

This Instrument Prepared By:
Wolff and Martin, Attorneys
P. O. Drawer 12137
Raleigh, NC 27605

REC-2810 REC-484

DECLARATION OF INTENTION TO SUBMIT PROPERTY
TO THE PROVISIONS OF CHAPTER 47A
OF THE NORTH CAROLINA GENERAL STATUTES

THIS DECLARATION, made this 1st day of November, 1979, by J. W. YORK, (hereinafter called the "Declarant"), D. H. CARPENTER, TRUSTEE, (hereinafter called "Trustee") and FIRST-CITIZENS BANK AND TRUST COMPANY, (hereinafter called "Bank"), pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, entitled the "Unit Ownership Act";

W I T N E S S E T H:

THAT WHEREAS, the Declarant is the owner in fee simple of certain real property located in Wake County, North Carolina, and more particularly described on the attached Exhibit A;

WHEREAS, the Declarant is the owner of certain townhouse apartment type multi-unit buildings and certain other improvements heretofore constructed upon the aforesaid property and it is the desire and the intention of the Declarant to divide the buildings on said real estate into "condominium units" or "units" as those terms are defined under the provisions of the North Carolina Unit Ownership Act, and to sell and convey the same as individual units to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant desires and intends by the filing of this Declaration, to submit the property described on Exhibit A and all improvements thereon, together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A, North Carolina General Statutes); and

WHEREAS, Bank is the owner and holder of the indebtedness secured by that certain deed of trust dated April 26, 1976, recorded in Book 2451, Page 478, of the Wake County Registry in which Trustee is named as Trustee; and Bank and Trustee desire to execute this Declaration for the purpose of subordinating the lien of said deed of trust hereto.

WHEREAS, Elizabeth W. York is the wife of Declarant and does hereby consent to this Declaration;

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WHEREAS, Declarant is the owner of other certain townhouse apartment type multi-unit buildings and certain other improvements heretofore constructed upon property in the Cameron Village area and Declarant desires herein to provide and allow for the submission of successive phases of said other certain buildings and the property upon which said buildings are located as a part of Cameron Village Townhouses so that all property and units added shall be a part of the same project (Entire Project); and

WHEREAS, Declarant desires to provide for equality of rights, privileges and obligations of all condominium unit owners in all phases of the Entire Project by amending this Declaration as said phases are added to Cameron Village Townhouses; and

WHEREAS, Grantor hereby establishes by this Declaration of Unit Ownership a plan for the individual ownership of real property estates consisting of the area or space contained in each of the Dwelling Units and the co-ownership by the individual and separate owners thereof, as tenants in common of all of the remaining real property which is the Common Areas and Facilities of the Project (hereinafter know as "Common Elements").

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described on the attached Exhibit A is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into fifty-four (54) condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, his heirs, successors and assigns, and any person acquiring or owning any interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns. Said Declaration is subject to the following terms and conditions:

(1) The name of the Condominium is "Cameron Village Townhouses", consisting of the land described on the attached Exhibit A, all improve-

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ments thereon, and appurtenances thereto, which property is submitted to the provisions of the North Carolina Unit Ownership Act, as the same may be amended or supplemented from time to time.

(2)(a) Description of Buildings. The Declarant has constructed on the premises eleven (11) buildings; each two story multi-unit buildings basically of wood frame construction with front siding being of brick veneer, cut stone, cedar shakes or board and batten, with side siding of brick veneer, cedar shakes or asbestos shingles and with rear siding of asbestos shingles. Said buildings are subdivided into a total of fifty-four (54) units. For purposes of identification, each of the eleven buildings is alphabetically designated and each unit within each building is identified by separate number so that identification of a unit will be by building alphabetical designation, followed by the number of the unit. For purposes of conveyances, the units will be identified by their respective building alphabetical designation and unit numbers only. The percentage of interest of each unit in the general and limited common areas is 1/54th. The fifty-four units hereby established are described as follows:

