with the provisions this Declaration, all exhibits hereto, and authorized amendments hereto. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief. The Units shall also be conveyed subject to the Plat and amendments thereto. The acceptance of a deed of conveyance or the entering into of a lease for any portion of the Property or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and any Rules and Regulations which may be adopted by the Association are accepted and ratified by such Owner, tenant or occupant, and an agreement that such provisions shall be deemed and taken to be covenants running with the Property and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

8.4 Nonuse Not Exemption of Liability for Common Expenses. No Unit Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

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

8.6 Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a deed of trust encumbering a Unit, such acquirer of title, his or its heirs, successors, assigns or grantees, shall not be liable for assessments by the Association which became due prior to the acquisition of title by such acquirer, it being understood however, that this section shall not be construed to prevent the Association from filing and claiming liens for such unpaid assessments and enforcing the same as provided by law, and provided that such assessments shall be subordinate to such deed of trust. Any sale or transfer of a Unit pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit so sold or transferred from, any Common Expenses thereafter becoming due.

8.7 Condemnation. In the event of an action for eminent domain or a condemnation of all or a portion of the Property which is subject to this Condominium, the award for such taking shall be distributed in accordance with the procedure set forth in N.C.G.S. § 47C-1-107.

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

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

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

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

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

8.11 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 this Declaration or the intent of any provisions hereof.

8.12 Exhibits. All the exhibits to this Declaration shall be an integral part of this instrument and are hereby incorporated by reference.

ARTICLE IX

INSURANCE; RECONSTRUCTION AND REPAIR

9.1 Insurance. The Association shall be required to obtain and maintain insurance policies that include the minimum coverages of (i) 100% replacement coverage on the Building, including the Units, less a commercially reasonable deductible amount, (ii) liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 per accident, and (iii) fidelity insurance coverage covering the Executive Board members, officers and employees of the Association in a reasonable amount. The Association shall be required to insure all the Units at 100% replacement coverage; however, the Association shall not be responsible for insuring improvements and betterments made to those Units by the Unit Owners. Additional provisions governing insurance are contained in the Bylaws.

9.2 Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon his Unit and his personal property, public liability insurance, and such other insurance coverage as he may desire. Each Owner shall obtain and maintain public liability insurance coverage in the amount of at least \$500,000 for bodily injury, including death, of persons and property damage, arising out of a single occurrence. If reasonably available, the Owner's policies shall contain provisions waiving any right of the insurer to subrogation claims against the Association and against Unit Owners and their household members, employees and invitees, as well as their tenants and such tenant's employees and invitees, and all Owner's insurance policies shall waive any right of the insurer to contribution or proration because of the Association's casualty and public liability policy.

At the request of the Association or Declarant, each Owner shall certify at the closing of the purchase of a Unit that such an individual policy has been obtained.

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

9.4 Other Insurance Requirements. The Association must also comply with the insurance requirements set forth in the Reciprocal Easement Agreement for River Place recorded in Book 6115, Page 1957, New Hanover County Registry, as may be amended from time to time.

ARTICLE X **EASEMENTS**

10.1 Reserved Easements. The Declarant expressly reserves such easements through the Common Elements as described in N.C.G.S. § 47C-2-116. The Association shall have the right at any time to grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, pipes, ducts, sewer lines, gas mains, telephone and television or cable television wires, cables and equipment, electrical conduits, and wires over, under, along and on any portion of the Common Elements. Easements for installation and maintenance of utilities and drainage facilities, if any, are also reserved as shown on the Plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

10.2 Easement for Encroachment. If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachments shall occur hereafter as a result of (a) settling of the Building; (b) alteration or repair to the Common Elements made by or with consent of the Association; (c) repair or restoration of the Building or any Unit made necessary because of damage by fire or other casualty; or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building(s) stand.

