

BOOK 2191 PAGE 430

DECLARATION OF UNIT OWNERSHIP
UNDER CHAPTER 47A
NORTH CAROLINA GENERAL STATUTES
FOR
WALDEN WOODS CONDOMINIUM

THIS DECLARATION, made this 13th day of September, 1973, by Walden Development Company, a limited partnership (hereinafter referred to as "Grantor" or "Developer") pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, as amended, (sometimes hereinafter referred to as the "Unit Ownership Act");

WHEREAS, Grantor is constructing in successive segments (hereinafter referred to as "STAGES") on the parcel of land owned by Grantor described in Paragraph 1 below a condominium development consisting of townhouse and four-plex dwelling units (hereinafter referred to as the "PROJECT") established in accordance with the provisions of the Unit Ownership Act and the Project when completed will comprise approximately 250 units (hereinafter referred to as "DWELLING UNITS" or "UNITS"); and

WHEREAS, it is the desire of Grantor to submit a stage of the Project property hereinafter described in Paragraph 2 below together with the improvements thereon constructed to the provisions of the Unit Ownership Act for condominium ownership; and

WHEREAS, Grantor also desires herein to provide for the submission of successive stages of the Project to condominium ownership by amending this Declaration as said sections are developed and completed; and

WHEREAS, Grantor hereby establishes by this Declaration a plan for the individual ownership of the 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 hereinafter defined and referred to as the "COMMON AREAS AND FACILITIES".

NOW THEREFORE, Grantor hereby declares:

1. Legal Description of Project Property

The overall Walden Woods Condominium Project site referred to hereinabove is situated in Wake County, State of North Carolina, and is described as follows (hereinafter known as "PROJECT PROPERTY"):

BEGINNING at a point in the centerline of the new 90 foot right of way of Millbrook Road, said point being the north-east corner of the land conveyed to John G. Vandenberg and wife, Barbara D. Vandenberg by Walden Development Company by deed recorded in Book 2114, Page 159 of the Wake County Registry; thence with said centerline of Millbrook Road South 82 degrees 52 minutes East 159.06 feet to a point; thence South 07 degrees 08 minutes West 45 feet to a point in the southern edge of the right of way of Millbrook Road; thence with the eastern edge of the right of way of Walenda Drive six calls as follows; (1) South 52 degrees 08 minutes West 28.28 feet to a point, (2) South 07 degrees 08 minutes West 20 feet to a point, (3) in a southerly direction along a curve to the left with a radius of 312.36 feet a distance of 117.21 feet to a point, (4) South 14 degrees 22 minutes East 160.01 feet to a point, (5) in a southerly direction along a curve to the left with a radius of 25 feet a distance of 18.69 feet to a point of reverse curve, and (6) in a southerly direction along a curve to the right with a radius of 50 feet a distance of 97.59 feet to a point; thence South 35 degrees 22 minutes East 60.96 feet to a point; thence South 07 degrees 00 minutes East 140 feet to a point; thence South 39 degrees 26 minutes 20 seconds West 121 feet to a point; thence South 26 degrees 28 minutes 10 seconds East 94.67 feet to a point; thence South 09 degrees 18 minutes 40 seconds East 164.18 feet to a point; thence South 15 degrees 39 minutes 10 seconds West 92.26 feet to a point; thence South 64 degrees 12 minutes 40 seconds West 78.21 feet to a point; thence South 35 degrees 02 minutes 35 seconds West 75.43 feet to a point; thence South 03 degrees 46 minutes East 103.01 feet to a point; thence South 28 degrees 32 minutes 20 seconds West 771.39 feet to a point in the northern property line of Warren Wilson Construction Company; thence North 88 degrees 44 minutes West 601.11 feet to a point, said point being the beginning point of the traverse line referred to below; thence North 88 degrees 44 minutes West 50 feet, more or less, to a point in the center of Marsh Creek; thence along the center of Marsh Creek measured by a traverse line running as follows from the beginning point of said line referred to above: (1) North 35 degrees 40 minutes West 229.65 feet to a point, (2) North 19 degrees 18 minutes West 215.70 feet to a point, (3)

BOOK 2191 PAGE 432

North 12 degrees 44 minutes 30 seconds West 257.03 feet to a point, and (4) North 32 degrees 11 minutes West 152.01 feet to a point in the southern edge of the right of way of Whitehall Avenue (a new street), the terminal point of said traverse line; thence from the center of Marsh Creek North 89 degrees 57 minutes 30 seconds East to the terminal point of said traverse line; thence with said right of way of Whitehall Avenue North 89 degrees 57 minutes 30 seconds East 213.09 feet to the point where said right of way begins to curve into the western right of way of Brockton Drive; thence in a southeasterly direction along the curve of the rights of way of Whitehall Avenue and Brockton Drive, said curve being to the right with a radius of 80.25 feet, a distance along the arc of said curve of 90.76 feet to a point in the western edge of the right of way of Brockton Drive; thence with said right of way of Brockton Drive South 25 degrees 14 minutes 30 seconds East 60.07 feet to a point; thence North 71 degrees 00 minutes 30 seconds East 60.36 feet to a point in the eastern edge of the right of way of Brockton Drive; thence with said right of way of Brockton Drive South 25 degrees 14 minutes 30 seconds East 45 feet to a point; thence North 52 degrees 54 minutes 50 seconds East 219.24 feet to a point; thence North 34 degrees 17 minutes 30 seconds East 126.04 feet to a point; thence North 16 degrees 21 minutes 30 seconds East 117.46 feet to a point; thence North 16 degrees 21 minutes 30 seconds East 155 feet to a point; thence North 01 degree 47 minutes East 339.63 feet to a point in the southern edge of the right of way of Lowell Street; thence crossing the end of Lowell Street North 17 degrees 32 minutes West 68.25 feet to a point in the northern edge of the right of way of Lowell Street; thence North 11 degrees 36 minutes East 155.80 feet to a point; thence North 48 degrees 56 minutes East 84.47 feet to a point; thence South 67 degrees 04 minutes 45 seconds East 142.03 feet to a point in the western property line of the Vandenberg property; thence with the present property line of the Vandenberg property three calls as follows: (1) South 02 degrees 29 minutes 15 seconds East 163.40 feet to a point, (2) North 87 degrees 37 minutes 30 seconds East 216.35 feet to a point and (3) North 08 degrees 55 minutes 30 seconds East 406.71 feet to the point of BEGINNING, said property being described according to the boundary map by Bass, Nixon and Kennedy, Inc., Engineers, contained in the Drawings attached hereto.

2. Legal Description of Stage of Project Dedicated to Condominium Ownership

The section of the Project Property which is herewith dedicated to condominium or unit ownership is situated in Wake County, State of North Carolina, and described as follows (hereinafter referred to as the "Condominium Property").