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Building	Unit Number	Type	Raleigh, N.C. Street Address
A	1	2BR T/H	1101 Nichols Drive
A	2	1BR T/H	1103 Nichols Drive
A	3	1BR T/H	1105 Nichols Drive
A	4	2BR T/H	1107 Nichols Drive
B	1	2BR T/H	1109 Nichols Drive
B	2	2BR T/H	1111 Nichols Drive
B	3	2BR T/H	1113 Nichols Drive
B	4	2BR T/H	1115 Nichols Drive
C	1	2BR T/H	1001 St. Marys Street
C	2	2BR T/H	1003 St. Marys Street
C	3	2BR T/H	1005 St. Marys Street
C	4	2BR T/H	1007 St. Marys Street
D	1	2BR T/H	1009 St. Marys Street
D	2	2BR T/H	1011 St. Marys Street
D	3	1BR Eff.	1013-A St. Marys Street
D	4	1BR Eff.	1013-B St. Marys Street
D	5	2BR T/H	1015 St. Marys Street
D	6	2BR T/H	1017 St. Marys Street
D	7	2BR T/H	1019 St. Marys Street
E	1	2BR T/H	1021 St. Marys Street
E	2	2BR T/H	1023 St. Marys Street
E	3	2BR T/H	1025 St. Marys Street
E	4	2BR T/H	1027 St. Marys Street
F	1	2BR T/H	1029 St. Marys Street
F	2	1BR T/H	1031 St. Marys Street
F	3	1BR T/H	1033 St. Marys Street
F	4	2BR T/H	1035 St. Marys Street
F	5	2BR T/H	1037 St. Marys Street
F	6	1BR T/H	1039 St. Marys Street
F	7	1BR T/H	1041 St. Marys Street
F	8	2BR T/H	1043 St. Marys Street
G	1	2BR T/H	701 Wade Avenue
G	2	2BR T/H	703 Wade Avenue
G	3	2BR-Up	705 Wade Avenue
G	4	2BR-Down	707 Wade Avenue
G	5	2BR T/H	709 Wade Avenue
G	6	2BR T/H	711 Wade Avenue
H	1	3BR T/H	713 Wade Avenue
H	2	1BR T/H	715 Wade Avenue
H	3	2BR T/H	717 Wade Avenue
I	1	3BR T/H	830 Bryan Street
I	2	1BR T/H	832 Bryan Street
I	3	1BR T/H	834 Bryan Street
I	4	3BR T/H	836 Bryan Street
K	1	2BR T/H	843 Bryan Street
K	2	2BR T/H	845 Bryan Street
K	3	2BR T/H	847 Bryan Street
K	4	2BR T/H	849 Bryan Street
J	1	2BR T/H	831 Bryan Street
J	2	2BR T/H	833 Bryan Street
J	3	2BR T/H	835 Bryan Street
J	4	2BR T/H	837 Bryan Street
J	5	2BR T/H	839 Bryan Street
J	6	2BR T/H	841 Bryan Street

T/H is a townhouse unit.
 Eff. is an efficiency unit.
 Up is an upstairs unit (second floor).
 Down is a downstairs unit (first floor).

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A separate one story building is on the property and is used for storage.

Each unit is a townhouse type, two story unit (except for Units D-3, D-4, G-3 and G-4, which are one (1) story units).

Specifics such as style, construction, material, grades, and finishes are best described in the plans and specifications of some, a copy of which is attached hereto as Exhibit C and made a part hereof, showing all particulars of the building, including their locations, layout, ceiling and floor elevations, unit numbers, and dimensions of the units and location of the common areas and facilities affording access to each unit. Such plans bear the verified statement of Roderic S. Leland, Jr., Registered Architect, certifying that said plans and specifications are an accurate copy of the plans of said building as built.

(2)(b) Description of Proposed Future Phases of the Project.

Declarant for himself, his heirs, administrators and assigns, reserves the right herein, but shall not be obligated to submit additional property in separate phases to the provisions of the Unit Ownership Act and to the provisions of this Declaration on or before the expiration of five (5) years from and after the date this Declaration is filed of record, by filing Amendments to this Declaration in the office of the Register of Deeds for Wake County. The property which may be made subject to this Declaration and the Unit Ownership Act by such an Amendment is that property presently owned by Declarant and known as the Cameron Village Apartments in the Cameron Village area, Raleigh, North Carolina. The right herein reserved to submit such additional property and the submission of some of said property shall not obligate Declarant to submit additional phases to the provisions of the Unit Ownership Act or to the provisions of this Declaration. Said Amendment shall include an amendment to paragraph (2)(a) hereof to set forth the buildings added and the percent of interest of all units in the limited and general common areas and facilities and such other amendments to this Declaration as shall be deemed reasonable and appropriate by the Declarant.

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(3) Unit Designations. The designation of each unit, its location, its dimensions, approximate area, number of rooms and common areas and facilities to which it has immediate access and other data concerning its proper identification are further shown in the plans attached hereto as Exhibit C.

Each unit shall constitute a single freehold estate and means an enclosed space consisting of one or more rooms occupying all or part of one or more floors provided always that any such unit has direct exit to a thoroughfare or to a common element leading to a thoroughfare. The lower vertical boundary of any such condominium unit is a horizontal plane (or planes) the elevation of which coincides with the surface of the unfinished subfloors thereof and the upper vertical boundary is a horizontal plane (or planes) the elevation of which coincides with the elevation of the exterior surface of the interior ceilings thereof, to include the drywall. The lateral or perimetrical boundaries of any such unit are the exterior surfaces of the interior perimeter or main walls, to include the drywall, windows and doors thereof, and vertical planes coincidental with the exterior surfaces of the interior perimeter or main walls thereof to intersect the upper and lower vertical boundary thereof and to intersect the other lateral or perimetrical boundaries of the condominium unit. Mechanical equipment, stairways and appurtenances located within any unit and designed to serve only that unit, such as appliances, heating and air conditioning units, cabinets, fixtures and the like, shall be a part of the condominium unit. Where the heating and air conditioning equipment is in the attic above a unit and is serving the unit below, said equipment shall be a part of the condominium unit so served.