10.3 Other Condominium Easements. Each Unit Owner shall have a nonexclusive easement in common with all Unit Owners to use the Common Elements, including all pipes, wires, ducts, flues, cables, conduits, public, utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. To the extent that there are Common Elements passing through or encroaching into Units, each Unit shall be subject to a nonexclusive easement in favor of all other Unit Owners to use the pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association shall have a reasonable right of access to each Unit and the Limited Common Elements allocated to such Unit to maintain, repair or replace Common Elements contained therein or elsewhere on the Property, and each Owner shall have access though other Units and

Limited Common Elements allocated thereto as is reasonably necessary for the Owner to conduct the maintenance, repair and replacement of his Unit.

10.4 Construction Easement. Declarant shall also have such easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights as provided herein.

10.5 Emergency. The Association shall have a right of entry upon the Common Elements, Units and any Limited Common Elements to make emergency repairs or to carry out its duties to address emergencies, and a reasonable right of entry upon the Units to make other repairs, improvements, replacement or maintenance made for the benefit of the Unit entered or another Unit.

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

10.7 Other Easements and Agreements. There are certain other recorded easements and agreements which encumber or are appurtenant to the Condominium. They are as follows:

1. Matters shown on those certain maps recorded in Map Book 62, Page 101; Map Book 61, Page 384; Map Book 61, Page 232; Map Book 61, Page 209; Map Book 47, Pages 306-307; Map Book 42, Page 122; Map Book 41, Page 91; Map Book 12, Page 3B; Map Book 11, Page 11; and Map Book 64, Pages 96-111, New Hanover County Registry.
2. Restrictions recorded in Book 769, Page 494 and Book 1126, Page 158, New Hanover County Registry.
3. Deed of Easement and Right of Way recorded in Book 738, Page 635, New Hanover County Registry.
4. Deed of Easement and Right of Way recorded in Book 738, Page 641, New Hanover County Registry.
5. Deed of Easement and Right of Way Agreement recorded in Book 899, Page 470, New Hanover County Registry.
6. Perpetual Right of Way Easement recorded in Book 807, Page 141, New Hanover County Registry.
7. Easement Deeds from Wachovia Bank & Trust Company, N.A., Trustee to Redevelopment Commission of the City of Wilmington recorded in Book 917, Page 39 and Book 929, Page 304 New Hanover County Registry.
8. Encroachment Agreement recorded in Book 1217, Page 952, New Hanover County Registry.
9. Encroachment Agreement recorded in Book 1236, Page 1222, New Hanover County Registry.
10. Perpetual Right of Way Easement recorded in Book 1535, Page 357, New Hanover County Registry.
11. Encroachment Agreement recorded in Book 1572, Page 149, New Hanover County Registry.
12. Easement to Bellsouth recorded in Book 2784, Page 814, New Hanover County Registry.
13. Notice of Brownfields Agreement recorded in Book 6015, Page 984, New Hanover County Registry and related plat filed in Map Book 62, Pages 154 - 156.
14. Memorandum of Ground Lease between City of Wilmington, as Lessor, and SCP-EW River Place LLC, as Lessee, recorded in Book 6115, Page 1951, New Hanover County Registry.
15. Reciprocal Easement Agreement for River Place recorded in Book 6115, Page 1957, New Hanover County Registry.
16. Encroachment Agreement recorded in Book 6115, Page 1982, New Hanover County Registry.
17. Memorandum of Garage Parking License Agreement recorded in Book 6115, Page 1997, New Hanover County Registry.

18. Ground Lessor Consent and Estoppel recorded in Book 6115, Page 2152, New Hanover County Registry.
19. Grant of Easement to Time Warner Cable Enterprises LLC recorded in Book 6214, Page 454.
20. Easement and Conveyance to Cape Fear Public Utility Authority recorded in Book 6183, Page 181.
21. Transformer and Enclosure Agreement with Duke Energy Progress, LLC recorded in Book 6243, Page 104.

The foregoing instruments 1 through 21 are herein collectively referred to as the "River Place Documents".

