

WAKE COUNTY, NC 115
CHARLES P. GILLIAM
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MASTER DECLARATION FOR CHATHAM WALK

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STATE OF NORTH CAROLINA :

**MASTER DECLARATION FOR
CHATHAM WALK**

COUNTY OF WAKE :

THIS MASTER DECLARATION FOR CHATHAM WALK (herein "Master Declaration") is made this ____ day of _____, 20__, by **BJG Real Estate Ventures, LLC**, a North Carolina limited liability company ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant owns certain real property located in Wake County, North Carolina more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference for all purposes (the "Property"), which is intended to comprise a master-planned community known as Chatham Walk, combining residential condominium and townhome uses (the Property and the development, collectively, "Chatham Walk"); and

WHEREAS, Declarant desires to subject the Property to the terms, conditions, covenants, restrictions, liens and charges hereinafter set forth in order to:

- protect and enhance the value, attractiveness and desirability of the Property
- ensure that Chatham Walk will be developed in a first class, high quality, permanent, orderly, environmentally sound and aesthetically pleasing manner
- ensure that the improvements constructed within Chatham Walk are soundly designed and constructed, are visually compatible with other improvements and are harmonious with the natural surrounds,
- ensure that the Property will not be used in a manner that is unlawful or inappropriate for the well-being of the development of Chatham Walk
- ensure that there will be adequate and well maintained landscaped areas, parking areas, pedestrian ways, roads and other common areas as well as adequate utility systems and easements, and such other systems and facilities as may be reasonably necessary or desirable.

WHEREAS, as Declarant develops the Property, certain smaller components will be subject to additional restrictions as may be set forth in Sub-Association Declarations (as defined below).

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, transferred, sold, conveyed, leased, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, which shall run with title to the Property and which shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any portion thereof, and their respective heirs, successors and assigns.

ARTICLE I

GENERAL

1.1 **Master Declaration.** Declarant hereby establishes, adopts and declares that the Property is and shall be subject to, and that all land and Improvements within the Property shall be acquired, held, owned, encumbered, used, managed, leased, occupied, enjoyed and transferred subject to, the covenants, conditions, restrictions, easements, uses, privileges, charges, assessments, liens, terms and provisions hereinafter set forth, all of which shall be covenants running with the title to land within the Property, and shall be personal covenants and obligations of and shall inure to the benefit of each Owner. Each contract of sale, option, deed, Mortgage, lease, sublease, concession, franchise, license, easement or other instrument which may hereafter be executed with respect to any land and Improvements within the Property shall be deemed to have been executed, delivered and accepted subject to this Master Declaration and to have incorporated this Master Declaration by reference therein, regardless of whether any such instrument specifically incorporates this Master Declaration by reference therein. In addition to this Master Declaration, portions of the Property must be subject to a Sub-Association Declaration, depending on the use allocated to those Lots in the Master Plan. This Master Declaration is intended to operate in addition to the Sub-Association Declaration as the case may be. Declarant is imposing the restrictions set forth herein to satisfy the requirements hereof without in any manner, express or implied, agreeing to or obligating it to undertake development activities.

1.2 **Additions and Deletions.** Declarant (prior to the Conversion Date) and the Master Association (upon and after the Conversion Date) shall have, and Declarant for itself and the Master Association hereby reserves, the exclusive unrestricted and unconditional right to add property to or delete property from this Master Declaration. Such Supplemental Declaration shall not require the consent of any members of the Sub-Association, but shall require the consent of the owner of such property, if other than Declarant. Property so added or deleted must be contiguous to property subject to this Master Declaration. For purposes of determining contiguity of property, the rights-of-way of public or private roads and utilities, as well as rivers and streams, shall be deemed not to separate otherwise contiguous property. Such addition or deletion shall be accomplished by the execution of a "Supplemental Declaration" identifying the property to be added or deleted and the recordation of such Supplemental Declaration in the appropriate public records. More than one Supplemental Declaration may be executed and recorded. Upon the recordation of a Supplemental Declaration adding property to or deleting property from this Master

Declaration, the property so added or deleted shall become or cease to be (as the case may be) acquired, held, owned, encumbered, used, managed, leased, occupied, enjoyed and transferred subject to the covenants, conditions, restrictions, easements, uses, privileges, charges, assessments, liens, purchase options, rights of first refusal, terms and provisions herein set forth and a part of the Property for all purposes hereunder. Any Supplemental Declaration shall incorporate by reference this original Master Declaration, together with all prior supplements hereto. In addition, as to any Supplemental Declaration which adds property to this Master Declaration, Declarant or the Master Association may include such additional or different covenants, conditions, restrictions, easements, uses, privileges, charges, assessments, liens, options, rights, terms and provisions as Declarant or the Master Association, in its sole discretion, may determine.

ARTICLE II

DEFINITIONS

2.1 Definitions. In addition to words and phrases defined within the body of this Master Declaration, the following words or phrases, when used in this Master Declaration, unless the context shall otherwise clearly indicate or prohibit, shall have the following meanings:

(a) “Act” shall mean the North Carolina Planned Community Act (codified in Chapter 47F of the North Carolina General Statutes) as amended from time to time during the term hereof so long as the same is applicable to the Property. Any specific references to the Act or separate provisions of the Act shall expressly include any modifications or amendments to the provisions of the Act properly enacted by the North Carolina General Assembly.

(b) “Annexation Declaration” shall mean an instrument recorded at the Wake County Registry that subjects additional land to this Declaration.

(c) “Assessments” shall mean the Regular Assessments, Special Assessments and Special Owner Assessments levied from time to time by the Master Association in accordance with, and as more fully described in Article VI hereof.

(d) “Business Day” shall mean normal working business days, i.e., Monday through Friday of each calendar week, exclusive of federal holidays or days on which national banks in Raleigh, North Carolina are not open for business.

(e) “City” shall mean the Town of Cary, North Carolina.

(f) “Common Areas” shall mean those portions of the Property lying within (i) the private Streets (as hereinafter defined), (ii) signage, landscaping and entryway easements reserved by Declarant for the construction, installation and maintenance of signage, monuments, landscaping and lighting improvements, (iii) stormwater and drainage facilities and easements; (iv) designated parking areas; (v) any other facilities and areas of the Property designated by the Declarant or the Association to be a Common Area.

(g) “Common Facilities” shall mean (i) all Landscaping (as hereinafter defined) planted or installed within the Common Areas, and (ii) lighting equipment, signage, drainage

facilities, lakes, ponds, storm water detention and control devices, structures and appurtenances for use by two or more separate Lots within the Property; (iii) the courtyard with fire pit, grilling station and seating area; (iv) surface parking; and (v) other improvements, except underground public and private utilities, installed in the Common Areas by the Master Association, Declarant or by an entity authorized by Declarant and provided with a dedicated public easement to the City or a public or private utility company.

(h) "Conversion Date" shall mean the date Declarant elects to convert its Class B Membership in the Association to a Class A Membership, the timing of which election shall be at the sole discretion of Declarant.

(i) "Condominium Declarant" shall mean the person or entity that subjects the Condominium Property to the Condominium Declaration, or any person or entity to which the Condominium Declarant may expressly assign its rights, privileges, duties and obligations in a recorded instrument of assignment.

(j) "Condominium Declaration" shall mean that Declaration for Chatham Walk Condominiums recorded in Book 18175, Page 441 Wake County Registry. Certain capitalized terms in the Master Declaration that are not otherwise defined herein, but are defined in the Condominium Declaration, are intended to have the same meaning as used in the Condominium Declaration.

(k) "Condominium Board" shall mean the board of directors of the Condominium Association

(l) "Condominium Association" shall mean the condominium owners association established in connection with the Condominium Declaration

(m) "Condominium Property" shall mean those portions of the property subject to the Condominium Declaration. Portions of the Condominium Property which are common areas pursuant to the Condominium Declaration shall be known as "Condominium Common Areas".

(n) "Declarant" shall mean BJG Real Estate Ventures, LLC, a North Carolina limited liability company, its successors or assigns, and shall include any person or entity to which Declarant may expressly assign its rights, privileges, duties and obligations hereunder in a recorded instrument of assignment, as provided in Section 3-104 of the Act. No person or entity merely purchasing or leasing one or more Lots from Declarant shall be considered as Declarant merely by virtue of such purchase or lease.

(o) "Easement" shall mean any area of land designated to be the subject of an easement on a recorded plat, or otherwise designated by Declarant or any Owner in a Recorded Document, which is expressly devoted to use for sanitary sewer, drainage, utilities, vehicle or pedestrian access from streets or walks or cross-access between Lots, whether public or private, landscaping or other functional or enhancement purpose, said areas of land being restricted in use as may be necessary to protect these essential purposes.

(p) "Governing Documents" shall mean this Master Declaration, any applicable Supplemental Declaration, any Sub-Association Declaration, the Master Articles of Incorporation

and Master Bylaws (as defined in Section 3.7 herein), the documents governing any Sub-Association as from time to time in effect and, as applicable, the Rules and Regulations from time to time in effect pursuant to Section 5.02 hereof.

(q) "Governmental Authority" shall mean any court, board, agency, commission, office or authority of any nature whatsoever of any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

(r) "Improvement" shall mean any structure or other improvement of any kind on a Lot, whether below, at or above grade, located anywhere in the Property, from initial construction through later construction and maintenance, which are intended to be temporary or permanent in nature (other than changes made during a period of construction which will be removed when the construction period is complete) including but not limited to condominiums, garages and other parking facilities, refuse collection containers or facilities, utility installations, cables, conduits, wiring, towers, masts, antenna, microwave dishes, walkways, driveways, fences, berms, landscaping, sculptures and other works of art, fountains, lighting standards and fixtures, recreational facilities, site grading and other artificial earth movement.