(4) General Common Areas and Facilities. The general common areas and facilities consist of all parts of the multi-unit buildings situated on the land described on Exhibit A other than the individual units thereon as described in Paragraphs (2) (a) and (3) above, and other than the limited common areas and facilities described in Paragraph (3) above and Paragraph (5) below, including without limitation, the following:

- (a) The land on which the buildings are erected and all land, described on Exhibit A attached hereto.
- (b) All foundation, columns, girders, beams, supports and other structural members.

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(c) The roofs and all exterior walls and interior walls, ceilings, floors, and stairways, except those partitioned walls and all ceilings, floors and stairways wholly within a unit.

(d) All central and appurtenant instaliments for services such as power, light, telephone, cablevision, hot and cold water, (including all pipes, wires, cables, and conduits in connection therewith, whether located in common areas or in units) and all other central mechanical equipment spaces.

(e) All sewer pipes and sewer systems.

(f) All other parts of the property and all apparatus and installations existing in the buildings or upon the property for common use or necessary or convenient to the existance or safety of the property.

(5) Limited Common Areas and Facilities. Certain parts of the common areas and facilities herein called and designated as "limited common areas and facilities" are hereby set aside and reserved for the exclusive use of certain units and such units shall have appurtenant thereto an exclusive easement for the use of such limited common areas and facilities except as otherwise herein expressly provided. The limited common areas for each of the units for which their use is exclusively reserved are the attic area immediately above any unit, fenced in patio, if any, to rear of each unit, storage closet serving a particular unit, entry stoops outside each unit, and the parking spaces assigned to each unit.

(6) Form of Administration. The property of the Condominium and its business shall be managed, controlled, directed and administered by the Association of Unit Owners of Cameron Village Townhouses (the Association) as provided in the By-Laws of the Association, which By-Laws are attached hereto as Exhibit B and made a part hereof.

(7) Use. The buildings and each of the units shall be used for residential purposes only. Use of the buildings and units is further restricted under the By-Laws of the Association.

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(8) Person to Receive Service of Process. G. S. York is hereby designated to receive Service of Process in any action which may be brought against or in relation to the Condominium. The address of such person's office is 1900 Cameron Street, Raleigh, North Carolina, which is located in Wake County, the county in which the buildings are located.

(9) (a) Easements. Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Administrators shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere in the building. Each unit owner shall specifically have an easement to maintain all components of the heating and air conditioning systems serving his unit in their present locations.

The Board of Administrators may hereafter grant easements for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair and replace water and electrical conduits, and wires over, under, along and on any portion of the common areas; and each unit owner hereby grants the Board of Administrators an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.

(9) (b) Water and Sewer Charges. Water may be supplied to all the units and the common elements through a master water meter for all phases of the Entire Project and the unit owners shall pay to the Association, as common expense, all charges for water consumed on the property, including water consumed by the individual unit owners with the cost of said water to be a common expense of the Association. Sewer charges, if any, shall also be considered a common expense and paid for by the

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Association.

(9) (c) Assessments. All sums assessed by the Association but unpaid for the share of the common expenses chargeable to any unit shall constitute a lien on such unit prior to all other liens except only

(i) tax liens and special assessments on the Unit made by a lawful governmental authority

(ii) all sums unpaid on the first mortgage of record on such unit, and

(iii) other liens granted priority by statutory authority.

Such lien may be foreclosed by suit by the Board of Administrators acting on behalf of the owners of the Units, in like manner as a mortgage of real property. In any such foreclosure the Unit Owner shall be required to pay a reasonable rental for the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Administrators, acting on behalf of the owners of the Units, shall have power to bid in the Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. As used herein the term "mortgage" shall include "deed of trust".

(9) (d) Purchaser at Foreclosure Sale. Where the mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the Unit Owners Association chargeable to such Unit which became due prior to the acquisition of title to such Unit as a result of foreclosure by such acquirer. Such unpaid shares of common expenses or assessments shall be deemed to be common expenses collectible from all of the Units including such acquirer, his successors and assigns.

(10) Partitioning. The common areas and facilities shall not be divided nor shall any right exist to partition any part thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a condominium unit by the entirety, jointly, or in common or in any other form by law permitted.

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(11) Liens. While the property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all of the condominium unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interests pursuant to the provisions of the North Carolina Unit Ownership Act.

(12) Nature of Interest in Units. Every unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his unit subject only to the covenants, restrictions, and easements contained herein and the By-Laws, Rules, Regulations, Resolutions and decisions adopted pursuant thereto.

(13) Insurance. Insurance coverage on the property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies upon the condominium property shall be purchased by the Board of Administrators for the benefit of the Board and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Unit owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.