ARTICLE XI **LENDER CONSENT**

The Land and the Building are currently encumbered by the lien of (i) that certain Leasehold and Air Rights Construction Deed of Trust, Assignment of Leases and Rents and Security Agreement (Including Fixture Filing) recorded in Book 6115, Page 2008, New Hanover County Registry; and (ii) that certain Assignment of Rights under Covenants Conditions and Restrictions, Sales Agreements, Permits, and Development Documents recorded in Book 6115, Page 2046, New Hanover County Registry; the lender's interest under the foregoing (i) and (ii) having been assigned by virtue of (iii) that certain Assignment of Note, Loan Agreement, Deed of Trust, Liens and Other Loan Documents recorded in Book 6217, Page 2315, New Hanover County. A Consent of Lender executed by the lender is attached hereto as Exhibit C and made a part of this Declaration.

ARTICLE XII **GENERAL ASSOCIATION MATTERS**

12.1 Powers of Executive Board. All powers granted in the Declaration or the Bylaws to the Association shall be exercisable by the Executive Board, except as otherwise expressly provided in the Declaration, the Bylaws, or the Act.

12.2 Rules and Regulations. The Association may adopt and enforce reasonable Rules and Regulations not in conflict with the Declaration and supplementary thereto, as more fully provided in the Bylaws. A copy of the Rules and Regulations that exist as of the filing of this Declaration are attached to the Bylaws as an appendix.

12.3 Enforcement by Association. The Association shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws and Articles of Incorporation of the Association. Failure by the Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter.

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

ARTICLE XIII **RIGHTS OF ELIGIBLE HOLDERS**

This Article XIII shall govern notwithstanding any other provision of the Condominium Documents, and to the extent that there is a conflict between any other provision of the Condominium Documents and this Article XIII, this Article XIII shall control.

13.1 Notices of Action. An Eligible Holder will be entitled, and the Executive Board shall cause to be delivered, timely written notice of the following:

(a) any proposed amendment of the Condominium Documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses thereto; (iii) the Common Interests allocated to any Unit; or (iv) the purposes to which any Unit or the Common Elements are restricted;

(b) any proposed termination of the Condominium;

(c) any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage;

(d) any delinquency in the payment of assessments or charges owed by a Unit Owner subject to a first mortgage, where such delinquency has continued for a period of sixty (60) days;

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

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

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

(a) Termination of Condominium.

(i) Upon Casualty or Condemnation. Any election to terminate the Condominium after substantial destruction or a substantial taking in condemnation of the Property requires the approval of the Eligible Holders who hold mortgages on Units to which at least fifty one-percent (51%) of the votes of Units subject to mortgages are allocated.

(ii) In Absence of Casualty or Condemnation. In any election to terminate the Condominium in the absence of substantial destruction or a substantial taking in condemnation of the Property, the approval of the Eligible Holders who hold mortgages on Units to which at least sixty seven percent (67%) of the votes of Units subject to mortgages appertain shall be required to terminate the Condominium.

(b) Restoration or Repair. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders who hold mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages are allocated.

(c) Amendment of Condominium Documents. The approval of the Eligible Holders who hold first mortgages on Units to which at least fifty one percent (51%) of the votes of Units subject to mortgages appertain, shall be required to amend materially any provisions of the Condominium Documents or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Elements;
- (iv) Insurance or fidelity bonds;
- (v) Rights to the use of Common Elements;
- (vi) Responsibility for maintenance and repair of the Common Elements;
- (vii) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (viii) Boundaries of any Unit;
- (ix) The interests in the Common Elements or Limited Common Elements;
- (x) Convertibility of Units into Common Elements or of Common Elements into Units;
- (xi) Leasing of Units;
- (xii) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit in the Condominium;
- (xiii) Establishment of self-management by the Association where professional management has been required by HUD, VA, FHA, FNMA, FHLMC, or Ginnie Mae;
- (xiv) Any amendment to a provision in the Condominium Documents which is for the express benefit of Eligible Holders; or
- (xv) Amendment to a provision in the Condominium Documents which be of a material adverse nature to any mortgagee that holds a first mortgage on a Unit.

13.3 Notices to Eligible Holders. All notices and requests for approval sent by the Association to an Eligible Holder pursuant to this Article XIII shall be sent by certified mail, return receipt requested, in the manner provided in Section 5 of Article X of the Bylaws. If an Eligible Holder fails to approve or disapprove a request for approval presented to it pursuant to this Article XIII within sixty (60) days following its receipt thereof, the Eligible Holder shall be deemed to have approved the request.