(s) "Landscaping" shall mean any of the following: plants, including, but not limited to, grass, vines, ground cover, trees, shrubs, flowers, mulch and bulbs; rocks; landscape edging; water features; berms; landscape, irrigation systems and related improvements and related materials.

(t) "Legal Requirements" shall mean any and all (i) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, requirements, permits, certificates or ordinances of any Governmental Authority, insurance underwriter or utility company in any way applicable to any Owner or such Owner's Lot, or the Common Areas, including but not limited to any of the aforesaid pertaining to maintenance, operation, use, insurance, zoning, environmental and utility matters and (ii) the Governing Documents.

(u) "Lot" shall mean any single parcel of land within the Property upon which Improvements are to be constructed. A Condominium Property or the Townhome Property can be considered a Lot for purposes of this Master Declaration.

(v) "Master Association" shall mean the Chatham Walk Master Owners Association, Inc., a North Carolina nonprofit corporation, and its successor and assigns. The Master Association shall be a Master Association pursuant to the Act and shall exercise its powers for the benefit of the Townhome Property and the Condominium Property.

(w) "Master Board" shall mean the duly constituted Board of Directors of the Master Association.

(x) "Master Plan" shall mean the Chatham Walk Site Plan prepared for the Property by WithersRavenel with Town of Cary approval dated 1/9/18, as amended from time to time.

(y) "Mortgage" shall mean a deed of trust recorded at the Wake County Registry that is a lien against any Lot. "Mortgagee" shall refer to a beneficiary or holder of a Mortgage. A "First Mortgage" shall be a Mortgage having priority over all other Mortgages encumbering a Lot. "First Mortgagee" shall refer to a beneficiary or holder of a First Mortgage.

(z) "Occupant" shall mean any Owner, ground lessor, ground lessee or tenant of any Lot.

(aa) "Owner" shall mean each and every person or entity who is record owner of a fee simple interest in a Lot, except, however, that the word Owner shall not include any person or entity who holds only a lien or security interest in any such Lot as security for the performance of any obligation, including, but not limited to, any Mortgagee or trustee or beneficiary under a Mortgage unless and until such Mortgagee shall have acquired record legal title through foreclosure or any proceeding in lieu thereof. If such Lot is subject to a Sub-Association Declaration, the Sub-Association representing such multi-owner regime, and not individual unit owners, shall be deemed the "Owner" of the Lot.

(bb) "Property" shall mean the real property known as "Chatham Walk", including improvements thereon, being more particularly described in Exhibit "A" attached hereto and incorporated herein, and any additions thereto or deletions therefrom as permitted under Section 1.3 hereof; provided that any portion of such real property that is subsequently dedicated to either the public, the City or any other governmental agency shall be excluded from this "Property" definition from and after the date of such dedication regardless of whether such dedication conveyance document so provides, so long as such dedicated property remains in use for public purposes.

(cc) "Recorded Document" shall mean any document, including any map or plat of survey, recorded at the Office of the Register of Deeds of Wake County, North Carolina.

(dd) "Reviewing Body" shall mean the entity or individual responsible for reviewing the design of any Improvement constructed on the Property, as more specifically described in the Condominium or Townhome Declaration.

(ee) "Street" shall mean any land located within an Easement or right-of-way within the Property now or at any time hereafter dedicated to the City or other appropriate Governmental Authority for public use as a roadway for motor vehicles or vehicular traffic.

(ff) "Sub-Association" shall mean a property owners association created to enforce the terms of a Sub-Association Declaration. Examples of a Sub-Association are a property owners association for a condominium for a mixed-use building or a property owners association for a townhome subdivision.

(gg) "Sub-Association Declaration" shall mean an additional declaration of restrictive covenants affecting a portion of either the Condominium Property or the Townhome Property, which additional declaration is subordinate to the Condominium Declaration or the Townhome Declaration.

(hh) "Townhome Declarant" shall mean the person or entity that subjects the Townhome Property to the Townhome Declaration, or any person or entity to which the Townhome Declarant may expressly assign its rights, privileges, duties and obligations in a recorded instrument of assignment, as provided in Section 3-104 of the Act.

(ii) "Townhome Declaration" shall mean the declaration of restrictive covenants affecting the Townhome Property.

(jj) "Townhome Property" shall mean those portions of the property subject to the Townhome Declaration. Portions of the Townhome Property which are common areas pursuant to the Townhome Declaration shall be known as "Townhome Common Areas".

(kk) "Variance" shall mean any approval granted by the Master Association to any Owner for a deviation or noncompliance with this Master Declaration or the Development Standards.

ARTICLE III

CHATHAM WALK MASTER OWNERS ASSOCIATION, INC.

3.1 General. The Master Association has been formed for the sole benefit of the Property, and shall be operated in accordance with this Master Declaration and the Act. The Master Association shall have all of the rights and powers as are conferred upon it in the Master Articles of Incorporation, Master Bylaws, Master Declaration or in the Act. The Master Association shall have such additional rights and powers as are reserved unto Declarant in this Master Declaration, or are otherwise possessed by Declarant, and are subsequently assigned by Declarant to the Master Association, which Declarant may do at any time or times. The Master Association shall be managed by the Master Board in accordance with the Master Bylaws attached hereto as Exhibit "B" and the Act.

3.2 Purposes. The purposes of the Master Association shall be:

(a) To maintain and preserve all Common Areas and Common Facilities, including but not limited to all Streets, structures (including but not limited to entry monuments and buffer walls, but excluding the Condominium Property and the Townhome Property), utilities, landscaped areas and other improvements, located thereon, if any;

(b) To enforce the provisions of the Governing Documents;

(c) To perform all duties and functions allotted to owners' associations pursuant to Article 3 of the Act;

(d) To promote and to protect the enjoyment and beneficial use and ownership of each Owner's Lot; and

(e) To promulgate and enforce the Rules and Regulations for use of the Common Areas and Common Facilities and for activities on any Lot.

3.3 Membership. The Master Association shall be a master association as provided in Section 2-120 of the Act and shall exercise its powers for the benefit of the Condominium Property and the Townhome Property. Thus the Master Association membership shall be comprised of the Condominium Association and the Townhome Owners and shall be governed by a Master Board as provided herein. All votes or other decisions of the Master Association shall be by a vote or decision made by the Master Board.

3.4 Committees. The Master Association shall have the authority to establish, at any time and on such terms as the Master Board in its discretion may adopt such committees as the Master Board may desire to carry out the purposes of this Master Declaration. Each committee established by the Master Board shall have such membership, rights, powers duties, authorities and limitations, and shall perform such functions and services and shall exist for such period of time, as the Master Board in its discretion may determine consistent with the Act. Without in any way limiting the generality of the foregoing, the Master Board is expressly authorized and empowered to establish one or more committees which may have up to the same right, power and authority of the Master Association as permitted by the Governing Documents and the Act with respect to specific categories of property; for example, a committee with jurisdiction over the office and institutional portions of the Property and a committee with jurisdiction over the Common Areas.

3.5 Master Board. The Master Association shall be managed by a Master Board, consisting of up to 5 members. The Condominium Board shall appoint 3 representatives ("Condominium Representatives") and the Townhome Owners shall appoint 2 representatives ("Townhome Representatives"). The Condominium Association and the Townhome Owners shall establish their own procedures for causing their respective Boards to choose members of the Master Board. Each member of the Master Board shall have one vote. The Master Board shall meet quarterly or at such other times as the Master Board shall decide, and shall act as an advisory group for such issues as may involve the Property as a whole. The Master Board shall have the powers and obligations set forth in the Act, this Master Declaration, and the Master Articles of Incorporation and Master Bylaws. In addition to responsibilities established by the Master Articles and Master Bylaws, it may be delegated responsibilities by the Condominium Association and the Townhome Owners upon approval of a majority of members of the Condominium Board or the Townhome Owners, as the case may be, and acceptance by the Master Board. Such responsibilities may include (by way of example only) creating a plan for Association owned Improvements.

(a) The following actions by the Master Board shall require unanimous approval of the Condominium Representatives:

- a. Any vote by the Master Association to limit or restrict the uses permitted in the Condominium Property (including Condominium Common Areas);
- b. Any reallocation of Master Association Assessments;
- c. Any reallocation of the voting percentages of the Townhome Representatives and the Condominium Representatives on the Master Board; and
- d. Any vote by the Master Association to impose any additional Assessments exclusively on the Condominium Property.

(b) The following actions by the Master Board shall require unanimous approval of the Townhome Representatives:

- a. Any vote by the Master Association to limit or restrict the uses permitted in the Townhome Property (including Townhome Common Areas);
- b. Any reallocation of Master Association Assessments;
- c. Any reallocation of the voting percentages of the Townhome Representatives and the Condominium Representatives on the Master Board; and
- d. Any vote by the Master Association to impose any additional Assessments exclusively on the Townhome Property

3.6 Initial Master Board. The Master Board shall initially consist of at least three (3) persons which shall be appointed by the Declarant. When at least two (2) Lots of the Townhome Property have been conveyed to Owners other than the Townhome Declarant or its affiliate, and while the Condominium Declarant is a Class B Member of the Condominium Association, then at such time the Class A Membership of the Condominium Association, as appropriate, shall be entitled to vote and elect one (1) member of the Master Board, and the Townhome Owners shall be entitled to name one (1) member of the Master Board, and the remaining member of the Master Board shall be selected by the Class B Member of the Condominium Association.