(b) Coverage. All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Administrators with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against:

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(i) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(ii) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land.

Public liability insurance shall be secured by the Board of Administrators in such amount and with such coverage as shall be deemed necessary by the Board of Administrators, including, but not limited to, an endorsement to cover liability of the unit owners as a group to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Administrators shall determine from time to time to be desirable and necessary.

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

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

(i) Proceeds on account of damage to common areas and facilities - an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities.

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

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

(B) When the building is not to be restored - an undivided share for each owner of damaged units, such share being as amongst such owners in the same ratio as each such unit owner's undivided interest in the common areas and facilities bears to all unit owners entitled to share in said proceeds.

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

(14) Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Board of Administrators as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided by Paragraph (15) hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners.

(b) Failure to Reconstruct or Repair. If it is determined, as provided in Paragraph (15) hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof, with the respective mortgagees having a prior claim to such proceeds.

(15) Damage and Destruction. Except as hereinafter provided, damage to or destruction of the buildings shall be promptly repaired and restored by the Board of Administrators using the proceeds of insurance on the buildings for that purpose and the affected unit owners shall be liable for assessment of any deficiency; provided, however, if the buildings be

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more than two-thirds destroyed by fire or other casualty and the owners of three-fourths of all of the units resolve not to proceed with reconstruction or restoration, then in that event the property shall be deemed to be owned as tenants in common by the unit owners and subject to the provisions of North Carolina General Statutes 47A-25, as the same exists at the date hereof or as amended hereafter.

Any reconstruction or repair shall be in accordance with plans and specifications approved by the Board of Administrators with adherence, if feasible and reasonable considering conditions then existing to the plans and specifications of the original buildings.

(16) Units Subject to Declaration, By-Laws, Rules and Regulations.

All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the By-Laws and any rules and regulations as may be adopted in accordance with the By-Laws, as said Declaration, By-Laws, Rules and Regulations may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-Laws, and any rules and regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such land and unit, and shall inure to the benefit of such person in like manner as though the provisions were made a part of each and every deed or conveyance or lease.

(17) Construction. In interpreting any and all provisions of this instrument, the Exhibits attached hereto and subsequent deeds and deeds of trust covering individual units, the actual location of the unit shall be deemed conclusively to be the property intended to be conveyed,

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reserved, or encumbered notwithstanding any minor deviations, either horizontally or vertically, from the locations indicated on Exhibit C or in minor variations in the description of the unit contained herein. To the extent that such minor deviations in location do or shall exist, a valid easement therefor and for the maintenance thereof does and shall exist.

(18) Amendment of Declaration. Except for the Amendment of this Declaration by Declarant as provided in paragraph (2)(b) hereof, this Declaration may be amended by the vote of at least 66-2/3% in number and in common interest of all unit owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. No such amendment shall be effective until recorded in the Office of the Register of Deeds for Wake County wherein the property, the subject of this Declaration, is located. No amendment shall have any effect upon Declarant, the rights of Declarant under this Declaration and upon the rights of bona fide mortgagees until the written consent of Declarant and such mortgagees to such amendment has been secured. Such consents shall be retained by the Secretary of the Condominium or Declarant, as the case may be, and his or its certification in the instrument of amendment as to the consent or non-consent of Declarant and the names of the consenting and non-consenting mortgagees of the various units may be relied upon by all persons for all purposes.

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

(20) Waiver. No provisions 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.

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(21) Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

(22) Law Controlling. This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

(23) Subordination of Deed of Trust. Trustee and First-Citizens Bank and Trust Company agree that the lien of that certain deed of trust recorded in Book 2451, Page 478, of the Wake County Registry be, and the same hereby is, subordinated to this Declaration and upon the proper filing of this Declaration the lien of said deed of trust shall thereafter cover the fifty-four units created hereby and the respective undivided interest in the common areas and limited common areas appurtenant to each unit.

(24) Definition of Terms. Any terms used herein which are defined in the North Carolina Unit Ownership Act shall have the meaning specified in said Act unless a contrary intent clearly appears.

IN WITNESS WHEREOF, The Bank has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, and Declarant and Trustee have hereunto set their hands and seals, all as of the day and year first above written.

OWNERS

[Signature] (SEAL)

[Signature] (SEAL)

Elizabeth W. York

MORTGAGEE

First-Citizens Bank and Trust

By: *[Signature]*

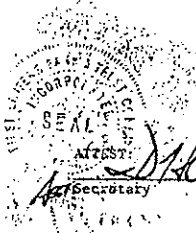
Sr. Vice President

TRUSTEE:

[Signature]

D. H. Carpenter, Trustee

(SEAL)



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NORTH CAROLINA

WAKE COUNTY

I, Andrew S. Martin, a Notary Public in and for the aforesaid county and state, do hereby certify that J. W. YORK and ELIZABETH W. YORK, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 20 day of February, 1980.