(Remainder of the page left intentionally blank)

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

DECLARANT:

SCP-EW River Place LLC

By: River Place Development Company, LLC, as Operating Member

By: Water Street Ventures, LLC, its Manager

By: East West Water Street, LLC, its Manager

By: East West Partners Management Company, Inc.,
its Manager

By: [Signature]
Name: ROGER L. PERRY
Title: President

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: ROGER L. PERRY
(name of person signing in blank)

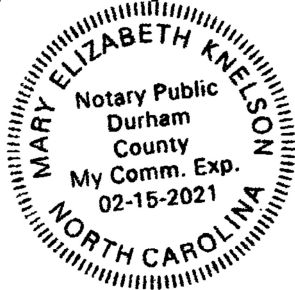
Date: 3/26/20

[Signature]
Notary Public

Print Name: MARY ELIZABETH KNELSON

[Official Seal]

My commission expires: 2/15/21



**EXHIBIT A
TO
DECLARATION
OF
RIVER PLACE CONDOMINIUM**

Legal Description of Property

BEING all of the following parcels of real property shown and described on the plat recorded in Condominium Plat Book 19 Pages 134 to 156, inclusive, New Hanover County Registry, to which reference is hereby made for a more particular description of same:

1. 2B containing a volume of 129 cubic feet, more or less;
2. 2C containing a volume of 34,489 cubic feet, more or less;
3. 2D containing a volume of 45,414 cubic feet, more or less;
4. 2E containing a volume of 2,373 cubic feet, more or less;
5. 2F containing a volume of 4,416 cubic feet, more or less;
6. 3A containing a volume of 9,436 cubic feet, more or less;
7. 3B containing a volume of 34,494 cubic feet, more or less;
8. 3C containing a volume of 45,414 cubic feet, more or less;
9. 4A containing a volume of 111,773 cubic feet, more or less;
10. 4B containing a volume of 2,142 cubic feet, more or less;
11. 4C containing a volume of 34,494 cubic feet, more or less;
12. 4D containing a volume of 45,414 cubic feet, more or less;
13. 5A containing a volume of 111,773 cubic feet, more or less;
14. 5B containing a volume of 2,142 cubic feet, more or less;
15. 5C containing a volume of 34,494 cubic feet, more or less;
16. 5D containing a volume of 45,414 cubic feet, more or less;
17. 6A containing a volume of 111,773 cubic feet, more or less;
18. 6B containing a volume of 2,142 cubic feet, more or less;
19. 6C containing a volume of 41,986 cubic feet, more or less;
20. 6D containing a volume of 55,286 cubic feet, more or less;
21. 7A containing a volume of 111,773 cubic feet, more or less;
22. 7B containing a volume of 2,142 cubic feet, more or less;
23. 7C containing a volume of 38,871 cubic feet, more or less;
24. 7D containing a volume of 16,401 cubic feet, more or less;
25. 7E (bridge) containing a volume of 4,893 cubic feet, more or less;
26. 8A containing a volume of 111,773 cubic feet, more or less;
27. 8B containing a volume of 2,142 cubic feet, more or less;
28. 8C containing a volume of 16,695 cubic feet, more or less;
29. 8D containing a volume of 42,126 cubic feet, more or less;
30. 9A containing a volume of 111,773 cubic feet, more or less;
31. 9B containing a volume of 2,142 cubic feet, more or less;

[DESCRIPTION CONTINUED ON NEXT PAGE]

32. 10A containing a volume of 111,773 cubic feet, more or less;
33. 10B containing a volume of 2,142 cubic feet, more or less;
34. 11A containing a volume of 110,271 cubic feet, more or less;
35. 11B containing a volume of 1,869 cubic feet, more or less;
36. 12A containing a volume of 110,271 cubic feet, more or less;
37. 12B containing a volume of 1,869 cubic feet, more or less;
38. 13A containing a volume of 131,275 cubic feet, more or less;
39. 13B containing a volume of 2,225 cubic feet, more or less;
40. 14A containing a volume of 127,133 cubic feet, more or less; and
41. 14B containing a volume of 2,001 cubic feet, more or less.