(a) After the Conversion Date. After the Conversion Date the Master Board shall be elected as provided in Section 3.5 above.

(b) Compensation. Directors of the Master Board shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Master Board of the Master Association, but may be reimbursed for expenses when approved by the Master Board.

3.7 Master Articles of Incorporation and Master Bylaws. The “Master Articles of Incorporation” and “Master Bylaws” of the Master Association, as from time to time amended and restated, are incorporated by this reference into this Master Declaration with the same force and effect as if they have been recited verbatim herein. Accordingly, the Master Articles of Incorporation and Master Bylaws, as from time to time amended and restated, shall have the same force, effect and dignity as the provisions of this Master Declaration. Every reasonable effort shall be made to construe the Master Articles of Incorporation, the Master Bylaws and this Master Declaration, as from time to time amended, supplemented and restated, consistently and so as to give effect to Section 1.1 hereof. However, if any irreconcilable conflict shall arise among the documents, to the extent permitted by law the provisions of this Master Declaration shall control.

3.8 Liability Limitations. No Owner, director, officer or representative of the Master Association shall be personally liable for debts or liabilities of the Master Association. The directors and officers of the Master Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct or bad faith. Such directors and officers shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Master Association, and the Master Association shall indemnify and hold such directors and officers free and harmless from any and all expense, loss or liability to others on account of any

such contract or commitment (to the extent not covered by insurance proceeds). In addition, each director and each officer of the Master Association shall be indemnified and held harmless by the Master Association from any expense, loss or liability to others (to the extent not covered by insurance proceeds) by reason of having served as such director or as such officer and against all expenses, losses and liabilities, including, but not limited to, court costs and reasonable attorneys' fees, incurred by or imposed upon such director or officer in connection with any proceeding in which he may be a party or have become involved by reason of being such director or officer at the time such expenses are incurred, except in cases wherein the expenses, losses and liabilities arise from a proceeding in which such director or such officer is adjudicated guilty of willful misfeasance or malfeasance, misconduct or bad faith in the performance of his duties. In the event of a settlement of any such proceeding, the indemnification provided hereby shall apply only when the Master Board approves such settlement and reimbursement as being in the best interests of the Master Association. Any right to indemnification provided for herein shall not be exclusive of any other rights to which a director or officer, or former director or officer, may be entitled. The Master Association shall purchase and maintain directors' and officers' insurance on behalf of any person who is or was a director or officer of the Master Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such.

3.9 Insurance. The Master Association shall have the right, power and authority to obtain and maintain policies of insurance covering such risks, issued by such companies, upon such terms and with such deductibles as the Master Board may from time to time determine. Such insurance may include, but shall be limited to, general liability insurance for bodily injury and property damage, contractual liability, host liquor liability and other coverages found in broad form liability endorsements, fidelity insurance, non-owned automobile insurance and officers and directors liability. The Master Association shall also have the right, power and authority to obtain and maintain fidelity bonds up to 100% of the budget amount covering those persons who have access to the funds of the Master Association. The Master Association shall have the right, power and authority to adjust and settle any claim insured against, and to receive and disburse any insurance proceeds payable pursuant to, any policy obtained by the Master Association in such manner as the Master Board may determine.

3.10 Contracts. The Master Association shall have the right, power and authority to execute, deliver, perform and enforce any and all contracts (written or oral, with any person or entity), which the Master Board authorizes and which are necessary or reasonably appropriate to carry out the duties and responsibilities of the Master Association under the Governing Documents.

3.11 Reserve Fund. A reserve fund shall be established under control of the Master Board, to be used for maintenance, repair and/or replacement relating to the Common Areas and/or the Common Facilities. Such reserve fund shall be maintained and accounted for separately from other Master Association funds collected and maintained for normal operating expenses. Separate accounts may be established in order to better demonstrate that the amounts deposited therein are capital contributions and not income to the Master Association.

ARTICLE IV

USE OF PROPERTY AND COMMON AREAS AND RESTRICTIVE COVENANTS

4.1 General. No use shall be permitted on the Property which violates any Legal Requirements, and each Owner, Occupant or other user of any portion of the Property, shall at all times comply with this Master Declaration and with any and all Legal Requirements. All Lots shall be developed in accordance with this Master Declaration, as it may be amended and modified from time to time in the manner expressly provided in this Master Declaration. The provisions of this Article IV set forth certain requirements which, in addition to the other provisions of this Master Declaration, shall apply with respect to the development and use of the Property.

4.2 Rules and Regulations. The Master Association shall have, and Declarant hereby reserves on behalf of the Master Association, the right, power and authority to establish, adopt, revise and restate from time to time such Rules and Regulations regarding the Property as the Master Association deems appropriate. Such Rules and Regulations may (by illustration and not by limitation) address any and all aspects of the maintenance, repair, replacement, and repainting of Improvements; pedestrian and vehicular traffic; security; landscaping and landscape maintenance; utility usage; trash removal; pest control; exterior signage (or interior signage which is visible from the exterior of an Improvement); exterior lighting; telecommunications; restrictions relating to animals; operation of the Master Association and any other activities affecting the general purposes set forth in Section 1.1 hereof. Upon adoption, such Rules and Regulations shall become a Governing Document and binding on all Owners of the property to which they are made applicable by the Master Association. After adoption, the Master Association shall furnish or otherwise make available to each Owner a copy of such Rules and Regulations.

4.3 Declarant Uses Permitted. Declarant may conduct its sales and marketing program for the Property from any permanent buildings owned by it or from temporary sales buildings or trailers and may conduct work relating to the installation of roads, utilities, drainage facilities, utility facilities, street, grading and other similar site work and activities on the Property and do all things reasonably necessary or convenient as required to expeditiously commence, continue and complete such work and improvements, including the provision of a temporary building or buildings (including trailers), temporary storage of construction materials and equipment on the Property, and the erection of temporary signage of such types and in such sizes and at such locations as Declarant deems appropriate.

4.4 Construction Uses. Any architect, engineer, contractor or subcontractor employed to assist in the design, construction, maintenance, repair, replacement, repainting or alteration of Improvements pursuant to the Master Plans as defined in the Condominium Declaration and the Townhome Declaration, as the case may be, may use the Lot or that portion of the Condominium Property or Townhome Property on which the Improvements are (or are to be) situated for such purpose and, in connection therewith, may erect and use temporary facilities for administrative and storage purposes. All such activities and facilities shall be approved as part of the Master Plans and shall be confined solely within the boundaries of the Condominium Property, Townhome Property, Condominium Lot or Townhome Lot, as the case may be, on which the Improvements are (or are to be) situated.

4.5 Construction Maintenance. The Owner of the Condominium Property, Townhome Property or Lot on which construction (including alteration, rebuilding and reconstruction) activities are being conducted shall at all times (a) cause their Condominium Property, Townhome Property or Lot to be maintained in a safe and reasonably clean condition during the course of the construction activity, (b) assure that no construction materials or equipment are stored or deposited outside of their Condominium Property, Townhome Property or Lot, (c) take reasonable steps to assure that no construction debris associated with its construction activity is deposited or allowed to remain anywhere within the Property, (d) take care not to damage, and assure that its contractors and subcontractors do not damage, any street, sidewalk, easement, utility facility, landscaped area or other Improvement and (e) remove all mud, debris and other materials which may have been deposited on any street within the Property by vehicles used in connection with the construction or by "run off" from their Condominium Property, Townhome Property or Lot.

4.6 Parking. The term "vehicles" as used in this section shall include registered four wheel passenger vehicles that are road worthy, two wheel motorized bicycles and standard bicycles only. No vehicle may be left upon any portion of the Property except in a designated parking space. With the exception of emergency vehicle repairs or commercial vehicles which are temporarily parked for the purpose of servicing a Condominium, Townhome, or the Common Elements, no person shall park any commercial vehicles (including but not limited to any type of vehicle with advertising or lettering), recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, or other oversized vehicles or unlicensed or inoperable vehicles within the Property. No maintenance or repair may be performed upon any boat or motor vehicle on the Property. Homeowners are responsible for guests or invitees that violate these parking restrictions. The Association is herein given authority to set fines accordingly for any violations of this section. Construction vehicles and trailers for the construction of initial improvements on the Property may be parked only with the prior written consent of the Declarant and in an area designated by the Declarant.

A portion of the parking spaces shall be allocated by the Declarant as limited common elements for use by the Condominium Property to be allocated to specific condominium units by the Condominium Board. The balance of the unallocated parking spaces may be used by residents and guests of the Condominium Property and the Townhome Property. Provided however, no owner or occupant, guest, contractor or invitee of a Condominium unit or Townhome shall overburden the unallocated parking spaces, utilize an unreasonable number of spaces or utilize parking spaces for an extended period of time. Whether or not these terms have been violated and appropriate remedies for such violations may be determined by the Declarant and following the Conversion Date, by the Master Board, in their sole discretion.

4.7 Breach. No Owner or Occupant shall commit or permit anything on its Lot which would violate any applicable law, ordinance or regulation, or which might result in cancellation of, or increase in the premiums for, any insurance carried by the Master Association, or which would be in violation of any policy, rule or regulation adopted by the Master Board.

ARTICLE V

COMMON AREAS

5.1 General. From time to time Declarant may designate certain areas within the Property as Common Areas. The Common Areas shall be used solely for recreational, infrastructure, and general welfare purposes.