BEGINNING at the terminal point of the northern edge of the right of way of Lowell Street, said beginning point also being the southeast corner of Lot 4 of Section 1 of Greenbrook Park according to a map recorded in Book of Maps 1958, Page 32 of the Wake County Registry; thence North 11 degrees 36 minutes East 155.80 feet to a point; thence North 48 degrees

56 minutes East 84.47 feet to a point; thence South 67 degrees 04 minutes 45 seconds East 142.03 feet to a point in the western property line of the Vandenberg property; thence with the western property line of the Vandenberg property South 02 degrees 29 minutes 15 seconds East 163.40 feet to a point; thence with the southern property line of the Vandenberg property North 87 degrees 37 minutes 30 seconds East 216.35 feet to a point; thence South 08 degrees 55 minutes 30 seconds West 60 feet to a point; thence South 79 degrees 04 minutes 30 seconds East 110 feet to a point; thence North 45 degrees 56 minutes 10 seconds East 109.27 feet to a point in the western edge of the right of way of Walenda Drive; thence in a southerly direction with the arc of the curve of the right of way of Walenda Drive (said curve having a radius of 50 feet) a distance of 56.55 feet to a point; thence South 30 degrees 49 minutes West 181.70 feet to a point; thence North 84 degrees 00 minutes West 190 feet to a point; thence South 15 degrees 04 minutes West 150 feet to a point; thence North 80 degrees 00 minutes 30 seconds West 299.87 feet to a point in the eastern property line of Lot 12 of Section 1 of Greenbrook Park; thence North 01 degree 47 minutes East 223.1 feet to a point in the southern edge of the right of way of Lowell Street; thence crossing Lowell Street North 17 degrees 32 minutes West 68.25 feet to the point of BEGINNING, and being the land designated as "Stage I, Walden Woods Condominiums" on the boundary map by Bass, Nixon and Kennedy, Inc., Engineers, contained in the Drawings attached hereto.

The Property described above in this Paragraph 2 is submitted to the provisions of the Unit Ownership Act, as the same may be amended or supplemented from time to time.

3. Definitions

The terms defined in this Paragraph 3 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Declaration and of any amendments hereto shall have the respective meanings specified in this Paragraph.

(A) "Association" means Walden Woods Condominium Association which is an unincorporated unit owners' association as defined in the Unit Ownership Act.

(B) "Board" means the Board of Administrators of the Association as the same may be constituted from time to time.

(C) "Bylaws" means the Bylaws of the Association attached hereto as Exhibit A and made a part hereof.

(D) "Buildings" means the buildings located on the Condominium Property, provided, however, when buildings located on other portions of the Project Property have been added to the

Condominium Property pursuant to the provisions of Paragraph 18 hereof, the term "Buildings" shall also include said buildings.

(E) "Unit Ownership Act" means Chapter 47A of the General Statutes of the State of North Carolina as the same may be amended or supplemented from time to time.

(F) "Common Areas and Facilities" means all parts of the Condominium Property except the Units, including, without limitation, all foundations, exterior and supporting walls and roofs of the Buildings, all structural and component parts of all interior walls, doors, floors and ceilings of the Buildings, all hallways, storage rooms and laundry rooms, all patios, courtyards, walkways, driveways and parking spaces and all lawns, landscaping and gardens now or hereafter situated in the Condominium Property, including any repairs and replacements thereof.

(G) "Common Expenses" means those expenses designated as Common Expenses in both the Unit Ownership Act and this Declaration or the Bylaws, including, without limitation, the following:

(i) all sums lawfully assessed against the Unit Owners by the Association;

(ii) expenses of the Association incurred in the administration, maintenance, repair and replacement of the Common Areas and Facilities; and

(iii) expenses determined from time to time to be Common Expenses by the Association.

(H) "Condominium Property" means the property described in Paragraph 2 above, Buildings and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all articles of personal property existing thereon for the common use of the Unit Owners; provided, however, when portions of the Project Property have been added to the Condominium Property pursuant to the provisions of Paragraph 18 hereof, the term "Condo-

minium Property" shall also include such portions of Project Property and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all articles of personal property existing thereon for the common use of the Unit Owners.

(I) "Declaration" means this instrument and all of the Exhibits hereto, as originally executed, or, if amended as herein provided, as so amended.

(J) "Drawings" means the drawings prepared and certified by Don C. Kennedy, Registered Engineer, dated August 13, 1973, consisting of three sheets and by Fred L. Tolson, Registered Architect, dated August 13, 1973, and consisting of six sheets, in accordance with the Unit Ownership Act relating to the Condominium Property, which Drawings are identified as Exhibit B and attached to and made a part of this Declaration, or, when amended pursuant to the provisions of Paragraph 19 hereof, as so amended.

(K) "Limited Common Areas and Facilities" means those parts of the Common Areas and Facilities reserved for the use of a certain Unit to the exclusion of all other Units and more specifically described in Paragraph 7, Section D hereof.

(L) "Occupant" means the person or persons, natural or artificial, in possession of a Unit.

(M) "Ownership Interest" means the fee simple title interest in a Unit and the undivided percentage interest in the Common Areas and Facilities appertaining thereto.

(N) "Rules" means such rules and regulations governing the operation and use of the Condominium Property or any portion thereof as may be adopted by the Association or the Board from time to time.

(O) "Dwelling Unit or Unit" means that part of the Condominium Property described in Paragraph 6 hereof.

(P) "Unit Owner" means any person or persons, natural or artificial, owning the fee simple estate in a Unit and an undivided percentage interest in the Common Areas and Facilities.

(Q) The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.

4. Name

The Condominium Property shall be known as "Walden Woods Condominium".

5. General Description

The Condominium Property includes eight two-story buildings without basements. Each building contains four Dwelling Units making a total of thirty-two Dwelling Units. Each building is of wood frame construction with exterior finish of brick and wood. Brick and wood are the principal materials of which each building is constructed. The floor in each building are plywood or concrete slab (as shown on the plans) covered by carpet and the walls and ceilings are sheetrock. Reference is made to the drawings for a more detailed description of the buildings and Dwelling Units, including the location, layout, dimensions (area), of the Dwelling Units and the common area and facilities. The buildings are not named but are numbered numerically from 103 through 110. The Dwelling Units in each building are designated alphabetically as "A", "B", "C" or "D". Thus, a specific Dwelling Unit will be identified by reference to the building number and the alphabetical designation of such Dwelling Unit. For example, Unit A in Building 103 may be identified as "Unit A in Building 103", or "Building 103, Unit A", or "Unit 103A" or "Unit A103". Any such designation

shall be sufficient as long as it contains the numerical designation of the building and the alphabetical designation of the Dwelling Unit. There are four types of Dwelling Units in the Condominium Property which are named and described as follows:

(A) Pathfinder Unit. This is a ranch type one story unit, containing a living room, kitchen, dining area, bathroom and two bedrooms. The Unit is built on a concrete slab.

(B) Explorer Unit. This is a ranch type one story unit containing a living room, kitchen, dining room, bathroom and two bedrooms. The living room is several steps below the level of the rest of the unit. The unit is built partially on a concrete slab and partially on a crawl space depending on the contour of the site.

