

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: Mellow Field Condominium

LOCATION OF CONDOMINIUM: 2611 Mellow Field Drive  
Raleigh, North Carolina 27604

NAME OF DECLARANT: Windsor Mellow Field, LLC, a North Carolina limited liability company

ADDRESS OF DECLARANT: 410 North Boylan Avenue, Suite 138  
Raleigh, North Carolina 27603

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: See Date Executed by Purchaser and Windsor Mellow Field LLC

This Public Offering Statement presents information regarding condominium units being offered for sale by the Declarant. North Carolina law requires that a Public Offering Statement must be given to every purchaser in order to provide full and accurate disclosure of the significant features of the condominium units being offered. The Public Offering Statement is not intended, however, to be all inclusive. The purchaser should consult other sources for details not covered by the Public Offering Statement.

Under North Carolina law a purchaser of a condominium unit has seven calendar days during which he or she may cancel the Purchase Agreement and obtain full refund of any sums deposited in connection with the Purchase Agreement. The seven-day period begins running on the date of the Purchase Agreement, by which time the Purchaser must have received a Public Offering Statement. The purchaser should inspect the condominium unit and all common areas and/or obtain professional advice, if he or she so desires. If the purchaser elects to cancel, he or she must deliver notice of cancellation by hand or United States mail, return receipt requested.

E X H I B I T S

PROPOSED CONDOMINIUM INSTRUMENTS

Declaration	Exhibit 1-A
By Laws	Exhibit 1-B
Articles of Incorporation	Exhibit 1-C

PROJECTED BUDGET	Exhibit 2
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RULES AND REGULATIONS	Exhibit 3
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TITLE INFORMATION	Exhibit 4
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## MELLOW FIELD CONDOMINIUM

### PUBLIC OFFERING STATEMENT

(a) The Concept. Initially, Mellow Field Condominium will be a planned community of fifty-six (56) condominiums.

Mellow Field Condominium is planned to consist of three buildings. Two of the buildings are designed to have twenty-four (24) units and to be three (3) stories in height, and one building is designed to have eight (8) units and to be two (2) stories in height. The building is designed with a front entrance to the interior lobby which will have elevator access to each level.

(b) Common Elements. The common elements are all portions of the Condominium which are not included within the units. The common elements include the land, those portions of the building structure which support, enclose or service the units, the parking facilities, and grounds within the property that is subject to the Declaration. Any Common Element may be conveyed by Mellow Field Condominium Association, Inc. ("Association"), pursuant to N.C. Gen. Stat. §47C-3-112 and the Declaration.

Each unit has an appurtenant common element interest. The common element interest assigned to each unit is based on the number of bedrooms in each unit. The common element interest appertaining to each unit is listed in Exhibit C to the Declaration.

(c) Limited Common Elements. Certain common elements are designated as "limited common elements" which are reserved for the exclusive use of one or more (but less than all) of the unit owners, to the exclusion of the rest of the unit owners (such as porches). The Declarant has reserved the right to assign any and all of the parking spaces which are designated for such assignment as limited common elements for the exclusive use of individual unit owners. The Board of Directors or the Declarant may modify a unit owner's right to restricted use of the parking spaces.

(i) Parking Assignment. Each Unit may use two (2) parking space(s), but parking spaces will not be assigned.

(d) Floor Plans. Initially, all units will be located in the building with unit types as follows:

<u>UNIT TYPE</u>	<u>DESCRIPTION</u>	<u>APPROX. SIZE (SQ. FT.)</u>	<u>TOTAL UNIT TYPE</u>
BDU-6 1 Bedroom	1 bedroom, 1 bath	815	24

BDU7			
2 Bedroom	2 bedrooms, 2 baths	1055	24
BDU8			
2 Bedroom	2 bedrooms, 2 baths	964	8
TOTAL			56

Floor plans for each typical unit type are displayed at the offices of the Sales Agent.

(e) The property is zoned R-20 (CUD), a zoning category which allows multi-family residential use.

(f) Prepayments, Escrows, Capital Contributions. By owning a Unit, the Purchaser will be a member of the Condominium Association. At closing and during ownership of the Condominium Unit, the Purchaser will pay owners association dues to the Condominium Association for the maintenance and upkeep of the Condominium Common Areas and Condominium Limited Common Areas a. At closing, as an initial capital contribution, the purchaser will make a payment in the amount equivalent to two months of the annual assessment as a capital reimbursement fee that is forwarded to the Association. The initial capital contribution is equivalent to what would be charged for two (2) months of annual assessments and is not an escrow or advance and is not refundable.