5.2 Maintenance. The Master Association shall maintain the Common Areas and the Common Facilities in a safe, clean, sightly, attractive and good state of condition and repair, comparable to other similar communities in the Research Triangle Area of North Carolina. Certain amenities and infrastructure shall be allocated to the Master Association for maintenance pursuant to the determination of the Master Board. Such maintenance shall include, without limitation and whenever appropriate, repairing, replacing, reconstructing, renewing and repainting any and all Common Facilities constructed within the Common Areas, such as lighting facilities, signs, entrance monuments, markers, traffic control signals, trails, pedestrian walkways, restrooms; removing all litter, trash, garbage and waste; and mowing, watering, fertilizing, weeding, replanting, replacing, pruning and otherwise maintaining all landscaping in the Common Areas. The Master Association may also maintain areas within public utility easements and repair public streets within or adjacent to the Common Areas prior to acceptance by the public utility or Governmental Authority. The Master Association need not perform any maintenance otherwise required under this Section 5.2 if and to the extent that same is performed by a Governmental Authority.

5.3 Street Regulation. Subject to applicable Legal Requirements, the Master Association may make Rules and Regulations concerning driving and parking within Chatham Walk, and may construct speed bumps, post traffic signs, including no parking signs, and take any other reasonable measures to encourage safe driving and regulate parking. The amount of any fines shall be set by the Master Association and shall not exceed the maximum amount permitted under the Act. Failure by any Owner to pay any fines in accordance with the Rules and Regulations may result in liens being filed against such Owner's Lot. Neither Declarant, nor any Association shall be held liable for any loss or injury resulting from any such enforcement or failure to enforce. Notwithstanding anything to the contrary contained herein, but subject to applicable Legal Requirements, Declarant shall have the right, in its sole discretion, to restrict or prohibit parking in any Common Area, Street, right of way or any other part of the Property that is not a Lot for any purposes, including but not limited to maintenance, events, or activities.

5.4 Easements. Declarant hereby declares, creates and reserves, on behalf of the Master Association, and hereby assigns to the Master Association, perpetual nonexclusive easements for ingress and egress under, across, over, in and upon all Common Areas for the purpose of performing in the Common Areas functions which the Master Association is required or permitted to perform pursuant to this Master Declaration.

5.5 Transfer and Dedication of Master Common Area. Declarant may, at any time and from time to time, convey to the Master Association, or the Condominium Association any or all of its right, title and interest in and to any portion of the Property owned by the Declarant and intended to be designated as a Common Area. Declarant may at any time while Declarant owns

such portion of the Property, dedicate or otherwise convey in the Common Area any and all water, sanitary sewer, storm water, drainage, street, electrical, telecommunication, gas and other utility easements, lines and facilities and areas in which appurtenances thereto will be constructed and/or maintained to any person, entity or authority. After the transfer of Common Area to the Master Association, the association may, subject to the requirements of the Act, and subject to approval of Declarant if prior to the Conversion Date, at any time and from time to time dedicate or otherwise convey in the Common Area any and all water, sanitary sewer, storm water, drainage, street, electrical, telecommunication, gas and other utility easements, lines and facilities and areas in which appurtenances thereto will be constructed and/or maintained to any person, entity or authority. Neither the conveyance, or dedication nor acceptance thereof shall, in and of itself, relieve the applicable association from the obligation to maintain such areas and the facilities located therein, or relieve the responsible Owners from the obligation to participate in the cost thereof. Title to the Common Areas (including the Townhome Common Areas and the Condominium Common Areas) shall be held exclusively by either the Declarant or an Association being dedicated title to such property.

5.6 Use of Common Areas by Owners. Each Owner shall have a nonexclusive right to use the Common Areas, except to the extent such Common Areas have been designated as either Condominium Common Areas or Townhome Common Areas, in which case, only the Condominium Owners or the Townhome Owners, respectively, shall have the right to use such Common Areas. The Association charged with the maintenance of the Common Areas shall have the authority to create Rules and Regulations related to the use of the Common Areas, including policies allowing all or portions of the Common Areas to be available to Owners for private events (for which a fee may be charged).

5.7 Damage or Destruction of Common Areas by Owner. If any Owner or Owner's guests, Occupants, licenses, agents, employees or members of Owner's family damages any of the Common Areas as a result of negligence or misuse, the Owner hereby authorizes the Master Association to repair the damage. The cost of repair shall be the responsibility of that Owner and shall become a Special Owner Assessment payable by the responsible Owner. The Master Association may, but is not required to, seek compensation for damage from the Occupant, guest, agent, employee, member or other party who caused the damage, in which case the Owner shall be jointly and severally liable with the Occupant guest, agent, employee, member or other party who caused the damage.

5.8 Limitation of Liability. Neither the Master Association nor Declarant makes any representation or assumes any liability for any loss or injury caused by its maintenance of the Common Areas and Common Facilities.

ARTICLE VI

ASSESSMENTS

6.1 General. The Master Association shall have full right, power and authority to assess the Owners for, collect and expend all sums which the Master Board determines to be necessary or reasonably appropriate for the general enjoyment, health, safety, welfare and

protection of the Owners with respect to the Property and, in general, to achieve the purposes of this Master Declaration.

Until such time as the Townhome Property is subjected to the Declaration, the Condominium Owners shall pay 100% of the Assessments levied by the Master Board. Following annexation of the Townhome Property, the allocation of Assessments between the Condominium Property and the Townhome Property shall be as follows, however may be adjusted by the Master Board as provided in this Section 6.1 below:

Townhome	Condominium
13 %	77 %

In connection with the preparation and adoption of each annual budget for the Master Association, the Master Board shall re-evaluate the allocation of Common Expenses between the Condominium Property and the Townhome Property, and may consider such adjustments thereto as it deems necessary to ensure an equitable allocation among all of the Property. Any adjustment to such allocations must be documented by a resolution of the Master Board and kept with the minutes and other records of the Master Board.

Without in any way limiting the generality of the foregoing, the Master Association may assess, collect and expend sums for:

- (a) The installation, maintenance, repair or replacement of any and all Common Areas and Common Facilities, including, but not limited to, the cost of any associated management or supervisory services, fees, labor, equipment and materials.
- (b) The design, purchase and installation of any Common Facilities.
- (c) The purchase of insurance coverage as contemplated herein.
- (d) The maintenance, repair and replacement of stormwater facilities as required pursuant to Town of Cary requirements.
- (e) The carrying out of duties of the Master Board as provided herein and the Master Articles of Incorporation and Master Bylaws.
- (f) The carrying out of the duties, responsibilities and purposes of the Master Association as contemplated herein and in its Master Articles of Incorporation and Master Bylaws.
- (g) The carrying out of all other matters set forth or contemplated in this Master Declaration or as authorized under the Act.

6.2 Covenants for Assessments. Each Owner of a Lot or other parcel within the Property, by acceptance of a deed or other conveyance therefor, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to covenant (and such covenant shall be

deemed to constitute a portion of the purchase money consideration for acquisition of such Lot or parcel), to pay to the Master Association, or to such designee which may be designated by the Master Association to receive such monies, the following Assessments (the “Assessments”):

- (a) Regular Assessments as provided for in Section 6.3 hereof;
- (b) Special Assessments as provided for in Section 6.4 hereof; and
- (c) Special Owner Assessments, as provided for in Section 6.5 hereof.

Each and every type of assessment as heretofore stated shall be fixed as to amount and collected from time to time as hereinafter provided.

6.3 Regular Assessments. “Regular Assessments” shall be determined, assessed and expended on a fiscal year basis beginning on January 1 and ending on December 31 of each year, which shall be the “Fiscal Year” of the Master Association.

- (a) Regular Assessments shall be used for:
 - (i) the payment of costs incurred in connection with the installation, maintenance, repair and replacement of the Common Facilities;
 - (ii) any matters specified in Section 6.1 hereof;
 - (iii) the payment of costs incurred in connection with the performance by the Master Board of the functions described in this Master Declaration and for the carrying out of the purposes of this Master Declaration; and
 - (iv) the establishment of the reserve fund as provided in Section 3.11 of this Master Declaration.

(b) Each Fiscal Year while this Master Declaration is in force, the Master Board shall adopt an annual budget and set the amount of the Regular Assessment to be levied for the next year, taking into consideration Master Association operating costs for the then current year, expected normal increases in such costs over the next year, and additional future needs of the Master Association, including the establishment and maintenance of a reserve fund as provided for herein. Regular Assessments for each Fiscal Year shall be allocated among all Owners; in the same proportion as such Owner’s Regular Assessments are allocated for its respective Master Association. The annual budget shall be adopted by the Master Board not later than sixty (60) days prior to the commencement of each Fiscal Year and ratified by the Owners in accordance with the provisions of the Act. Notwithstanding the above, in the event the Master Board fails for any reason to adopt an annual budget covering the succeeding Fiscal Year, then and until such time as an annual budget shall have been adopted for such succeeding Fiscal Year, the annual budget currently in effect shall continue and the Regular Assessment shall be deemed the same as for the then current year. Should any surplus exist at the end of any year, the Master Board may, at its discretion, reduce the amount required for the next Regular Assessment by an amount not more than said surplus.

(c) After the Conversion Date, the annual Regular Assessments shall not be increased by an amount greater than twenty (20%) percent of the annual Regular Assessment of the immediately preceding Fiscal Year. After the Conversion Date, any increase in excess of twenty (20%) percent of the annual Regular Assessment of the immediately preceding Fiscal Year shall require an affirmative vote of sixty-seven percent (67%) of the Townhome Representatives of the Master Board and sixty-seven percent (67%) of the Condominium Representatives of the Master Board.