Andrew S. Martin
Notary Public

My commission expires: 3-1-84

NORTH CAROLINA

WAKE COUNTY

This 20 day of Feb., 1980, personally came before me, Pauline L. McNamee, a Notary Public in and for the County and State aforesaid, Pauline L. McNamee, who, being by me duly sworn says that he is the General President of FIRST-CITIZENS BANK AND TRUST COMPANY, and that the seal affixes to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him in behalf of said corporation, by its authority duly given, and the said Pauline L. McNamee acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 20 day of Feb., 1980.

Pauline L. McNamee
Notary Public

My commission expires:

5-16-84

NORTH CAROLINA

WAKE COUNTY

I, Pauline L. McNamee, a Notary Public in and for the aforesaid county and state, do hereby certify that D. H. CARPENTER, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 20 day of Feb., 1980.

Pauline L. McNamee
Notary Public

My commission expires:

5-16-84

NORTH CAROLINA-WAKE COUNTY

The foregoing certificate of Andrew S. Martin and Pauline L. McNamee

Notary Public at (are) certified by me. This instrument was presented for registration and recorded in this office in Book 2810 Page 487 on 80 of 155 of P

This 21 day of Feb 1980 at Wake County

By W. B. McNamee
County Register of Deeds

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CAMERON VILLAGE TOWNHOUSES

LEGAL DESCRIPTION

EXHIBIT "A"

All that certain parcel of land lying and being in Raleigh Township, Wake County, North Carolina and more particularly described as follows:

Beginning at a stake at the intersection of the western right of way line of St. Marys St., and the southern right of way line of Wade Avenue, thence from said point of beginning along said right of way line of St. Marys St. South 10°25' West 280.55 feet to a stake; thence along said right of way on a curve to the left said curve having a radius of 1,415.0 feet a distance of 286.06 feet to a stake in the northern right of way line of Nichols Drive; thence along said right of way line of Nichols Drive on a curve to the left said curve having a radius of 210.0 feet a distance of 219.22 feet to a stake in the right of way line of Bryan Street; thence along said right of way of Bryan Street North 52°32'37" West 57.76 feet to a stake; thence along said right of way line of Bryan Street on a curve to the right said curve having a radius of 254.30 feet a distance of 60.78 feet to a stake; thence North 39°19' East 114.5 feet to a stake; thence North 10°11' East 353.10 feet to a stake; thence North 74°43' West 382.60 feet to a stake; thence North 17°32' East 182.50 feet to a stake in the southern right of way line of Wade Avenue; thence along said right of way line of Wade Avenue on a curve to the left said curve having a radius of 1,248.11 feet a distance of 245.53 feet to a stake; thence along said right of way line South 79°14' East 294.48 feet to a stake, to the point and place of beginning and containing 4.096 acres according to map entitled "Cameron Village Townhouses", dated November 26, 1979, prepared by John A. Edwards and Company.

Subject to the right of way of Bryan Street as shown on said map.

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EXHIBIT B TO DECLARATION

BY-LAWS
OF
ASSOCIATION OF UNIT OWNERS
CAMERON VILLAGE TOWNHOUSES

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The Property located in Wake County, North Carolina, and more particularly described in the Declaration to which these By-Laws are attached (hereinafter called "The Declaration") has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration which is being recorded in the office of the Register of Deeds of Wake County, State of North Carolina, simultaneously herewith, and shall hereinafter be known as "Cameron Village Townhouses" (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as herein used shall include the land, the buildings and all other improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are intended to be submitted to the provisions of said Chapter 47A of the North Carolina General Statutes, entitled "Unit Ownership Act".

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and duly set forth in an amended declaration, duly recorded.

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The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II

UNIT OWNERS

Section 1. Place of Meeting. All meetings of the Association of Unit Owners (hereinafter referred to as "the Association") of the Condominium shall be held at the Property or at such other place in Wake County, North Carolina, as shall be designated in a notice of the meeting.

Section 2. Organizational Meeting. The initial meeting of the Association to organize the Condominium shall be held upon ten (10) days written notice given by Cameron Village Townhouses (hereinafter referred to as the "Declarant") when the sale of ten of the Units has been consummated, or at the expiration of one year from the date of the filing of the Declaration, whichever first occurs.

Section 3. Annual Meetings. An annual meeting of the Association shall be held at 8:00 P.M. on the fourth Monday of January of each year, if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday for the purpose of electing members of the Board of Administrators and for the transaction of such other business as may be properly brought before the meeting.

Section 4. Substitute Annual Meetings. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 5. Special Meetings. Special meetings of the Association may be called at any time by a majority of the members of the Board of Administrators or upon the written request of not less than 25% in common interest, in the aggregate, of the Unit Owners.