The foregoing air rights parcels comprising the Property are a portion or portions of the air rights parcels conveyed to Declarant by the City of Wilmington by the deed recorded in Book 6115, Page 1943, New Hanover County Registry.

The Property is subject to the Reciprocal Easement Agreement for River Place recorded in Book 6115, Page 1957, New Hanover County Registry and the Encroachment Agreement recorded in Book 6115, Page 1982, New Hanover County Registry.

The property which is the subject of this instrument is subject to the Brownfields Agreement attached as Exhibit A to the Notice of Brownfields Property recorded in the New Hanover County land records, Book 6015, Page 984. Reference is also made to the related plat recorded in Map Book 62, Pages 154 – 156, New Hanover County Registry.

EXHIBIT B
TO DECLARATION OF RIVER PLACE CONDOMINIUM
Table of Voting Interests and Common Interests

	Unit Number	Square Feet in Unit	Common Interest in Condominium	Voting Interest in Association
10 Grace St.	201	842	0.80%	1.09%
	202	596	0.57%	1.09%
	203	592	0.56%	1.09%
	204	596	0.57%	1.09%
	205	596	0.57%	1.09%
	206	844	0.80%	1.09%
	301	842	0.80%	1.09%
	302	596	0.57%	1.09%
	303	592	0.56%	1.09%
	304	596	0.57%	1.09%
	305	596	0.57%	1.09%
	306	844	0.80%	1.09%
	401	842	0.80%	1.09%
	402	596	0.57%	1.09%
	403	592	0.56%	1.09%
	404	596	0.57%	1.09%
	405	596	0.57%	1.09%
	406	844	0.80%	1.09%
	501	842	0.80%	1.09%
	502	596	0.57%	1.09%
	503	592	0.56%	1.09%
	504	596	0.57%	1.09%
	505	596	0.57%	1.09%
	506	844	0.80%	1.09%
	601	842	0.80%	1.09%
	602	596	0.57%	1.09%
	603	592	0.56%	1.09%
	604	596	0.57%	1.09%
	605	596	0.57%	1.09%
	606	844	0.80%	1.09%
	701	842	0.80%	1.09%
	702	590	0.56%	1.09%
	703	596	0.57%	1.09%
	707	976	0.93%	1.09%

[Table continued on next page.]

240 N. Water St.	451	1713	1.63%	1.09%
	452	1523	1.45%	1.09%
	453	1190	1.13%	1.09%
	454	1275	1.21%	1.09%
	455	1059	1.01%	1.09%
	456	1370	1.30%	1.09%
	551	1713	1.63%	1.09%
	552	1580	1.50%	1.09%
	553	1190	1.13%	1.09%
	554	1275	1.21%	1.09%
	555	1059	1.01%	1.09%
	556	1426	1.35%	1.09%
	651	1713	1.63%	1.09%
	652	1580	1.50%	1.09%
	653	1190	1.13%	1.09%
	654	1275	1.21%	1.09%
	655	1059	1.01%	1.09%
	656	1426	1.35%	1.09%
	751	1713	1.63%	1.09%
	752	1580	1.50%	1.09%
	753	948	0.90%	1.09%
	754	1275	1.21%	1.09%
	755	1059	1.01%	1.09%
	756	1426	1.35%	1.09%
	851	1713	1.63%	1.09%
	852	1580	1.50%	1.09%
	853	1190	1.13%	1.09%
	854	1275	1.21%	1.09%
	855	1059	1.01%	1.09%
	856	1426	1.35%	1.09%
	951	1713	1.63%	1.09%
	952	1580	1.50%	1.09%
	953	1190	1.13%	1.09%
	954	1275	1.21%	1.09%

[Table continued on next page.]