6.4 Special Assessments. In addition to the Regular Assessments, the Master Association, subject to the prior approval of sixty-seven percent (67%) of the Townhome Representatives of the Master Board and sixty-seven percent (67%) of the Condominium Representatives of the Master Board, may levy at any time and from time to time a "Special Assessment" for the purpose of:

(a) Defraying in whole or in part, the cost of any new construction, reconstruction or unexpected repair or replacement of any of the Common Facilities;

(b) Defraying the cost of repairs or replacements of any of the Common Facilities resulting from an uninsured loss or damage or insured loss or damage where there are insufficient insurance proceeds to pay the full cost of the repair or replacement thereof;

(c) Responding to unusual or emergency needs of the Master Association as may occur from time to time;

(d) Maintaining the reserve fund as provided in Section 3.11 hereof;

(e) Paying the cost of any unanticipated expenses intended to be paid by Regular Assessments; and

(f) Any other purpose authorized by the Act.

Special Assessments shall be allocated and prorated among the Owners at the date each such Special Assessment is levied in the same manner as Regular Assessments are allocated and prorated among the Owners pursuant to Section 6.3 hereof.

6.5 Special Owner Assessments. In addition to the Regular Assessments and Special Assessments, the Master Board may levy a "Special Owner Assessment" on any Owner for the purpose of defraying, in whole or in part, the cost of any unexpected damage or loss requiring maintenance, repairs or replacement of any Common Facilities, to the extent not otherwise covered by the insurance otherwise maintained by the Master Association, which damage or loss has been determined by the Master Board to have been caused, either directly or indirectly, by the willful or negligent acts of such Owner, Occupant or such Owner's or Occupant's employee, agent, or other person acting or failing to act with such Owner's or Occupant's authorization or approval; provided, however, in reaching a decision to levy such Special Owner Assessment upon any Owner, the Master Board shall first determine that reasonable evidence exists to support a determination that said damage or loss was caused, directly or indirectly, by the willful or negligent act of such Owner or Occupant or such Owner's or Occupant's employee or agent or other person whose actions were authorized or approved by such Owner or Occupant;

6.6 Payment of Regular Assessments. The Regular Assessments provided for herein shall commence on a date fixed by the Master Board and thereafter shall be due and payable on January 1 of each year and shall be delinquent if not paid by January 31 of such year; provided, however, the Master Board shall have the right to require payment of Regular Assessments more frequently than annually (but not more frequently than quarterly) if it deems such is appropriate. If the commencement date of the initial Regular Assessment for the Master Association shall not be the same as the first day of the Fiscal Year, then the initial assessment installment shall be from the date of commencement to the end of such Fiscal Year, and payment shall be pro rated for the number of days remaining in such Fiscal Year.

6.7 Payment of Special Assessments. Special Assessments or Special Owner Assessments shall be due and payable in full thirty (30) days following the date of the resolution adopting such Assessment by the Master Board and notice thereof is provided to the Owners, except that, if it is specifically determined by the Master Board that any such Assessment is to be paid instead in deferred installments, then the payment dates and amounts of such installments shall be fixed in the resolution authorizing such Assessment.

6.8 Enforcement and Personal Obligation of Owners for Payment of Assessments.

(a) The Assessments provided for herein shall be the personal and individual debt of the Owner of a Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot, covered by such Assessments. No Owner may, for any reason, exempt itself from liability for such Assessments levied in accordance with the provisions of this Master Declaration. In the event that any Assessment or installment thereof is not paid when due, and remains unpaid for a period of thirty (30) days thereafter, then the unpaid amount of any such Assessment or installment thereof shall become delinquent and shall, together with interest thereon as herein provided and costs of collection thereof, become a continuing personal obligation and debt of the non-paying Owner secured by a lien on the Lot, including all Improvements thereon, to which such Assessment or installment thereof pertains in accordance with § 47F-3-116 of the Act. The Master Association shall have the right to reject any partial payment of any assessment or installment thereof and demand full payment thereof, or the Master Association may, in its sole discretion, elect to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due.

(b) The obligation of any Owner to pay any Assessment imposed on a Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot during such Owner's period of ownership shall remain its personal obligation, and a sale or other transfer of title to such Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot shall not release such former owner from said liability notwithstanding an assumption of liability by the purchaser or transferee. The lien for any unpaid Assessments shall be unaffected by any sale or transfer of full or partial ownership interest in a Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot, and shall continue in full force and effect. In the event of full or partial sale or transfer of an ownership interest in a Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot it shall be the sole obligation of the Owner selling or transferring such interest (and not the Master Association) to disclose to any buyer or transferee that an unpaid Assessment and associated lien against the ownership interest exist prior to that date at which such sale or transfer is to be consummated. A copy of such notice

shall be sent to the Master Association at the same time. Upon written request, the Master Association shall provide an Owner with a statement reflecting the amount of any unpaid or delinquent Assessments with respect to a Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot owned by said Owner.

(c) The unpaid amount of any Assessment shall bear interest from its due date at eighteen percent (18%) per annum or the maximum legal rate of interest then prevailing, whichever is lesser. In addition, the Master Board may elect to retain the services of an attorney of its choice for the purpose of collecting any unpaid Assessment and interest charges thereon, and/or to foreclose the lien against the property subject thereto and/or to pursue any other legal or equitable remedy which the Master Association may have, and there shall be added to the amount of such unpaid Assessment and interest charges thereon, any and all collection costs incurred by the Master Association, whether judicial or non-judicial, and including, but not limited to, reasonable attorney fees and costs of legal suit and collection fees charged by the property management company for the Association.

6.9 Assessment Lien and Foreclosure. Any Assessment lien created under this Article VI shall be perfected and enforced in the manner provided in the Act. Such lien(s) for payment of Assessments shall attach with the priority set forth in the Act. In addition, the Master Association may institute suit against the Owner(s) personally to obtain a judgment for unpaid Assessments. In any foreclosure proceeding, whether judicial or nonjudicial, or in any other suit against the Owner(s), the Owner(s) shall be required to pay the costs, expenses and reasonable attorney's fees incurred by the Master Association. The Master Association shall have the power to buy the property at foreclosure or other legal sale and to acquire, hold, lease, Mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee holding a prior lien on any part of the Property, the Master Association shall report to said Mortgagee any Assessments which are delinquent and unpaid at the time of the report.

6.10 Lien Subordination. Any lien established as provided for in this Article VI, shall be subordinate and inferior to any Mortgage recorded before the docketing of the claim of lien by the Master Association, as provided in § 47F-3-116 (b) of the Act; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a foreclosure sale (whether public or private) of any such Lot pursuant to the terms and conditions of any such Mortgage. Such foreclosure sale shall not relieve any new Owner taking title at such sale from liability for the amount of any Assessments thereafter becoming due or from a lien arising from any such subsequent Assessment.

At the time any Mortgage is recorded against any Townhome Property, Townhome Lot, Condominium Property, or Condominium Lot the Owner shall, within thirty (30) days following the recordation of such Mortgage deliver the Master Association written notice identifying the Mortgagee including its full legal name, its current address and telephone number, and the name of an officer or other person within the entity who is responsible for that obligation. Upon the written request of any Mortgagee, the Master Association shall report to such Mortgagee any unpaid Assessments which are delinquent as herein defined. The Master Association may from time to time, at its own initiative, elect to report delinquent Assessments to such Mortgage lenders.

6.11 Budget Deficits During Declarant Control.

Prior to the Conversion Date, Declarant may (but shall not be required to):

(a) advance funds to the Master Association sufficient to satisfy the deficit, if any, between the Master Association's actual operating expenses and the sum of the Regular, Special, and Special Owner Assessments collected by the Master Association in any Fiscal Year. Such advances shall, upon request of Declarant, be evidenced by promissory notes from the Master Association in favor of Declarant. Declarant's failure to obtain a promissory note shall not invalidate the debt.

(b) cause the Master Association to borrow any amount from a third party at the then prevailing rates for such a loan in the local area of the Property. Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Areas or any of the improvements maintained by the Master Association shall be given in connection with such loan.

(c) acquire property for, or provide services to, the Master Association or the Common Areas. Declarant shall designate the value of the property or the services provided, and such amounts, at Declarant's request, shall be evidenced by a promissory note. Failure to obtain a promissory note shall not invalidate the obligation referred to in this Section.

6.12 Capitalization of Master Association Upon acquisition of record title to a Lot by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Master Association in an amount equal to two (2) months of the then current Regular Assessment per Lot. This amount shall be in addition to, not in lieu of, the annual Regular Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the operating account of the Master Association for use in covering operating expenses and other expenses incurred by the Master Association pursuant to this Master Declaration and the Master Bylaws, including expenses incurred by Declarant in providing infrastructure or other Common Areas.

ARTICLE VII

EASEMENTS

7.1 **Owners' Easement of Enjoyment** Every owner shall have the right and easement of enjoyment in and to the common areas and common facilities. This easement shall run with the land and shall be appurtenant to and shall pass with title to every lot. Notwithstanding anything to the contrary stated herein, the Declarant shall have the right to use and reserve the common areas and common facilities for all types of events, within its sole discretion unless such area has been previously reserved by an owner.