(C) Woodsman I Unit. This is a two story townhouse type unit containing a living room, dining room, kitchen, powder room and utility room on the first floor and three bedrooms and a bathroom on the second floor. The Unit is built on a concrete slab.

(D) Woodsman II Unit. This Unit is identical to the Woodsman I Unit except that the layout of the second floor is revised to provide a second full bathroom off the master bedroom. The overall exterior dimensions are not changed.

There are three building types in the Condominium Property.

(A) Type One: This four-plex building contains two Woodsman Units and two Pathfinder Units.

(B) Type Two: This four-plex building contains two Woodsman Units and two Explorer Units.

(C) Type Three: This four-plex building contains four Woodsman Units.

NOTE: For the purpose of designating a building type, no distinction is made between a Woodsman I and a Woodsman II Unit.

Further stages of the Condominium Project will contain some or all of the units and building types described above as well as other units and building types.

6. Description of Units

Each Unit shall constitute a single freehold estate and shall consist of all of the space bounded by the undecorated interior surfaces (whether plaster, dry wall, wood, concrete or other materials) of the perimeter walls, windows and doors, the floor and the roof of such Unit, projected, if necessary, by reason of structural divisions such as interior walls, floors, ceilings and other partitions, as may be necessary to form a complete enclosure of space with respect to such Unit (the exact layout and dimensions of each Unit being shown on the Drawings), and including, without limitation, all space occupied by any Common Areas and Facilities located within the bounds of a Unit, together with the decorated surfaces, including paint, lacquer, varnish, wall paper, paneling, tile and any other finishing material applied to interior walls, doors, floors and ceilings and interior surfaces of perimeter walls, windows, doors, floors and ceilings.

7. Common Areas and Facilities

(A) Description. The Common Areas and Facilities shall consist of all parts of the Condominium Property except the Units.

(B) Ownership of Common Areas and Facilities. The Common Areas and Facilities comprise, in the aggregate, a single freehold estate and shall be owned by the Unit Owners, as tenants in common, and ownership thereof shall remain undivided.

No action for partition of any part of the Common Areas and Facilities shall be maintainable, except as specifically provided in the Unit Ownership Act, nor may any Unit Owner otherwise waive or release any rights in the Common Areas and Facilities; provided, however, that if any Unit be owned by two or more co-owners as tenants in common or as tenants by the entirety nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of such Unit ownership as between such co-owners.

Until amended as provided in Paragraph 19 hereof, the percentage of interest in the Common Areas and Facilities of each Unit, as determined by Grantor in accordance with the provisions of the Unit Ownership Act, shall be as follows:

<u>Unit No.</u>	<u>Percentage of Undivided Interest in Common Areas</u>
103-A	3.17
103-B	3.27
103-C	3.17
103-D	3.27
104-A	3.17
104-B	3.17
104-C	3.17
104-D	3.27
105-A	3.17
105-B	3.17
105-C	3.17
105-D	3.17
106-A	2.72
106-B	2.72
106-C	3.27
106-D	3.27
107-A	2.94
107-B	2.94
107-C	3.27
107-D	3.27
108-A	2.94
108-B	2.94
108-C	3.27
108-D	3.27
109-A	2.94
109-B	2.94
109-C	3.27
109-D	3.27
110-A	2.94
110-B	2.94
110-C	3.27
110-D	3.27

The undivided percentage of interest of the Unit Owners in the Common Areas and Facilities and the fee title to their respective Dwelling Unit shall not be separated or separately conveyed, encumbered, inherited or divided, and each undivided interest shall be deemed to be conveyed or encumbered with its respective Dwelling Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to such Dwelling Unit.

(C) Use of Common Areas and Facilities. Each Unit Owner shall have the right to use the Common Areas and Facilities in accordance with the purposes for which they are intended and for all purposes incident to the use and occupancy of his Unit, and such rights shall be appurtenant to and run with his Unit; provided, however, that no person shall use the Common Areas and Facilities or any part thereof in such manner as to interfere with or restrict or impede the use thereof by others entitled to the use thereof or in any manner contrary to or not in accordance with this Declaration, the By-laws, and the Rules.

(D) Use of Limited Common Areas and Facilities. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy the Limited Common Areas and Facilities located within the bounds of his Unit or which serve only his Unit. The Limited Common Areas and Facilities with respect to each Unit shall consist of:

(i) all interior walls, doors, floors and ceilings located within the bounds of such Unit, excluding the structural and component parts thereof;

(ii) all glass and screens within windows and doors within the perimeter walls of such Unit;

BOOK 2191 PAGE 441

(iii) all ducts and plumbing, electrical and other fixtures, equipment and appurtenances, including heating and air conditioning systems and control devices, located within the bounds of such Unit or which serve only such Unit;

(iv) all gas, electric, water or other utility or service lines, pipes, wires and conduits located within the bounds of such Dwelling Unit and which serve only such Dwelling Unit;

(v) patios, courtyards and appurtenant improvements, front and back stoops and balconies and decks (if any) which serve only such Unit;

(vi) all other Common Areas and Facilities as may be located within the bounds of such Unit and which serve only such Unit or which may be designated on the Drawings as a Limited Common Area or Facility.

8. Covenants of Unit Owners

Grantor, its successors and assigns, by this Declaration, and all future owners of the Dwelling Units, by their acceptance of their deeds, covenant and agree as follows:

(A) That the Dwelling Units shall be occupied and used by the respective owners only as a private dwelling for the owner, his family, tenants and social guests and for no other purpose.

(B) That the owner of the respective Dwelling Units shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective Dwelling Unit, nor shall said owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Dwelling Unit which are utilized for, or serve more than one, Dwelling Unit, except as tenants in common with the other Unit Owners as heretofore provided in

Paragraph 7. Said owner, however, shall be deemed to own the walls and partitions which are contained in said owner's respective Dwelling Unit, and also shall be deemed to own the inner decorated or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, and the like.

(C) That the owners of the respective Dwelling Units agree that if any portion of the Common Areas and Facilities encroaches upon their Dwelling Unit, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event any Building is partially or totally destroyed, and then rebuilt, the owners of Dwelling Units agree that minor encroachment of parts of the Common Areas and Facilities due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist.

(D) That the owner of a Dwelling Unit shall automatically, upon becoming the owner of a Dwelling Unit, be a member of Walden Woods Condominium Association, hereinafter referred to as the "Association," and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease.

(E) That the owners of Dwelling Units covenant and agree that the administration of the condominium shall be in accordance with the provisions of this Declaration and the By-laws of the Association which are made a part hereof and attached as Exhibit A.

(F) That each owner, tenant or occupant of a Dwelling Unit shall comply with the provisions of this Declaration, the By-Laws, and decisions and resolutions of the Association or its representative. Failure to comply with any

such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief.

(G) That this Declaration shall not be revoked or any of the provisions herein amended except as provided in the Unit Ownership Act and in Paragraph 19 below.

(H) That no owner of a Dwelling Unit may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by the abandonment of his Dwelling Unit.