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Section 6. Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail at the direction of the Board of Administrators or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Administrators on which the vote of Unit Owners is expressly required by the provisions of the North Carolina Unit Ownership Act. In the case of a special meeting the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

Section 7. Quorum. The presence in person or by proxy at any meeting of the voting members (as defined in Section 8 of this Article) having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association at which a quorum is present consistent with the notice of such meeting upon the affirmative vote of the voting members having a majority of the total votes present at such meeting. If there is no quorum at the meeting of the Association, such meeting may be adjourned from time to time by the vote of a majority of the voting members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

Section 8. Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Association. Such person shall be known and hereinafter referred to as a "voting member".

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Such voting member may be the owner or one of the group composed of all of the owners of a unit ownership, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the owner or owners. The total number of votes of all voting members shall be 54 and each Owner or group of owners (including the Board of Administrators and the Declarant or their respective designees, if either, shall then hold title to one or more units) shall be entitled to the number of votes equal to their ownership in the common areas and facilities.

Section 9. Cumulative Voting. In all elections for members of the Board of Administrators, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

Section 10. Waiver of Notice. Any Unit Owner may, at any time waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Unit Owners are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 11. Informal Action by Unit Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, (this is, the voting members) and filed with the Secretary of the Condominium to be kept in the Condominium Minute Book.

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Section 12. Liability of The Board. The members of the Board of Administrators shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent of their liability as Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interests in the common areas and facilities bears to the interests of all the Unit Owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Administrators, or the managing agent, as the case may be, are acting only as agents for the Association, and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all Unit Owners in the common areas and facilities.

ARTICLE III

BOARD OF ADMINISTRATORS

Section 1. General Powers. The business and property of the Condominium shall be managed and directed by the Board of Administrators (hereinafter sometimes referred to as "the Board") or by such Executive Committees as the Board may establish pursuant to these By-Laws.

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Section 2. Number, Term and Qualification. Subject to the provisions of paragraph 4 of the Condominium Unit Purchase Agreement, the number of Administrators of the Condominium shall be five (5), to be elected by the Unit Owners at their initial meeting. The size of the Board of Administrators may be increased or decreased from time to time upon the affirmative vote of two-thirds of the total of the Unit Owners provided that said Board shall not be less than three (3) in number. Each Administrator shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Each member of the Board shall be one of the Unit Owners or co-owner or a spouse of a Unit Owner or co-owner; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board.

Section 3. Election of Administrators. Except as provided in Section 5 of this Article, the Administrators shall be elected at the annual meeting of the Association; and those persons who receive the highest number of votes shall be deemed to have been elected.

Section 4. Removal. Administrators may be removed from office with or without cause by affirmative vote of the Unit Owners having a majority of the total votes entitled to vote at an election of Administrators. However, unless the entire Board is removed an individual administrator may not be removed if the number of Unit Owners voting against the removal would be sufficient to elect an administrator if such Unit Owners voted cumulatively at an annual election. If any administrators are so removed, new administrators may be elected at the same meeting.

Section 5. Vacancies. A vacancy occurring in the Board of Administrators, including administratorships not filled by the Unit Owners, may be filled by a majority of the remaining Administrators, though less than a quorum, or by the sole remaining Administrator; but a vacancy created by an increase in the

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authorized number of Administrators shall be filled only by election at an annual meeting or a special meeting of the Association called for that purpose. Voting members may elect an Administrator at any time to fill any vacancy not filled by the Administrators.

Section 6. Compensation. The Board of Administrators shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners having two-thirds of the total votes.

Section 7. Executive Committee. The Board of Administrators may, by resolution adopted by a majority of the number of Administrators fixed by these By-Laws, designate two or more Administrators to constitute an Executive Committee, which committee to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Administrators in the management of the Condominium.

Section 8. Powers and Duties. The Board of Administrators shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Administrators. Such powers and duties of the Board of Administrators shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- (e) At the direction of the Unit Owners having two-thirds of the total votes, the adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance and operation of the Property.

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nance, conservation, and beautification of the Property, and for the health, comfort, safety and general welfare of the owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations.

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of the Association, units offered for sale or lease.

(h) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Selling, mortgaging, voting the votes appurtenant to or otherwise dealing with units acquired by the Board of Administrators or its designee, corporate or otherwise, on behalf of the Association, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to units on behalf of the Association.

(j) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common areas and facilities or any other portion of the building and any Unit Owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said Owner, provided that the Board shall levy a special assessment against such property owner for the costs of said maintenance or repair.

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(k) Entering any unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as a common expense.

(l) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the Chairman of the Board.

(m) Obtaining of insurance for the Property, including the units, pursuant to the provisions of Paragraph 13 of the Declaration.