7.2 **Declarant's and Master Association's Easements** Declarant hereby reserves for itself, its successors and assigns, and the Master Association holding title to any property, including any Common Areas, within Chatham Walk, the following easements, which shall benefit Declarant, the Master Association, and Chatham Walk. Each of the easements reserved herein (i) shall run with the land in favor of the Property, and (ii) shall also be a personal easement in favor of Declarant and the Master Association. The easements herein reserved may, from time to time,

be more precisely located by Declarant (prior to the Conversion Date) or by the Master Association (upon and after the Conversion Date) executing and recording in the appropriate public records a plat or other instrument (including deeds) so designating a particular location or locations. The easements herein reserved shall include the right of ingress and egress to and from each Lot for the purpose of implementing the purposes of the easements together with the right to remove any obstructions which, from time to time, interfere with the reasonable use of the easements. Declarant shall have the right to assign the easements herein reserved to the Master Association or, in the case of the easement referred to in Section 7.2 (b) hereof, to one or more companies furnishing the services therein referred to. Declarant or the Master Association (as the case may be) shall have the right to relocate the easement referred to in Section 7.2 (b) hereof under, across or over any Lot without the consent of or any compensation being payable to the Owner thereof, provided that the relocation does not materially and adversely affect the utility, value or marketability of the Lot for the then Owner's approved use. If Declarant shall designate any portion of the Property as "Townhome Common Areas" or "Condominium Common Areas" then the Townhome Owners or the Condominium Association, respectively, shall have the exclusive right to exercise the rights reserved to the Association herein.

As to the easements reserved in this preamble to Section 7.2, the holder of an easement right shall use its best efforts to cooperate to assure the reasonable, mutual use of the burdened property with the owner of the burdened property. After use of the easement areas or exercise of the rights herein granted, the easement holder shall restore the surface of the property subject to the easement to a condition as close as is reasonably possible to that which existed prior to such use or exercise, provided that the easement holder shall not be required to replace, or otherwise repair any improvements, trees, shrubs or other obstructions which interfere with use of the easement granted pursuant to this preamble to Section 7.2 and which are damaged through the reasonable exercise of the right granted pursuant to this preamble to Section 7.2.

(a) **Common Roads and Walkways.** Declarant reserves for itself, its successors and assigns, a nonexclusive perpetual easement for the installation, operation, modification, maintenance, repair, replacement, removal, reinstallation, and use of the common roads and all portions of the Property lying within road rights of way, "setback" areas or other areas within which the construction of Improvements is prohibited or restricted, or those streets noted on any recorded plat of the Property to the extent that such street has not been dedicated to a Governmental Authority and is not maintained by a Governmental Authority.

(b) **Utility Easements.** Declarant reserves for itself, its successors and assigns, and grants to the Master Association, a blanket easement for ingress, egress, construction, installation, replacement, repair and maintenance of all public and private utility and service systems, which easement shall be upon, across, over, through, and under the Property. (herein "Utility Easements"). The systems covered by the Utility Easements include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, data utility lines and facilities, cable or communication lines and other equipment as well as other systems and services determined by the Declarant or the Master Board to be essential for the efficient operation of the Property. By virtue of this easement, Declarant may, but is not obligated to, install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits; the systems themselves (which shall include all pipes, wires, circuits, cables,

conduits, switch boxes and other facilities and equipment related to the providing of any public or private utility service) shall be installed within the Utility Easements.

Either Declarant or the Master Association may at any time make a partial assignment to any public or private utility company, any public or private company providing the services identified in Section 7.2 (b) (i), or any Governmental Authority, of the easements described in the preceding Section 7.2 (b)(i). Whether or not such assignment by Declarant or the Master Association expressly states, the assignment shall be partial and nonexclusive and both Declarant and the Master Association shall continue to have the easement reserved and granted herein, to be used on a nonexclusive basis with each other and with any public or private utility company, or any Governmental Authority to whom such assignment was made. Neither Declarant, nor the Master Association, shall have any liability or responsibility to each other or to any Owner for (1) any damages caused by any public or private utility company, or any Governmental Authority, or (2) for failure to provide any utility services to any Owner or to the Master Association.

(c) **Police Powers.** Declarant reserves for itself, its successors and assigns, and grants to the Master Association, a blanket easement throughout Chatham Walk for private patrol services, and for police powers and services supplied by the local, state and federal governments. Declarant may or may not, at any time, in Declarant's sole and absolute discretion, install security cameras, gates or other security devices as it deems necessary for the protection of Chatham Walk. All security measures shall be paid for out of Assessments. Declarant and the Associations may adopt Rules and Regulations providing for security measures, parking and traffic regulations, or such other policing power, which may include enforcement through fines and penalties, with failure to pay such fines permitting the Declarant or the Master Association to file a lien against any Lot owned by the person or entity found to be in violation of such Rule or Regulation.

(d) **Property Identification Signs.** Declarant hereby excepts and reserves a nonexclusive perpetual easement for the construction, reconstruction, replacement, operation, maintenance and repair of a sign structure, landscaping and entry features over, under, upon and across certain portions of Chatham Walk, together with reasonable access over, under, upon, through and across the Property to install, replace, maintain, repair and operate such utility lines necessary to provide power to illuminate any of the same.

ARTICLE VIII

DECLARANT RIGHTS

8.1 **Reasonable Rights To Develop.** Declarant and/or its contractors or transferees may construct improvements to or within the Property including to the Lots. The completion of such construction and the sale or other disposal of the Lots is essential to the establishment and welfare of the Property. Therefore, prior to the Conversion Date, nothing in this Master Declaration or the other Governing Documents shall be construed to:

(a) prevent Declarant, parties authorized by Declarant, or their contractors or subcontractors from doing whatever is reasonably necessary or advisable in connection with the commencement or completion of the above-described work throughout the Property;

(b) prevent Declarant, parties authorized by Declarant, or their representatives from erecting, constructing, and maintaining anywhere in the Property such structures as reasonably may be necessary for the conduct of its business of completing the work, and disposing of the Lots by sale, lease, or otherwise;

(c) prevent Declarant or parties authorized by Declarant, from maintaining such signs and conducting such activities in any part of the Property owned by Declarant or the Master Association as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Lots; or

(d) prevent Declarant or parties authorized by Declarant, from placing and utilizing on Lots or other property which they own one or more mobile trailers or temporary structures as sales offices or for construction activities.

Nothing in this section shall give Declarant or parties authorized by Declarant pursuant to this Article VIII, the right to damage any Lot or other property not owned by Declarant.

8.2 **Marketing and Sales Activities.** Prior to the Conversion Date, Declarant and parties authorized by Declarant may construct, relocate, maintain and carry on upon any Lot Declarant owns or upon portions of the Common Areas, such facilities and activities as may be reasonably required, convenient or incidental to the construction, marketing or sale of Lots, as determined in Declarant's sole opinion. Such facilities and activities may include, without limitation, business offices, signs, model homes, and sales offices. There shall be no limit on the number or size of such facilities. Declarant and authorized parties shall have easements for access to and use of such facilities. Declarant and authorized parties reserve the right to remove any personal property used in connection with its activities on the Common Areas upon completion of the construction, marketing or sale of Lots, as determined in Declarant's sole opinion.

8.3 **Construction of Improvements.** Prior to the Conversion Date, Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Areas for the purpose of making, constructing and installing such improvements to the Common Areas as it deems appropriate in its sole discretion.

8.4 **Right to Approve Additional Covenants.** Prior to the Conversion Date, no person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's prior written approval. Any instrument recorded without such consent shall be void and of no force and effect unless Declarant subsequently consents in a Recorded Document.

8.5 **Right to Transfer or Assign Declarant Rights.** Any or all of Declarant's rights or obligations set forth in this Master Declaration, including but not limited to those set out in this Article VIII, or any other Governing Document may be transferred in whole or in part to other persons; however, the transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Master Declaration or such Governing Document. No such transfer or assignment shall be effective unless evidenced by a Recorded Document. The foregoing sentence shall not preclude Declarant from permitting other persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Master Declaration where Declarant does not intend

to transfer such right in its entirety. In such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

8.6 **Exclusive Rights to Use Name of Development.** Prior to the Conversion Date, no person or entity shall use the name "Chatham Walk", "Chatham Walk Condominium", or "Chatham Walk Townhomes" or any derivative of such names in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Chatham Walk" in printed or promotional matter where such term is used solely to specify that particular property is located within the community and the Master Association shall be entitled to use the words "Chatham Walk" in its name.

8.7 **Right to Approve Changes in Property Standards.** Prior to the Conversion Date, no amendment to or modification of any Rules and Regulations or Development Standards shall be effective without Declarant's prior written approval.

8.8 **Annexation of Additional Property.** Declarant shall be permitted to subject additional property to this Declaration for Townhome purposes by recording an Annexation Declaration describing the property being subjected. Such Annexation Declaration shall not require the Members' consent but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the recording of such Annexation Declaration unless otherwise provided therein. Declarant shall have the right to make such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration.

ARTICLE IX

MISCELLANEOUS

9.1 **Term.** The covenants, conditions, restrictions, easements, uses, privileges, charges, assessments, burdens and liens set forth in this Master Declaration shall be personal covenants of each Owner, shall run with the title to the land subject to this Master Declaration and shall be binding upon and inure to the benefit of Declarant, the Master Association and each Owner, and their respective heirs, successors and assigns. This Master Declaration shall become effective upon the date it is recorded in the Register of Deeds Office in Wake County, North Carolina and, subject to the provisions of Section 9.2 hereof, shall remain effective for fifty years thereafter after which time this Master Declaration shall automatically be extended for successive periods of ten (10) years unless an instrument has been recorded in the Office of the Register of Deeds of Wake County, North Carolina (or such other place as may be required by law at the time of such recording), agreeing to terminate this Master Declaration pursuant to the terms of Section 9.2 hereof.

9.2 **Amendment; Termination.** This Master Declaration may be amended and terminated only in accordance with this Section 9.2.