9. 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 (1) tax liens and special assessments on the Unit made by any lawful governmental authority, and (2) all sums unpaid on the first mortgage of record on such Unit. 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".

10. 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, or where the mortgagee of a first mortgage of record obtains title to the Unit by deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share 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.

11. Rental of Units by Unit Owners

The respective Units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing obligations, the owners of the respective Units shall have the absolute right to lease same provided that said lease is made subject to the covenants and restrictions contained in this Declaration and further subject to the By-laws attached hereto.

12. Reconstruction

In the event the property subject to this Declaration is totally or substantially damaged or destroyed, the

repair, reconstruction, or disposition of the property shall be as provided by the provisions of the Unit Ownership Act.

13. Conveyance of Dwelling Unit

In a voluntary conveyance of a Dwelling Unit the Grantee of the Unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the Board of Administrators setting forth the amount of the unpaid assessments against the Grantor due the Association and such Grantee shall not be liable for, nor shall the Dwelling Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the Grantor in excess of the amount therein set forth.

14. Voting

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Unit Ownership Act, this Declaration or in the By-laws, shall be deemed to be binding on all owners of Dwelling Units, their successors and assigns.

15. Insurance and Reconstruction.

(A) Insurance. The insurance which shall be carried upon the Condominium Property shall be governed by the following provisions:

(1) All insurance of improvements comprising the Common Areas and Facilities and all personal property as may be owned by the Association shall be insured by the

Association in an amount equal to the full insurable replacement value thereof, exclusive of excavation and foundations. Such coverage shall afford protection against the following:

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

(b) such other risks as from time to time customarily shall be covered with respect to buildings similar to the Buildings in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, subject to such deductible amounts not in excess of \$1,000.00 as the Board shall determine. The policy or policies providing such coverage (hereinafter called "Casualty Insurance" shall provide that notwithstanding any provision thereof which gives the carrier an option to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the case of removal of the Condominium Property from the provisions of the Unit Ownership Act as provided for in this Declaration or in the Unit Ownership Act and shall further provide that the coverage thereof shall not be terminated for non-payment of premiums without at least ten (10) days' written notice to each Unit mortgagee. All Casualty Insurance policies shall be purchased by the Association for the benefit of the Grantor, the Association, the Unit Owners and their respective mortgagees, as their interests may appear, and shall provide (a) for the issuance of certificates of insurance with mortgagee endorsements to the holders of mortgages on the Units, if any, and (b) that the insurer waives its rights of subrogation against Unit Owners, Occupants and

the Association. All Casualty Insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to any bank, as trustee, which is selected by the Association and located in Raleigh, North Carolina, with trust powers and total assets of more than Fifty Million Dollars (\$50,000,000.00) (herein referred to as the "Insurance Trustee"). The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the policies, nor for the sufficiency of coverage, nor for the form or contents of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Grantor, the Association, the Unit Owners, and their respective mortgagees.

(ii) The Association shall insure itself, the members of the Board, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Areas and Facilities, including without limitation water damage, legal liability, hired automobile, non-owner automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars in respect to any one occurrence, and to the limit of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to damage to or destruction of property arising out of any one accident. All

liability insurance shall contain cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner. In the event the insurance effected by the Association on behalf of the Unit Owners and Occupants against liability for personal injury or property damage arising from or relating to the Common Areas and Facilities shall, for any reason, not fully cover any such liability, the amount of any deficit shall be a Common Expense to the Unit Owners, and any Unit Owner who shall have paid all or any portion of such deficiency in an amount exceeding his proportionate share thereof based on his percentage of interest in the Common Areas and Facilities shall have a right of contribution from the other Unit Owners according to their respective percentages of interest in the Common Areas and Facilities.

(iii) Premiums upon insurance policies purchased by the Association shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies and shall be assessed as Common Expenses.

(iv) Each Unit Owner may, at his own expense, obtain public liability insurance for personal injuries or damage arising out of the use and occupancy of his Unit and Casualty Insurance affording coverage upon his Unit and property inasmuch as the same will not be insured by the Association, but such Casualty Insurance shall provide that it shall be without contribution as against the Casualty Insurance purchased by the Association or shall be written by the carrier of such Casualty Insurance and shall contain the same waiver of subrogation as that, referred to in subparagraph (i) above.

(B) Responsibility for Reconstruction or Repair.

(1) If any portion of the Common Areas and Facilities shall be damaged by perils covered by the Casualty Insurance,

the Association shall cause such damaged portion to be promptly reconstructed or repaired to the extent of the funds made available to the Insurance Trustee, as hereinafter provided, and any such reconstruction or repair shall be substantially in accordance with the Drawings; provided, however, if such damage renders one-half or more of the Units then comprised within the Condominium Property untenable, the Unit Owners may, by the vote of those entitled to exercise not less than 75% of the voting power, elect not to reconstruct or repair such damaged part at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such final adjustment. Upon such election, all of the Condominium Property shall be subject to an action for sale as upon partition at the suit of any Unit Owner. In the event of any such sale or a sale of the Condominium Property after such election by agreement of all Unit Owners, the net proceeds of the sale together with the net proceeds of insurance, if any, and any other indemnity arising because of such damage or destruction, shall be considered as one fund and shall be distributed to all Unit Owners in proportion to their respective percentages of interest in the Common Areas and Facilities. No Unit Owner, however, shall receive any portion of his share of such proceeds until all liens and encumbrances on his Unit have been paid, released or discharged.

(ii) Each Unit Owner shall be responsible for reconstruction and repair of his Unit after casualty.

(C) Procedure for Reconstruction or Repair.

(i) Immediately after a casualty causing damage to any portion of the Common Areas and Facilities, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board deems necessary.

(ii) If the proceeds of the Casualty Insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) one or more special assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of such special assessments shall be deposited with the Insurance Trustee.

(iii) The proceeds of the Casualty Insurance referred to in Subsection (i) of Section A of this Paragraph 15 and the sums deposited with the Insurance Trustee by the Association from collections of special assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed to the Insurance Trustee and be applied by the Insurance Trustee to the payment of the cost of reconstruction and repair of the Common Areas and Facilities from time to time as the work progresses, but not more frequently than once in any calendar month. Said Trustee shall make such payments upon the written request of the Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by an architect in charge of the work, who shall be selected by the Association, setting forth (1) that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen,

architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials, and that the sum requested does not exceed the value of the services and materials described in the certificate, (2) that except for the amount stated in such certificate to be due as aforesaid and for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien arising from such work, and (3) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining in the hands of the Insurance Trustee after the payment of the sum so requested. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in any construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the Association.

(iv) The Insurance Trustee may rely upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance Trustee, shall deliver such certificate as soon as practical.

(v) Each Unit Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under the Casualty Insurance policies referred to in Subsection (1) of Section A of this Paragraph 15.