(g) Deposits. All deposits will be held in escrow by the Sales Agent for seven days after the purchaser signs a Purchase Agreement in an account in an insured bank or savings and loan association in North Carolina. Payments held in such escrow account shall be deemed to belong to the purchaser and not the Declarant. The deposit will be held pursuant to the terms of N.C. Gen. Stat. §47C-4-108. After the expiration of the seven (7) day period and if the purchaser does not cancel the contract, the deposit shall be transferred to the Declarant without the prior written consent of the purchaser.

(h) Restrictions On Transfer. Unit Owners may lease the entire Unit but not less than the entire Unit and all leases must be in writing, approved by the Board, and for a term of no less than six (6) months. Subleasing of any Unit is not permitted. Rental amounts shall be at market rates for units of a similar size and style, in a similar location and containing similar amenities which are located in Wake County, North Carolina. Any lease agreement shall be required to provide that the terms of the lease shall be subject to the provisions of this Declaration and the Association Bylaws and its rules and regulations, and that any failure of a lessee or sublessee to comply with the terms of such documents shall be a condition of default under the lease. All leases and subleases must be filed with the Association or such information from such leases or subleases as may be prescribed by the Board shall be filed with the Association. No unit may be leased for hotel or transient purposes. No unit may be subjected to a timesharing or similar form of ownership on a periodic or revolving basis. The number of occupants for any Unit, by tenant or owner shall be governed by the Rules and Regulations.

(i) Common Expense Assessments. Generally, unit owners will be assessed to obtain the funds necessary to meet the budget of the Association. The Declarant may choose not to establish annual assessments during the initial stages of the Condominium, and may establish the initial annual assessment anytime during a fiscal year. After the initial establishment of annual assessments by the Declarant, annual assessments will be established prior to the beginning of each fiscal year and will be payable on a monthly basis. On the first day of each month, each unit owner must pay an installment of one-twelfth of the amount of the Condominium Association annual assessment, although the Condominium Association may not regularly send bills or requests for such payments.

The amount of the common expenses assessed against each condominium unit will be the same for each unit. The monthly installment of the annual common expense assessment against each unit is shown in the budget.

If a common expense or portion thereof benefits fewer than all of the units, then that expense or portion thereof will be assessed exclusively against the benefited units. For instance, if there are occupied units and unoccupied units subject to annual assessments, and the Association has contributed to the repaving of the entry road, then the prorata cost of the Association's share of the repaving costs may be assessed against the occupied units and not against the unoccupied units as the occupied units have residents who will use the road and are directly benefited by the repaving.

The budget will cover anticipated common expenses for the upcoming fiscal year. The budget will also cover the share of common expenses allocated to the Condominium as a part of the Land Condominium. The budget will also include whatever amount the Board of Directors considers necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of common elements.

The Declarant has prepared a budget for the first year of the Condominium's operation. A copy of the budget is attached to this Public Offering Statement as Exhibit 2. THE BUDGET FIGURES ARE, OF COURSE, ESTIMATES AND THE DECLARANT CANNOT BE CERTAIN THAT SUFFICIENT FUNDS HAVE BEEN BUDGETED TO COVER ALL COMMON EXPENSES THAT MAY BE INCURRED. BUDGET FIGURES FOR FUTURE YEARS ARE LESS RELIABLE DUE TO CHANGES IN THE GENERAL CONDITION OF THE ECONOMY AND OTHER UNPREDICTABLE FACTORS. The Declarant believes that the figures represent the best estimates obtainable; because actual expenditures may differ from estimated expenditures, due to possible changes in the future income or expenses of the Condominium or other variable factors, such estimates are not intended or considered as guarantees of any kind whatsoever. The assumptions made and methods used in preparing the estimates are set forth in the notes to the budget.

If insufficient funds are budgeted for any given fiscal year, the Board of Directors may levy an additional assessment to make up the budget deficit. Conversely, should there be a

surplus at the end of a fiscal year, the Board of Directors may, in its discretion, place the surplus in reserve accounts or refund the surplus to the unit owners by reducing future assessments. Any additional assessment will be payable by unit owners either in a lump sum or in installments, as the Board of Directors determines.

(j) Other Assessments. Although most common expenses for services serving all units are apportioned among all unit owners, certain common expenses will be payable in their entirety by individual unit owners. If the unit owners association makes an emergency repair on behalf of an absent unit owner, for example, the charge for that repair will be paid by the unit owner. If any unit owner has a limited common element appurtenant to the unit, that unit owner may be charged, on an individual basis, with the cost of maintenance and repair of that limited common element by the levy of a charge which may be imposed by the Board of Directors. If any additions, alterations or improvements to the common elements are requested by certain unit owners and result in benefit to only those unit owners, the cost of the addition, alteration or improvement may be charged on an individual basis to the benefited unit owners.