(a) Prior to the Conversion Date, Declarant shall have the sole and exclusive right, power and authority to amend this Master Declaration, subject to the limitations that no

amendment shall be adopted, or if adopted shall become effective, which materially and adversely affects the rights of (i) any Owner which is then in good standing, or the utility, value or marketability of the Owner's Lot, without the affirmative vote of the Owner or (ii) Mortgagee without the prior written consent of such Mortgagee.

(b) Upon and after the Conversion Date, this Master Declaration may be amended by the affirmative vote, of at least sixty-seven percent (67%) of the Master Board.

(c) This Master Declaration may be terminated at any time only by the affirmative vote of at least eighty percent (80%) of votes of the Townhome Owners and at least eighty percent (80%) of the votes of the Condominium Association.

No amendment to this Master Declaration shall become effective until the requisite votes are affirmatively cast therefor and a written instrument, duly executed by Declarant (prior to the Conversion Date) or a duly authorized officer of the Master Association (upon and after the Conversion Date), setting forth the specific amendment to this Master Declaration or stating that this Master Declaration has been terminated, is executed and recorded in the appropriate public records.

9.3 **Correction of Errors.** During the existence of this Master Declaration, the Master Board shall have full right, power and authority to correct errors in this Master Declaration which the Master Board determines to be of a clerical or otherwise non-substantive nature. Such correction shall not be deemed an amendment hereto for purposes of the voting requirements of Section 9.2 hereof but shall, upon being made by the Master Board, become binding on all Owners.

9.4. **Enforcement.** The enforcement of this Master Declaration shall be vested in the Master Association. Accordingly, the Master Association shall initially have the exclusive right, power and authority to enforce (or to elect not to enforce) any or all of the terms of this Master Declaration by any legal proceedings, at law or in equity, against any person or entity violating or attempting to violate any of them, or to seek any other recourse against any such person whether the recourse sought is an injunction, the recovery of damages, the foreclosure of the Master Association's lien or otherwise. If the Master Association fails or refuses to exercise any right, remedy or recourse afforded it for a violation of this Master Declaration as to which no Variance was granted, then any Owner may give written notice to the Master Association demanding that the Master Association exercise such rights, remedies or recourses. If, within thirty days after its receipt of the Owner's notice, the Master Association does not commence to exercise such rights, remedies or recourses against the person or entity violating this Master Declaration, then the Owner sending the notice may exercise any or all of the rights, remedies and recourses afforded the aggrieved Owner at law or in equity as a consequence of such violation. Notwithstanding any other provision herein, the Master Board may impose fines on an Owner and/or suspend an Owner's right and privilege to use certain Common Areas for failure of that Owner, his Occupants, agents or invitees, to abide by this Master Declaration, or the Rules and Regulations. The procedure for the Master Board to do so shall be as set forth in the Master Bylaws. The Master Board shall not impose any such fine or suspension unless and until the Owner charged has been given notice of the charge, opportunity to be heard by and present evidence to the Master Board

and notice of the Master Board's decision. Suspensions may be imposed for a reasonable period of time and/or until a violation or delinquency is cured.

9.5 **Responsibility of Owner.** Each Owner shall be responsible for any breach of this Master Declaration which is the result of the acts or omissions of the Owner, or its officers, directors, shareholders, partners, employees, contractors, agents, invitees or Occupants. Any breach of this Master Declaration relating to the use or maintenance of a Lot is hereby declared to be a nuisance. Accordingly, every right, remedy or recourse allowed by law or equity as a result of, or with respect to the abatement of, any such nuisance is hereby declared to be available to the Master Association or, subject to the provisions of Section 9.4 hereof, any aggrieved Owner.

9.6 **Applicable Law.** This Master Declaration shall be governed by, and construed in accordance with, the laws of the State of North Carolina. All monetary and other obligations of any Owner hereunder are performable in Wake County, North Carolina.

9.7 **Compliance Certificate.** Upon the written request of any Owner or Mortgagee, the Master Association shall issue a certificate stating whether the Owner is delinquent in the payment of any sum due the Master Association or whether, to the knowledge of the Master Association, the Owner is otherwise in violation of this Master Declaration. The Master Association may impose and collect from the Owner with respect to which the certificate is requested a reasonable charge as a condition to the issuance thereof.

9.8 **Notices.** All notices and other communications given pursuant to this Master Declaration shall be in writing and shall either be mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, and addressed as set forth in this Section 9.8, or delivered in person to the intended addressee, or sent by recognized overnight delivery carrier or sent by electronic mail to the email address on file with the Master Association. Notice sent in the aforesaid manner shall become effective three days after deposit for notice sent by United States Mail, immediately upon delivery in person, one day after deposit with overnight delivery carrier, and immediately upon sending by electronic mail; notice given in any other manner, and any notice given to Declarant or the Master Association, shall be effective only upon receipt by the intended addressee. For the purpose of notice, the address of (a) Declarant shall be BJG Real Estate Ventures, LLC with an address of 214 East Chatham Street, Cary, NC 27511 (b) the Master Association shall be 8305 Falls of Neuse Road, Suite 200, Raleigh, NC 27615, and (c) any Owner shall be its last address as shown on the records of the Master Association at the time the notice is sent. Declarant, the Master Association and any Owner shall have the continuing right to change its address for notice hereunder. In the case of a change of address by an Owner, the giving of fifteen days prior written notice to the Master Association in accordance with this Section 9.8, or, in the case of a change of address by Declarant or the Master Association, at the election of Declarant or the Master Association either the execution of a supplement to this Master Declaration reflecting such change of address and the recording of same in the appropriate public records or the giving of written notice to each Owner of record in the manner set forth above.

9.9 **Severability.** This Master Declaration and the other Governing Documents are to be performed in accordance with and only to the extent permitted by applicable legal requirements. If any provision of this Master Declaration or any other Governing Document or the application

thereof to any person or entity or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Master Declaration and the other Governing Documents and the application of such provision to other persons or entities or circumstances shall not be effected thereby, but rather shall be enforced to the greatest extent permitted by law.

9.10 **Number and Gender, Captions and References.** As the context of this Master Declaration may require, pronouns shall include all persons or entities, the singular number shall include the plural and neuter shall include the masculine and the feminine gender. Article and section headings in this Master Declaration are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define any article or section hereof. Whenever the word "hereof", "herein", "hereunder" or a word of similar import is used in this Master Declaration, it shall be construed as referring to this Master Declaration in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "section" shall be construed as referring to the indicated section of this Master Declaration.

9.11 **Attorney's Fees.** If Declarant, the Master Association or any Owner entitled to do so initiates any litigation against any Owner relating to this Master Declaration, and prevails in such litigation, or if Declarant or the Master Association defends against any litigation brought against it by any Owner relating to this Master Declaration and prevails in such litigation, then such prevailing party shall be entitled to recover, in addition to all damages and other relief allowed by law, all court costs and reasonable attorney's fees incurred in connection with such litigation.

9.12 **Interest on Owner's Obligations.** Any amount due from an Owner to the Master Association pursuant to this Master Declaration which is not paid when due shall bear interest at the maximum rate allowed by law (or, if there is no maximum rate on the date the amount became due, at the rate of twenty percent per annum) from the date the amount becomes due until the date the amount is paid, but the payment of such interest shall not excuse or cure the default in payment. It is the specific intent of Declarant to, at all times, comply with applicable usury law with respect to this Master Declaration. Accordingly, if, at any time, it is determined that any amount called for, charged or collected pursuant to this Master Declaration exceeds the amount which may be lawfully called for, charged or collected under applicable usury law then all excess amounts theretofore collected by the Master Association shall be immediately refunded to the payor, the provisions hereof shall be immediately deemed reformed and the amounts thereafter collectible hereunder shall be immediately deemed reduced without the necessity of the execution of any new document so as to comply with applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

9.13. **Incorporation by Reference.** The exhibit hereto is incorporated herein for any and all purposes.

9.14 **Interpretation.** If any disagreement shall arise between Owners as to the interpretation or application of this Master Declaration or any other Governing Document, the disagreement shall be resolved by the Master Board and the determination of the Master Board shall be final and binding upon all Owners unless the determination was fraudulently induced or arbitrarily or capriciously rendered.

9.15 **Waiver.** This Master Declaration may not be waived orally or impliedly, but only by Declarant (prior to the Conversion Date) or the Master Association (upon and after the Conversion Date) evidencing such waiver in writing. Thus, neither the acceptance of a payment by the Master Association nor any other custom or practice followed in connection with this Master Declaration shall constitute a waiver of any provision hereof. Further, neither the failure of the Master Association to complain of any violation of this Master Declaration, regardless of how long such failure continues, nor the failure of the Master Association to invoke (or the election by the Master Association not to invoke) any right, remedy or recourse for a violation hereof, shall extinguish, waive or in any way diminish the rights, remedies and recourses of the Master Association with respect to such violation. No waiver by the Master Association of any provision of this Master Declaration as to any Owner shall be deemed to be a waiver of any other provision hereof as to such Owner, or a waiver of the same provision as to any other Owner. The Master Association's consent to any act requiring the Master Association's consent hereunder or under any other Governing Document shall not be deemed to render unnecessary the attaining of the Master Association's consent as to any other act. No consent shall be binding upon the Master Association unless such consent is evidenced in writing executed by an officer of the Master Association duly authorized to execute the same.