16. Water and Sewer Charges

Water shall be supplied to all of the units and the common areas through one or more building meters and the Association shall pay, as a common expense, all charges for all 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 Association. The Association may grant any necessary easements, licenses or contract rights required by any governmental authority to provide water and sanitary sewerage service.

17. Developer as Unit Owner

That so long as said Grantor, its successors and assigns, owns one or more of the Dwelling Units established and described herein, said Grantor, its successors and assigns shall be subject to the provisions of this Declaration and of Exhibits A, B, and C attached hereto; and said Grantor covenants to take no action which would adversely affect the rights of the Association with respect to assurances against latent defects in the property or other right assigned to the Association, the members of such association and their successors in interest, as their interests may appear, by reason of the establishment of the condominium.

18. Additions to Condominium Property

As Developer completes future stages of the Project, said stages will become part of the Condominium Property by amendment to this Declaration and the Unit Owners of the Dwelling Units constructed on the future stages will become members of the Association, to the same extent as if their Units were originally a part of the Units covered by this Declaration. Grantor, therefore, hereby reserves the right

at any time within a period of five (5) years, commencing on the date of this Declaration is filed for record, that Grantor determines to take the action so contemplated (i) to submit from time to time stages of the Project Property, together with the Buildings thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property existing for the common use of the Unit Owners to the provisions of this Declaration and the Unit Ownership Act, and (ii) to amend this Declaration, in the manner provided in Paragraph 19 hereof, in such respects as Grantor may deem advisable in order to effectuate such submission or submissions, including, without limiting the generality of the foregoing, the right to amend this Declaration so as (a) from time to time within said five (5) year period to include stages of the Project Property and the improvements constructed thereon as part of the Condominium Property, (b) from time to time to include descriptions of Buildings constructed on said stages of the Project Property in this Declaration and to add Drawings thereof to Exhibit B hereto, and (c) to provide that the owners of Units in the Buildings will have an interest in the Common Areas and Facilities of the Condominium Property and to amend Paragraph 7, Section B hereof so as to establish the percentage of interest in the Common Areas and Facilities which the owners of all Units within the Buildings on the Condominium Property will have at the time of such amendment or amendments, which percentage shall be, with respect to each Unit, in the proportion that the fair market value of each Unit at the date said amendment is filed for record bears to the then aggregate value of all the Units within the Buildings on the Condominium Pro-

perty, which determination shall be made by Grantor and shall be conclusive and binding upon all Unit Owners. Grantor expressly agrees, however, that there will not be constructed on the Condominium Property more than a total of 260 Dwelling Units, and that the buildings and Dwelling Units constructed in any subsequent phase shall be architecturally compatible with the existing buildings and Dwelling Units. Grantor, on its own behalf as the owner of all Units in the Condominium Property and on behalf of all subsequent Unit Owners, hereby consents and approves, and each Unit Owner and his mortgagees by acceptance of a deed conveying such Ownership Interest or a mortgage encumbering such Ownership Interest, as the case may be, thereby consents to and approves, the provisions of this Paragraph 18, including, without limiting the generality of the foregoing, the amendment of this Declaration by Grantor in the manner provided in Paragraph 19 hereof, and all such Unit Owners and their mortgagees, upon request of Grantor, shall execute and deliver from time to time all such instruments and perform all such acts as may be deemed by Grantor to be necessary or proper to effectuate said provisions.

19. Amendment of Declaration

Each Unit Owner and his respective mortgagees by acceptance of a deed conveying such Ownership Interest or a mortgage encumbering such Ownership Interest, as the case may be, hereby irrevocably appoints Grantor, his Attorney-in-Fact, coupled with an interest, and authorizes, directs and empowers such Attorney, at the option of the Attorney, in the event that Grantor exercises the rights reserved in Paragraph 18 hereof to add to the Condominium Property as therein provided, to execute, acknowledge and record for and in the name of such Unit Owner an amendment or amendments of

this Declaration for such purpose and for and in the name of such respective mortgagees, a consent to such amendment or amendments. This Declaration may be amended upon the filing for record with the Register of Deeds of Wake County, North Carolina of an instrument in writing setting forth specifically the item or items to be amended and any new matter to be added, which instrument shall have been duly executed by Unit Owners having not less than seventy-five percent (75%) interest in the Common Areas and Facilities, or in the case of an amendment for the purpose of adding to the Condominium Property pursuant to Paragraph 18 hereof, by Grantor acting as Attorney-in-fact for all of the Unit Owners and their mortgagees as above provided, or in any other case where the Unit Ownership Act requires unanimous consent of the Unit Owners, by all of the Unit Owners. Such amendment must be executed with the same formalities as this instrument and must refer to the volume and page in which this instrument and its attached exhibits are recorded and must contain an affidavit by the President of the Association or a partner of the aforementioned General Partner of Grantor, as the case may be, that a copy of the amendment has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit ownership. Except as hereinabove provided with respect to amendments for the purpose of making additions to the Condominium Property as provided in Paragraph 18 hereof, no amendment shall have any effect, however, upon Grantor, the rights of Grantor under this Declaration and upon the rights of bona fide mortgagees until the written consent of Grantor and such mortgagees to such amendment has been secured. Such consents shall be retained by the Secretary of the Association or the Grantor, as the case may be, and his certification in the instrument of amendment as to the consent or non-consent of Grantor and the names of the consenting and non-consenting mortgagees of the various Units may be relied upon by all persons for all purposes.

20. Miscellaneous Provisions(A) Grantor to appoint initial Directors of Association.

The initial Board of the Association shall consist of three persons appointed by Grantor, who may be employees of Grantor, and who need not be Unit Owners. They shall serve until the first meeting of Unit Owners which shall be held at such time as is provided in the Bylaws. During their term in office, the three man Board appointed by Grantor shall exercise the powers, rights, duties and functions of the Association and the Board, including, without limitation, the power to determine the amount of, and to levy special assessments and assessments for Common Expenses and to enter into a management agreement with such party and upon such terms and conditions as they may deem to be in the best interest of the Association.

(B) Notices of Mortgages. Any Unit Owner who mortgages his Ownership Interest or interest therein, shall notify the Association, in such manner as the Association may direct, of the name and address of his mortgagees and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgages. The Association shall maintain such information in a book entitled "Mortgagees of Units".

(C) Copies of Notices to Mortgage Lender. Upon written request to the Board, the holder of any duly recorded mortgage on any Ownership Interest or interest therein shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner or Owners whose Ownership Interest or interest therein is subject to such mortgage.

(D) Covenants Running with the Land. Each grantee of the Grantor, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights

and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants runnings with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

(E) Termination. Upon the removal of the Condominium Property from the provisions of Unit Ownership Act, all easements, covenants and other rights, benefits, privileges, impositions and obligations declared herein to run with the land or any Ownership Interest or interest therein shall terminate and be of no further force or effect.

(F) Waiver. No covenants, restrictions, conditions, obligations, or 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.

(G) Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

(H) Time Limits. If any of the privileges, covenants or rights, created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the

survivor of the now living children of Alan E. Berman, a partner of the General Partner of Grantor.