Generally, a unit owner must pay directly all of the costs of maintenance and repair for the unit. The charges for all utilities will be separately metered and/or billed to each unit. Charges for upkeep and maintenance of the common elements will be common expenses.

(k) Insurance: The Board of Directors will obtain insurance to protect the unit owners association and, to a certain limited extent, the unit owners as individuals. The Condominium, including the units, will be covered by fire and property damage insurance. The coverage will be "all risk" and in an amount equal to the full replacement cost of the Condominium, subject to reasonable "deductible" limits. This coverage will not insure personal property belonging to a unit owner and may not cover any improvements or betterments to a unit made by a unit owner.

The Declarant, the unit owners association, its officers and Board of Directors and the unit owners will be insured against liability arising from ownership or use of the common elements. This coverage will not insure unit owners against liability arising from an accident or injury occurring within a unit or liability arising from the willful or negligent act or omission of a unit owner. The Board of Directors will also maintain appropriate workmen's compensation insurance and fidelity coverage to protect against negligent or dishonest acts on the part of officers, directors, trustees, and employees of the unit owners association, including the managing agent.

The Declaration requires that each unit owner obtain insurance coverage on personal property and liability exposure not covered by the unit owners association policy. The unit owner may also wish to insure any improvements to the unit to the extent that the improvements increase the value of the unit beyond the limit of coverage provided by the policy maintained by the unit owners association.

(l) Title and Governmental Approvals: Any encumbrances on title are shown on that copy of the Owners Title Policy attached hereto as Exhibit 4. All zoning, site plan and other

governmental regulations have been satisfied, as applicable to the Condominium. The Declarant knows of no violations of such regulations. Nonconforming uses may exist, however, due to amendments to such regulations adopted after construction of the Condominium. Such nonconforming uses are permitted by applicable law.

The Property shares a common access off of Mellow Field Drive with the property to the east that is governed by a recorded easement agreement. The Property also shares a dumpsterpad with the property to the east. There also exists on the Property a stormwater detention facility that will be part of the Common Elements.

(m) Warranties: Other than as set out in Section 47C of the North Carolina General Statutes, Declarant expressly disclaims any implied warranty of habitability or suitability related to the Condominium or any unit thereof. Please note that any consumer products or appliances, the electrical wiring and fixtures in the buildings, the furnace, all materials comprising or supporting the roof, all components of the air conditioning system, communication lines, alarms, and smoke detectors are conveyed “as is – with all faults”. Further, Declarant makes no warranties express or implied as to the existence of mold, radon or the status of the indoor air quality of the Condominium Unit and Common Areas, which are conveyed “as is – with all faults” as to such conditions. Declarant makes no representations or warranties as to the condition or health of any shrubs, trees, or plantings located within the Condominium. EXCEPT FOR THE TITLE WARRANTIES INCLUDED IN THE DEED FOR THE PROPERTY TO BE DELIVERED BY THE SELLER AT CLOSING, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, UNLESS REQUIRED BY LAW.

(n) Permitted Changes. In order to meet possible unforeseen or varying demands for the number and type of units, or to meet particular requirements of prospective purchasers, lending institutions or title insurance companies or for any other reason, the Declarant reserves the right, subject to the limitations of the Condominium Act and other applicable governmental regulations, to change the size, number and location of units and other improvements on the property, the size, layout, location, and common element interest of any unit for which a Purchase Agreement has not been executed by the Declarant or with respect to which the purchaser is in default, provided such changes do not change the common element interest of any unit already conveyed or under an executed Purchase Agreement as to which the purchaser is not in default. The Declarant reserves the right to substitute for any of the materials, equipment and appliances described in the condominium instruments or Purchase Agreement, materials, equipment and appliances of equal or better quality.

RECEIPT OF PUBLIC OFFERING STATEMENT

The undersigned hereby acknowledges:

- (1) Receipt from Windsor Mellow Field, LLC on \_\_\_\_\_, 20\_\_ of a copy of the Public Offering Statement (and all amendments thereto if any) of Mellow Field Condominium.
- (2) The right of the undersigned to cancel the purchase contract within seven (7) calendar days following the signing of the purchase contract.
- (3) The right of the Escrow Agent, at any time after the expiration of the seven (7) calendar day rescission period set forth in the Purchase and Sale Agreement, to transfer the undersigned's earnest money deposit to Windsor Mellow Field, LLC or its assignee without any further consent or approval of the undersigned.

This the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Purchaser:

\_\_\_\_\_  
\_\_\_\_\_

Seller:

Windsor Mellow Field , LLC, a North Carolina  
limited liability company

By: \_\_\_\_\_