(n) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

Section 9. Managing Agent. The Board of Administrators for the Condominium may engage the services of any person, firm or corporation to act as managing agent at the compensation established by the Board, to perform such duties and services as the Board of Administrators shall authorize including but not limited to the duties listed in subdivisions (a), (c), (d), (j), (k), (m), and (n) of Section 8 of this Article III. The Board may delegate to the managing agent, all of the powers granted to the Board of Administrators by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), and (l) of Section 8 of this Article III. For so long as First-Citizens Bank and Trust Company

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(Bank) shall hold a lien on any unit, any contract between the Board and any such managing agent shall be subject to the approval of Bank (which approval will not be unreasonably withheld) and any such contract shall provide that Bank shall have the right to make the final decisions with respect to any issue which is in dispute between the Board and any such managing agent.

ARTICLE IV

MEETINGS OF ADMINISTRATORS

Section 1. Organization Meeting. The first meeting of the members of the Board of Administrators shall immediately follow the initial meeting of the Association. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, providing a quorum shall be present.

Section 2. Regular Meetings. A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Administrators may provide by resolution the time and place within Wake County, North Carolina, for the holding of a regular meeting of the Board.

Section 3. Special Meetings. Special meetings of the Board of Administrators may be called by or with the request of the Chairman or by any two Administrators. Such meeting may be held at any place within Wake County, North Carolina.

Section 4. Notice of Meetings. Regular meetings of the Board of Administrators may be held without notice. The person or persons calling a special meeting of Administrators shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by an Administrator at a meeting shall constitute a waiver of notice of such meeting except where an Administrator attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

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Section 5. Waiver of Notice. Any member of the Board of Administrators may, at any time waive notice of any meeting of the Board of Administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Administrators are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6. Quorum. A majority of the number of Administrators fixed by these By-Laws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Administrators.

Section 7. Manner of Acting. Except as otherwise provided in this section, the act of the majority of the Administrators present at a meeting at which a quorum is present shall be the act of the Board of Administrators.

A vote of a majority of the number of Administrators fixed by the By-Laws shall be required to adopt a resolution constituting an Executive Committee. The vote of a majority of the Administrators then holding office shall be required to adopt, amend, or repeal a By-Law, provided that no modification of or amendment to the By-Laws shall be effective unless and until it is set forth in an Amendment to the Declaration, duly recorded. Vacancies in the Board of Administrators may be filled as provided in Article III, Section 5, of these By-Laws.

Section 8. Organization. Each meeting of the Board of Administrators shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any person selected to preside by vote of the majority of the Administrators present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.

Section 9. Informal Action of Administrators. Action taken by a majority of the Administrators without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Administrators and

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filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 10. Minutes. The Board shall keep minutes of its proceedings.

Section 11. Fidelity Bonds. The Board of Administrators may require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premiums on such bonds shall constitute a common expense.

ARTICLE V

OFFICERS

Section 1. Number. The principal officers of the Condominium shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairman, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Administrators may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary.

Section 2. Election and Term. The officers of the Condominium shall be elected by and from among the Board of Administrators. Such elections may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Administrators may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation. No officer shall receive any compensation from the Condominium for acting as such.

Section 5. Chairman of the Board. The Chairman of the Board shall be the principal executive officer of the Condominium and, subject to the control of the Board of Administrators, shall supervise and control the management of the Condominium. The Chairman shall when present, preside at all meetings of the

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Board and of the Unit Owners and, in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.

Section 6. Vice-Chairman. The Vice-Chairman, and if there be more than one, the Vice-Chairman designated by the Board of Administrators shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Administrators. He shall give, or cause to be given, all notices required by law and by these By-Laws. He shall have general charge of the minute books and records of both the Unit Owners and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board of Administrators.

Section 8. Treasurer. The Treasurer shall have custody of all Condominium funds and securities and shall receive, deposit or disburse the same under the direction of the Board of Administrators. He shall keep full and accurate accounts of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of charges in surplus for such fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to each Unit Owner annually on or before March 15 covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local law

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and shall generally perform all other duties as may be assigned to him from time to time by the Chairman of the Board or the Board of Administrators.

Section 9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and the Treasurer, respectively, have all the powers and perform all of the duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman of the Board or the Board of Administrators.

ARTICLE IV

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges.
The Board of Administrators shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expense shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Administrators pursuant to the provisions of the Declaration. The common expenses may also include such amounts as the Board of Administrators may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. Unless all mortgagees and two-thirds (2/3) of the Unit Owners elect to the contrary, the exterior of all buildings shall be repainted at least every five years and the roofs of all buildings shall be replaced not less than every twenty years. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Administrators or its designee, corporate or otherwise, on behalf of the Association, of any unit whose Owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Administrators shall advise

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all Unit Owners, promptly in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Administrators, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all Unit Owners and to their mortgagees.

Section 2. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Administrators pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine. All sums assessed by the Board of Administrators but unpaid shall constitute a lien against the respective Unit prior to all other liens except only (a) tax liens and special assessments on the Unit made by a lawful governmental authority, (b) all sums unpaid on the first mortgage of record on such Unit, and (c) other liens granted priority by statutory authority.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such unit, together with his interest in the common areas and facilities (and Limited Common Areas, if any) as defined in the Declarations. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such unit prior to the acquisition by purchaser of such unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the Unit Owners including such purchaser, his successor and assigns.