(I) Liability. Neither Grantor, nor any subsidiary of Grantor, nor any employee, agent, successor or assign of Grantor or any such subsidiary, shall be liable for any claim or damage whatsoever arising out of or by reason of any actions performed pursuant to or in accordance with any authority granted or delegated to them or any of them by or pursuant to this Declaration.

(J) Grantor's Contribution to Association. Immediately upon filing of this Declaration, Grantor shall make a non-returnable cash contribution to the Association in the amount of \$5,000.00. In consideration thereof, and notwithstanding anything contained in this Declaration to the contrary, Grantor shall be relieved from payment of any assessments for units owned by Grantor for a period of two (2) full calendar months following the month in which any units owned by Grantor are submitted to condominium ownership under this Declaration and any amendments thereto. Grantor shall pay the full Association monthly assessments for all units which Grantor continues to own after such two full calendar month period. This provision is in recognition of the immediate need of the Association for working capital and the difficulty of prorating monthly Association assessments for units owned by Grantor pending transfer to unit purchasers.

(K) Loans to Association. In addition to the contribution required in J above, Grantor may at its discretion loan funds to the Association from time to time as required, which loans shall be repayable with interest at six per cent (6%) per annum as funds are available, but in no event more than one (1) year from the date of advancement of funds.

(L) Service of Notices on the Board. William P. Duff, whose mailing address is 2513 Lewis Farm Road, Raleigh, North Carolina, is hereby appointed agent for service of all notices required to be given to the Board or the Association. Any such notices may be delivered to William P. Duff either personally or by certified mail, with postage prepaid, addressed to such agent. The Board may from time to time designate a substitute agent for service.

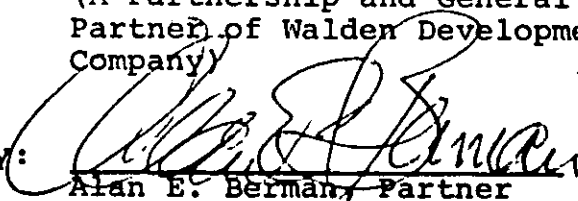
(M) Headings. The heading to each Paragraph and each Section hereof is inserted only as a matter of convenience for reference and in no way defines, limits or describes the scope or intent of this Declaration nor in any way affects this Declaration.

(N) Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the establishment of a condominium development of the highest standards.

IN WITNESS WHEREOF, the Grantor has executed this instrument the year and day first above written.

WALDEN DEVELOPMENT COMPANY
(A Limited Partnership) (SEAL)

By: Environmental Realty Company
(A Partnership and General
Partner of Walden Development
Company)

By:  (SEAL)
Alan E. Berman, Partner
of Environmental Realty Company

BOOK 2191 PAGE 460

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Bonnie W. White, a Notary Public, do certify that Alan E. Berman, a partner of Environmental Realty Company, a partnership which is the general partner of Walden Development Company, a limited partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of Environmental Realty Company as the act and deed of said limited partnership.

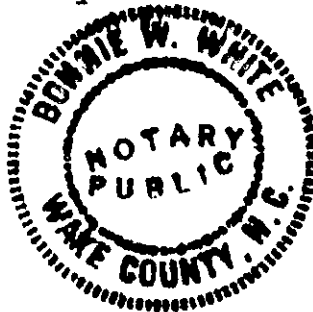
WITNESS my hand and notarial seal this 13th day of September, 1973.

Bonnie W. White
Notary Public

My Commission Expires:

8/2/78

EXHIBIT B RECORDED IN CONDOMINIUM
PLAN FILE, CONDOMINIUM NUMBER 3 .



NORTH CAROLINA—WAKE COUNTY

The foregoing certificate of

Bonnie W. White
Cynthia J. Ferguson

Notary Public is
certified to be correct. This instrument was presented for registration and recorded in this

office in Book 2191, Page 430, at 3:15 o'clock P. M.

This 25 day of Sept, 1973, at 3:15 o'clock P. M.

J. B. ROWLAND, Register of Deeds.

J. B. Greene
Deputy Register of Deeds

BOOK 2191 PAGE 4604

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS: THAT

Whereas, the undersigned, Cameron-Brown Company, is the owner and holder of the following described Deed of Trust which covers the condominium property described in the annexed Declaration of even date herewith of which this is a part.

Deed of Trust executed by Walden Development Company, dated January 19, 1973, recorded in Book 2130, Page 262 of the Wake County Registry securing Promissory Note payable to Cameron-Brown Company in the face amount of \$4,400,000.00 and in which O. B. Hawkins, Jr., and Real Estate Consultants of the South, Inc. are named as joint trustees, either of whom may act;

Whereas, the undersigned, Cameron-Brown Company and O. B. Hawkins, Jr., Trustee, desire by the execution of this instrument to subordinate said Deed of Trust to the foregoing Declaration.

Now, therefore, for good and valuable consideration, receipt of which is hereby acknowledged, the said Cameron-Brown Company and O. B. Hawkins, Jr., as Trustee in said Deed of Trust, hereby consent to the execution and delivery of the foregoing "Declaration of Unit Ownership Under Chapter 47A of the North Carolina General Statutes for Walden Woods Condominium" and to the filing thereof in the Office of the Register of Deeds of Wake County, North Carolina, and they do hereby further subject and subordinate said Deed of Trust to the foregoing instrument.

This 6 day of ~~August~~ ^{September}, 1973.

CAMERON-BROWN COMPANY

By:

George H. E. E. E. E.
President



Barbara B. Jordan
Secretary

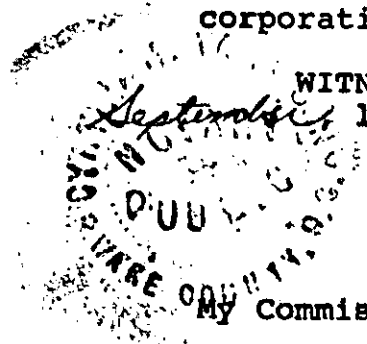
O. B. Hawkins, Jr. (SEAL)
O. B. Hawkins, Jr., Trustee

BOOK 2191 PAGE 460B

NORTH CAROLINA
WAKE COUNTY

This 6 day of September 1973, personally came before me, Cynthia J. Vargason, a Notary Public in and for the said County and State, George W. Child, Jr., who, being by me duly sworn, says that he is the President of Cameron-Brown Company, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said George W. Child, Jr. acknowledged the said instrument to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 6 day of September 1973.



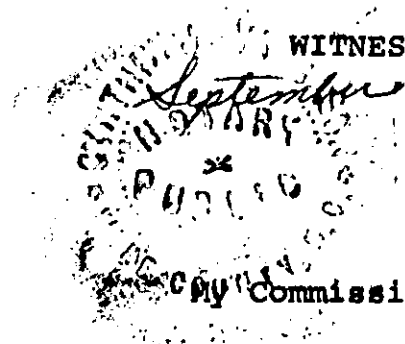
Cynthia J. Vargason
Notary Public

My Commission expires: 4-24-78

NORTH CAROLINA
WAKE COUNTY

I, Cynthia J. Vargason, a Notary Public in and for the County and State aforesaid, do hereby certify that O. B. Hawkins, Jr., Trustee, personally appeared before me and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 6 day of September 1973.