955	1059	1.01%	1.09%
956	1426	1.35%	1.09%
1051	1713	1.63%	1.09%
1052	1580	1.50%	1.09%
1053	1190	1.13%	1.09%
1054	1275	1.21%	1.09%
1055	1059	1.01%	1.09%
1056	1426	1.35%	1.09%
1151	1713	1.63%	1.09%
1152	1580	1.50%	1.09%
1153	1190	1.13%	1.09%
1154	1275	1.21%	1.09%
1155	1059	1.01%	1.09%
1156	1426	1.35%	1.09%
1251	1713	1.63%	1.09%
1252	1580	1.50%	1.09%
1253	1190	1.13%	1.09%
1254	1275	1.21%	1.09%
1255	1059	1.01%	1.09%
1256	1426	1.35%	1.09%
1351	2469	2.34%	1.09%
1352	2291	2.18%	1.09%
1353	1408	1.34%	1.09%
1354	1995	1.89%	1.09%
TOTALS	105,329.00	100.00%	100.00%

This table may be amended from time to time in accordance with the Declaration.

The square footages of each Unit stated in this table are taken from the Plat.

**EXHIBIT C
TO
DECLARATION
OF
RIVER PLACE CONDOMINIUM**

STATE OF NORTH CAROLINA

CONSENT OF LENDER

COUNTIES OF NEW HANOVER

THIS CONSENT OF LENDER is made this 30 day of March, 2020 by TREZ BLUE DIAMOND PORTFOLIO, LP, a Delaware limited liability company (successor in interest to Trez Capital (Florida) Corporation) ("Lender").

WITNESSETH:

WHEREAS, by virtue of that certain Assignment of Note, Loan Agreement, Deed of Trust, Liens and Other Loan Documents recorded in Book 6217, Page 2315, New Hanover County, Lender is the current beneficiary of (i) that certain Leasehold and Air Rights Construction Deed of Trust, Assignment of Leases and Rents and Security Agreement (Including Fixture Filing) recorded in Book 6115, Page 2008, New Hanover County Registry (the "Deed of Trust"); and (ii) that certain Assignment of Rights under Covenants Conditions and Restrictions, Sales Agreements, Permits, and Development Documents, recorded in Book 6115, Page 2046, New Hanover County Registry (together with the Deed of Trust, the "Security Documents"), which Security Documents encumber the real property described in Exhibit A (the "Property") of the Declaration of River Place Condominium (the "Declaration");

NOW, KNOW ALL MEN BY THESE PRESENTS, that Lender joins in the foregoing Declaration of River Place Condominium and the provisions of the North Carolina Condominium Act for the sole purpose of consenting to the creation by the Declarant of the Condominium on the property upon which it has a lien. The Lender makes no representations or warranties as to the validity of the documents creating the Condominium nor the development and physical construction of the Condominium itself. The Lender agrees that the lien of the Security Documents on the property being submitted to the Condominium shall hereafter be upon the Units, the interests in Common Elements, and other rights appertaining to those Units, and that any subsequent foreclosure of the Lender's lien shall not extinguish this Declaration but shall merely vest in Lender the rights and duties set forth herein, provided, however, that should Lender acquire title to the property secured by the Deed of Trust, any liability Lender shall have for the duties set forth in the Declaration shall be non-recourse except to the extent of its interest in such property; that all present and future owners of any of the property described in the Declaration shall be entitled to the full rights and easements to the extent the same are granted herein; that the submission of the property to the North Carolina Condominium Act will not trigger any "due-on-sale" clause in the Security Documents, should such clause exist; and, that upon full satisfaction of the loan secured by the Security Documents, the rights of Lender and the trustee (or such successor trustees as permitted by the Deed of Trust) set forth in this Declaration shall terminate.

[Signatures follow this page.]

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

LENDER:

TREZ BLUE DIAMOND PORTFOLIO, LP, a Delaware limited liability company

By: [Signature]
 Name: Ken Lai
 Title: Director

Province
 STATE OF British Columbia
 COUNTY OF Vancouver
City

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Ken Lai

(name of person signing in blank)

Date: March 26, 2020

[Official Seal]

[Signature]
 Notary Public

Print Name: Katharina Spotz

My commission expires: n/a

KATHARINA R. SPOTZL
 Barrister & Solicitor
 2900-595 BURNARD STREET
 VANCOUVER, B.C. V7X 1J5
 (604) 691-7576