Section 3. Collection of Assessments. The Board of Administrators shall take prompt action to collect any common charges due from any Unit Owner which remains unpaid for more than 30 days from the due date of payment thereof.

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Section 4. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Administrators the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the maximum legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board in any proceedings brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such unit in like manner as a deed or trust or mortgage of real property.

Section 5 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6. Statement of Common Charges. The Board of Administrators shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

Section 7. Abatement and Enforcement of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which or as to which, such violation or

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breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 8. Maintenance and Repair. (a) All maintenance and any repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to the common areas and facilities that his failure so to do may engender. (b) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

Section 9. Utility Equipment. Each Unit Owner shall own and be responsible for the repair, maintenance, and upkeep of all equipment (such as heating and air conditioning equipment, stoves, refrigerators, cabinets, and fixtures) which serves exclusively that unit.

Section 10. Additions, Alterations or Improvements by Unit Owners. No Unit Owners shall make any structural addition, alteration or improvement in or to his unit, without the prior written consent thereto of the Board of Administrators. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement.

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Section 11. Use of Units and Common Areas and Facilities. The use of the property of the Condominium shall be in accordance with the following provisions:

(a) Each of the units shall be occupied only as a residence and for no other purpose. No unit may be divided into small units or any portion thereof sold or otherwise transferred without first amending these By-Laws to show the changes in the units to be affected thereby.

(b) The common areas and facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the units.

(c) No use or practice shall be permitted on the property which is the source of annoyance to Unit Owners or which interferes with the peaceful possession and proper use of the property by the Unit Owners. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazards allowed to exist. It shall be the responsibility of each Unit Owner and the Board of Administrators to prevent the development of conditions which render the property or the building unclean, unsightly or unkept or which substantially decreases the beauty of the area as a whole. No Unit Owner shall permit any use of his unit or of the common elements which will increase the rate of insurance upon the Condominium property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium property or any part thereof. Garbage receptacles shall be located in accordance with reasonable standards established by the Board. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification, or repair of the Condominium

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property shall be the same as the responsibility for the maintenance and repair of the property concerned.

(d) Until the Declarant has completed and sold all of the units, neither the Unit Owner nor the Board shall interfere with the sale of additional units. The Declarant may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to the rental of same, the showing of the property, and the display of signs.

Section 12. Right of Access. A Unit Owner shall grant a right of access to his unit to the managing agent and/or any other person authorized by the Board of Administrators or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common area and facility, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas and facilities in his unit or elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 13. Entry by Board. In the event any Unit Owner permits any use of the premises or practice in violation of the provisions of Section 11 of this Article VI, and such owner fails to cure said violation within thirty (30) days of the Board's request to do so agents of the Board may enter upon the premises, cure said violation at the expense of such Unit Owner or Owners; provided, however, such expense shall not exceed \$100.00 per Unit Owner annually.

Section 14. Rules of Conduct. Rules and regulations concerning the use of the units and common areas and facilities may be promulgated by Declarant and/or the Board and amended by the Board with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective.

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Section 15. Water and Electricity Charges. Electricity shall be supplied to each unit through separate meter and the cost of same shall be borne by the respective Unit Owners. All charges for water and electricity used in connection with the maintenance or use of the common areas and all water used in each unit shall be paid by the Association as a common expense.

ARTICLE VII

RECORDS AND AUDITS

The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board and the managing agent, minutes of meetings of the Board of Administrators, minutes of the meeting of the Association, and financial records and books of accounts of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of the common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial record and books of account shall be available for examination by all the Unit Owners, their duly authorized agents or attorneys at convenient hours on working days that shall be set and announced for general knowledge. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the third month following the close of each calendar year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium certified by an independent certified public accountant, shall be rendered by the Board to all Unit Owners and to all mortgagees of units who have requested the same, promptly after the end of each calendar year.

ARTICLE VIII

OPERATION OF THE PROJECT PRIOR TO

INITIAL MEETING OF THE ASSOCIATION

Prior to the initial meeting of the Association to organize the Condominium as provided in Section 2, Article II, all functions of the

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Association and of the Board of Administrators as herein described shall be performed and carried out by Declarant through his employees and agents.

ARTICLE IX

AMENDMENT OF BY-LAWS

These By-Laws may be amended by the vote of at least 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. No such amendment shall be effective until set forth in an amended declaration and duly recorded in the Office of the Register of Deeds for the county wherein the property, the subject of Declaration, is located, and all Unit Owners shall be bound to abide by any such amendment.

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CAMERON VILLAGE TOWNHOUSES
EXHIBIT C TO DECLARATION

PLANS AND SPECIFICATIONS
(Contained in Condominium
File-Wake County Registry)

File No. 12