Cynthia J. Vargason
Notary Public

My Commission expires: 4-24-78

BOOK 2191 PAGE 461

EXHIBIT A

BYLAWS

OF

WALDEN WOODS CONDOMINIUM

Raleigh, North Carolina

I N D E X

<u>Heading</u>	<u>Page No.</u>
I The Association	1
1. Name and Nature of Association	1
2. Membership	1
3. Voting Rights	1
4. Proxies	1
5. Meetings of Members	2
A. Annual Meeting	2
B. Special Meeting	2
C. Notices of Meetings	3
D. Quorum; Adjournment	3
E. Order of Business	4
6. Actions Without a Meeting	4
II Board of Administrators	4
1. Number and Qualification	4
2. Election of Board; Vacancies	4
3. Term of Office; Resignations	5
4. Organization Meeting	5
5. Regular Meetings	5
6. Special Meetings	6
7. Quorum; Adjournment	6
8. Powers and Duties	6
9. Removal of Members of Board	7
10. Fidelity Bonds	8
11. Initial Board	8
III Officers	8
1. Election and Designation of Officers	8
2. Term of Office; Vacancies	8
3. President	9
4. Vice President	9
5. Secretary	9
6. Treasurer	9
7. Other Officers	10
8. Delegation of Authority and Duties	10
IV General Powers of the Association	10
1. Common Expenses	10
A. Utility Service for Common Areas and Facilities	10
B. Casualty Insurance	10
C. Liability Insurance	10
D. Workmen's Compensation	11
E. Wages and Fees for Services	11
F. Care of Common Areas and Facilities	11
G. Additional Expenses	11
H. Discharge of Mechanic's Liens	12
I. Certain Maintenance of Units	12
J. Exemption of Units Owned by Grantor	12

<u>Heading</u>	<u>Page No.</u>
2. Association's Right to Enter Units	12
3. Capital Additions and Improvements	13
4. Rules and Regulations	13
5. Special Services	14
6. Delegation of Duties	14
V Finances of Association	14
1. Preparation of Estimated Budget	14
2. Reserve for Contingencies and Replacements	15
3. Budget for First Year	16
4. Failure to Prepare Annual Budget	16
5. Books and Records of Association	16
6. Status of Funds Collected by Association	17
7. Annual Audit	17
VI General Provisions	17
1. Indemnification of Board Members and Officers	17
2. Amendments	19
3. Definitions	19

EXHIBIT ABYLAWS OF WALDEN WOODS
CONDOMINIUM ASSOCIATION

ARTICLE I

THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an unincorporated association and shall be called "Walden Woods Condominium Association". The business and property of Walden Woods Condominium shall be managed and directed by the Association.

Section 2. Membership. Each Unit Owner upon acquisition of an Ownership Interest in a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such Unit Owner of his Ownership Interest, at which time the new Unit Owner shall automatically become a member of the Association.

Section 3. Voting Rights. Each member owning the entire Ownership Interest in a Unit shall be entitled to exercise that percentage of the total voting power of the Association which is equivalent to the percentage of interest of such member's Unit in the Common Areas and Facilities. If two or more persons, whether fiduciaries, tenants in common, tenants by the entirety or otherwise, own an interest in the Ownership Interest in a Unit, there shall be designated one person with respect to such Ownership Interest who shall be entitled to vote at any meeting of the Association. Such person is sometimes hereinafter referred to as "the voting member." Such voting member may be one of the group composed of all of the owners of the Ownership Interest in a Unit or may be some other person designated by such owners to act as proxy on their behalf. Such designation shall be in writing to the Board and shall be revocable at any time by actual notice to the Board by the Owners.

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member

of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

A. Annual Meeting. The annual meeting of members of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place upon or in close proximity to the Condominium Property as may be designated by the Board and specified in the notice of such meeting, at 8:00 o'clock P.M., or at such other time as may be designated by the Board and specified in the notice of the meeting. The first annual meeting of members of the Association shall be held on September 8, 1975, and successive annual meetings of members of the Association shall be held on the second Monday of each February thereafter, if not a legal holiday and, if a legal holiday, then on the next succeeding business day.

B. Special Meeting. Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice President of the Association authorized to exercise the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of members entitled to exercise at least twenty-five per cent (25%) of the voting power. Calls for such meetings shall specify

the time, place and purpose thereof. No business other than that specified in the call shall be considered at any special meeting.

C. Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting.

D. Quorum; Adjournment. At any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration, or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of

the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

E. Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers
- (5) Reports of committees
- (6) Election of inspectors of election
- (7) Election of members of Board
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment

Section 6. Actions Without a Meeting. All actions, except removal of a Board member, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in a writing or writings signed by members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

ARTICLE II

BOARD OF ADMINISTRATORS

Section 1. Number and Qualification. Except as provided in Section 11 of this Article II, the Board shall consist of not less than seven persons, and all persons nominated or elected to the Board shall be a Unit Owner and Occupant.

Section 2. Election of Board; Vacancies. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be

elected, only persons nominated as candidates shall be eligible for election as Board members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vancancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the whole authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

Section 3. Term of Office; Resignations. Each Board member shall hold office for the term stated below or until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of three Board members shall be two (2) years and the term of office of the remaining Board members shall be one (1) year. At the expiration of such initial term of office of each respective Board member, his successor shall be elected to serve for a term of two (2) years.

Section 4. Organization Meeting. Immediately after each annual meeting of members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 5. Regular Meetings. Regular meetings of the Board may be held at such times and places as shall be determined by a majority of the Board, but at least four such meetings shall be held during each fiscal year.

Section 6. Special Meetings. Special meetings of the Board may be held at any time upon call by the President or any two Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting, and such notice may be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 7. Quorum; Adjournment. A quorum of the Board shall consist of a majority of the Board members then in office; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these Bylaws.

Section 8. Powers and Duties. Except as otherwise provided by law, the Declaration or these Bylaws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Condominium Property and

subject to the limitations prescribed by law, the Declaration or these Bylaws, the Board, for and on behalf of the Association, may

A. purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;

B. make contracts;

C. effect insurance;

D. borrow money, and issue, sell, and pledge notes, bonds, and other evidences of indebtedness of the Association;

E. levy assessments against Unit Owners;

F. employ a managing agent to perform such duties and services as the Board may authorize;

G. employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and

H. do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws or the Declaration or incidental thereto.

Section 9. Removal of Members of Board. Except for Board members appointed pursuant to Section 11 of this Article II, any regular or special meeting of members of the Association duly called, at which a quorum shall be present, any one or more of the Board members may be removed with or without cause by the vote of the members of the Association entitled to exercise at least seventy-five per cent (75%) of the voting power of the Association, and a successor or successors to such Board member or members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 10. Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums of such bonds shall be paid by the Association and shall be a Common Expense.

Section 11. Initial Board. From the time of incorporation until the first annual meeting of members on September 8, 1975, the Board shall consist of three persons appointed by Walden Development Company, a limited partnership ("Grantor"). These persons may be employees of Grantor and need not own or occupy a Unit. Until these three persons are replaced by elected Board members, at the first annual meeting on September 8, 1975, they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in these Bylaws. They are further specifically authorized to enter into a management agreement with such party and upon such terms and conditions as they may deem to be in the best interest of the Association.

ARTICLE III

OFFICERS

Section 1. Election and Designation of Officers. The Board shall elect a President, a Vice President, a Secretary and a Treasurer, each of whom shall be a member of the Board. The Board may also appoint an Assistant Treasurer and Assistant Secretary and such other officers as in their judgment may be necessary who may or may not be members of the Board but who are members of the Association.

Section 2. Term of Office; Vacancies. The officers of the Association shall hold office until the next organization meeting of the Board and until their successors are elected, except in cases of resignation, removal from office or death.

The Board may remove any officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration or in these Bylaws.

Section 4. Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Declaration or by these Bylaws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration or in these Bylaws.

Section 6. Treasurer. The Treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board and shall have such authority and shall perform such other duties as may be determined by the Board.

Section 7. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.

Section 8. Delegation of Authority and Duties. The Board is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

Section 1. Common Expenses. The Association, for the benefit of all the Unit Owners, shall pay all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

A. Utility Service for Common Areas and Facilities. The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Areas and Facilities excluding the Limited Common Areas and Facilities. Upon determination by the Board that any Unit Owner is using excessive amounts of any utility services which are Common Expenses, the Association shall have the right to levy special assessments against such Unit Owner to reimburse the Association for the expense incurred as a result of such excessive use;

B. Casualty Insurance. The premium upon a policy or policies of Casualty Insurance insuring the Common Areas and Facilities, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;

C. Liability Insurance. The premium upon policy or policies insuring the Association, the members of the Board,

the Unit Owners and the Occupants against liability for personal injury, disease, illness or death or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Areas and Facilities, as provided in the Declaration, the limits of which policy shall be reviewed annually;

D. Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

E. Wages and Fees for Services. The wages and/or fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the maintenance or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Declaration and these Bylaws and for the organization, operation and enforcement of the rights of the Association;

F. Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing of the Common Areas and Facilities, excluding the Limited Common Areas and Facilities.

G. Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations and insurance, which the Association is required to secure or pay for pursuant to the terms of the Declaration and these Bylaws or by law or which the Association deems necessary or proper for the maintenance and operation of the Condominium Property as a first class Condominium Project or for the enforcement of the Declaration and these Bylaws;

H. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance which may in the opinion of the Association constitute a lien against the Condominium Property or against the Common Areas and Facilities, rather than merely against the interests therein of such Unit Owner responsible for the existence of such lien or encumbrances provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended in discharging such lien or encumbrance.

I. Certain Maintenance of Units. The cost of the maintenance and repair of the Limited Common Areas and Facilities and of any Unit, if such maintenance or repair is necessary, in the discretion of the Association, to prevent damage to or destruction of any part of the Common Areas and Facilities, or any other Unit, and the Unit Owner having the exclusive right to use such Limited Common Areas and Facilities or owning such Unit requiring such maintenance or repair shall have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Unit Owner; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended for such maintenance or repair.

J. Exemption of Units Owned by Grantor. Notwithstanding anything in these Bylaws to the contrary, Grantor's responsibility to pay assessments for Units owned by Grantor shall be subject to the provisions of Section 20 J of the Declaration.

Section 2. Association's Right to Enter Units. .
The Association or its agents may enter any Unit or portion of the Limited Common Areas and Facilities when necessary in connection with any maintenance, repair or construction for which the Association is responsible. Such entry shall be made with as little

inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Association. The Association reserves the right to retain a pass key to each Unit and no locks or other devices shall be placed on the doors to the Units to obstruct entry through the use of such pass key. In the event of any emergency originating in or threatening any Unit at a time when required alterations or repairs are scheduled, the managing agent or his representative or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not.

Section 3. Capital Additions and Improvements. Whenever in the judgment of the Board the Common Areas and Facilities shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of \$5,000.00 and the making of such additions, alterations or improvements shall have been approved by Unit Owners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$5,000.00 or less may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a Common Expense.

Section 4. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board, may adopt such reasonable Rules and from time to time amend the same as it or they may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants. Written notice of such Rules shall be given to all Unit Owners

and Occupants and the Condominium Property shall at all times be maintained subject to such Rules. In the event such Rules shall conflict with any provisions of the Declaration or of these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 5. Special Services. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may desire to pay for the same, including, without limitation, the cleaning, repair and maintenance of Units and special recreational, educational or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to participating Unit Owners as a special assessment or paid by the Association as a Common Expense, in which case a special assessment shall be levied against such participating Unit Owners to reimburse the Association therefor.

Section 6. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board and officers, from delegating in accordance with the Declaration, to persons, firms or corporations, including any manager or managing agent, such duties and responsibilities of the Association as the Board shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE V

FINANCES OF ASSOCIATION

Section 1. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies

and replacements, and shall on or before December 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Areas and Facilities.

On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six months after rendering the accounting.

Section 2. Reserve for Contingencies and Replacements.

The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Unit Owner's assessment, such extraordinary expenditures shall be assessed to the Unit Owners according

to each Unit Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall be payable with the next regular monthly payment becoming due to the Association not less than ten (10) days after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount.

Section 3. Budget for First Year. The budget for the remainder of calendar year 1973 and for calendar year 1974 and 1975 shall be determined by the Board appointed by Grantor.

Section 4. Failure to Prepare Annual Budget. The failure or delay of the Association to prepare or deliver to the Unit Owners the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 5. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or his representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. Status of Funds Collected by Association.

All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Unit Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Unit Owners in proportion to each Unit Owner's percentage ownership in the Common Areas and Facilities.

Section 7. Annual Audit. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. If requested by two members of the Board, such audit shall be made by a Certified Public Accountant.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Indemnification of Board Members and Officers.

Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member

or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (A) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board member or officer (and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (B) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially 10% or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board

member of officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration, any vote of Association members or any agreement.

Section 2. Amendments. Provisions of these Bylaws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than seventy-five per cent (75%) of the voting power. Any such amendment shall not be effective until it is set forth in an Amendment to the Declaration, duly recorded, as required under Chapter 47-A of the North Carolina General Statutes (the Unit Ownership Act). No such amendment shall conflict with the provisions of the Declaration or of the Unit Ownership Act. All Unit Owners shall be bound by an amendment upon the same being passed and duly set forth in an amended declaration duly recorded.

Section 3. Definitions. The terms used in these Bylaws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these Bylaws and of any amendment hereto shall have the respective meanings specified in Article I of the Declaration.