9.16 **Owner's Liability; Subsequent Sale.** Except as provided in Section 6.10 herein, upon the divestiture (voluntarily or involuntarily) of the interest of an Owner in all or a portion of its Lot, the prior Owner shall thereupon be relieved of all liability accruing under this Master Declaration with respect to such Lot or the portion thereof as to which the Owner has been divested after the date of divestiture. The preceding sentence shall not, in any way and to any extent, impair the Master Association's lien against the Lot for sums due the Master Association by the prior Owner or any subsequent Owner, or the obligation of the subsequent Owner for any liabilities accruing after the date of divestiture.

9.17 **Exculpation.** Neither Declarant nor the Master Association, nor any of their officers, directors, shareholders or Owners, (individually and collectively, an "exculpated person"), shall be personally liable to any person or entity for any act or omission of any nature whatsoever occurring in the course of acting under or in connection with this Master Declaration, except gross negligence, willful misconduct or criminal conduct. Without in any way limiting the generality of the foregoing, no exculpated person shall have any nature whatsoever by virtue of any action taken or not taken with respect to any plans, drawings, specifications, documents, materials and requests for Variances presented to it for review and approval, and under no circumstances shall any such person be deemed to have passed upon the structural integrity or safety of any Improvement described on or in any such materials. In addition to such indemnification as may be contained in the Master Articles of Incorporation or Master Bylaws, the Master Association hereby agrees to defend, indemnify and hold harmless all officers, directors, Owners and their heirs and legal representatives, against all liability (contractual and otherwise) arising out of any contracts entered into by the Master Association, or any acts or omissions of such officers, directors, or Owners when acting on behalf of the Master Association unless such liability arises out of the gross negligence, willful misconduct or criminal conduct of any such person. The foregoing indemnification shall extend to all costs and expenses (including, but not limited to, reasonable attorney's fees and court costs, amounts of judgment paid and

amounts paid in settlement) actually or reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such indemnified person may become involved; provided, however, that such indemnification shall not be operative to an indemnified person with respect to any matter settled or compromised unless, in the opinion of independent counsel selected by the Master Board, there is no reasonable ground for such indemnified person being adjudged liable for gross negligence, willful misconduct or criminal conduct in the claim at issue.

ARTICLE X

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers, and guarantors of First Mortgages on Lots in the Property. The provisions of this Article apply to both this Master Declaration and to the Master Bylaws, notwithstanding any other provisions contained therein.

10.1 Notices of Action. An institutional holder, insurer, or guarantor of a First Mortgage which provides a written request to the Master Association, such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an ("Eligible Holder"), shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a First Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage or such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Lot or the Owner or Occupant which is not cured within sixty (60) days of receiving notice of such violation;

(c) any lapse, cancellation or material modification of any insurance policy the Master Association maintains; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

10.2 No Priority. No provision of this Master Declaration or the Master Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

10.3 Notice to Master Association. Upon request, each Owner shall be obligated to furnish to the Master Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

10.4 Failure of Mortgagee To Respond. Any Mortgagee who receives a written request from the Master Board to respond to or consent to any action shall be deemed to have

approved such action if the Master Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Master Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

10.5 **Construction of Article X.** Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Master Declaration, the Master Bylaws, or the Act for any of the acts set out in this Article.

[Signature Page Follows]

IN WITNESS WHEREOF, BJB Real Estate Ventures, LLC, as the Declarant hereunder, has caused this instrument to be executed by its duly authorized Manager, all by order and authority duly granted by its members, as of the day and year first above written.

BJB Real Estate Ventures, LLC, a North Carolina limited liability company

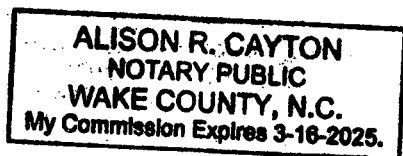
By: 
W. JORDAN GUSSENHOVEN Manager

STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, the undersigned Notary Public of the County and State aforesaid, certify that W. JORDAN GUSSENHOVEN personally came before me this day and acknowledged that he is the Manager of BJB Real Estate Ventures, LLC, a North Carolina limited liability company and acknowledged the due execution of the foregoing instrument as the act of said company.

Witness my hand and official stamp or seal, this 6 day of NOVEMBER, 2020.



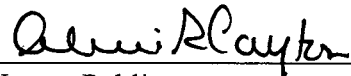

 Notary Public
 Type/Print Name: ALISON R CAYTON
 My Commission Expires: 3-16-2025

EXHIBIT A

Property Description

Lying and being situate in Wake County, North Carolina, and being more particularly described as follows:

BEING all of Lot 1 containing 1.3232 acres more or less, as shown on that plat entitled "Recombination and Easement Plat for Chatham Walk" dated June 6, 2019, last revised August 1, 2019 by Bass, Nixon & Kennedy, Inc. and recorded in Book of Maps 2019, page 2154 Wake County Registry.

EXHIBIT B

BYLAWS OF CHATHAM WALK MASTER OWNERS ASSOCIATION, INC.

These are the Bylaws of CHATHAM WALK MASTER OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation (the "Association"). The Association's Articles of Incorporation (the "Articles") have been filed in the Office of the North Carolina Secretary of State. All words, phrases and terms used in these Bylaws which are not defined herein shall have the meanings given such words, phrases and terms as set forth in the (i) Master Declaration for Chatham Walk (the "Master Declaration"), and (ii) any other declaration entered into by Declarant with respect to Chatham Walk (collectively, "Future Declarations") including but not limited to any Sub-Association Declaration, or (iii) North Carolina Planned Community Act (codified in Chapter 47F of the North Carolina General Statutes) and the North Carolina Non-Profit Corporation Act (codified in Chapter 55A of the North Carolina General Statutes (together the "Act"). The provisions of each Declaration shall apply with respect to the specific real property described therein.

ARTICLE I

MEMBERSHIP

The Association is a Master Association as provided in N.C.G.S. 47F- 2-120 and shall exercise its powers for the benefit of the Condominium Property and the Townhome Property. Pursuant to N.C.G.S. 55A-6-01, the Association shall have no members, but rather shall be governed by the Master Board.

ARTICLE II

OFFICERS AND MASTER BOARD; SELECTION; TERM OF OFFICE

Section 2.1. Number, Term of Office and Election. The affairs of the Association shall be managed by the Master Board of five (5) Members, who shall be entitled to act on behalf of the Master Association. Prior to the Conversion Date the Master Board shall consist of at least three (3) persons who shall be appointed by Declarant. When at least two (2) Lots of the Townhome Property have been conveyed to Owners other than the Townhome Declarant or its affiliate, and while the Condominium Declarant is a Class B Member of the Condominium Association, then at such time the Class A Membership of the Condominium Association, as appropriate, shall be entitled to vote and elect one (1) member of the Master Board, and the Townhome Owners shall be entitled to name one (1) member of the Master Board, and the remaining member of the Master Board shall be selected by the Class B Member of the Condominium Association. After the Conversion Date, the board shall consist of five (5) members, which shall be appointed as follows:

the Condominium Board shall appoint three (3) representatives ("Condominium Representatives") one of which shall serve for three (3) years, one of which shall serve for two (2) years and one of which shall serve for one (1) year, and the Townhome Owners shall appoint 2 representatives ("Townhome Representatives") one of which shall serve for two (2) years and one of which shall serve for one (1) year. Subsequent members shall each be chosen for a two (2) year term. The Condominium Association and the Townhome Owners shall establish their own procedures for causing their respective Boards to choose members of the Master Board. Each member of the Master Board shall have one vote.

Section 2.2. Removal. Any Master Board Member may be removed in accordance with N.C.G.S. 47F-3-103(b). In the event of death, resignation or removal of a director, his successor shall be elected by a majority of the members of the appropriate association voting at a meeting when a quorum is present.

Section 2.3. Compensation. No Master Board Member shall receive compensation for any service he may render to the Master Association. However, with the prior approval of the Master Board, any Master Board Member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 2.4. Action Without Meeting. The Master Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Master Board Members to the action. Any action so approved shall be filed in the corporate books and record and shall have the same effect as though taken at a meeting of the Master Board.

ARTICLE III

MEETINGS OF THE MASTER BOARD

Section 3.1. Meetings. Meetings of the Master Board shall be held semi-annually without notice at such place and hour as may be fixed from time to time by resolution of the Master Board. Special meetings of the Master Board may be called by any Member of the Master Board after not less than five (5) days notice to each Master Board Member.

Section 3.2. Quorum. Eighty percent of the Master Board Members shall constitute a quorum for the transaction of business. Every act or decision done or made must be approved by a majority of the Master Board Members for each of the Townhome Representatives and the Condominium Representatives present.

ARTICLE IV

POWERS, DUTIES AND AUTHORITY OF THE MASTER BOARD

Section 4.1. Powers and Authority of Master Board. Subject to the provisions contained herein and applicable law, the Master Board shall have the power and authority set forth in the Master Declaration.

Section 4.2 Condominium Representative Approvals. The following actions by the Master Board shall require unanimous approval of the Condominium Representatives:

- a. Any vote by the Master Association to limit or restrict the uses permitted in the Condominium Property (including Condominium Common Areas);
- b. Any reallocation of Master Association Assessments;
- c. Any reallocation of the voting percentages of the Townhome Representatives and the Condominium Representatives on the Master Board; and
- d. Any vote by the Master Association to impose any additional Assessments exclusively on the Condominium Property.

Section 4.3 Townhome Representative Approvals. The following actions by the Master Board shall require unanimous approval of the Townhome Representatives:

- a. Any vote by the Master Association to limit or restrict the uses permitted in the Townhome Property (including Townhome Common Areas);
- b. Any reallocation of Master Association Assessments;
- c. Any reallocation of the voting percentages of the Townhome Representatives and the Condominium Representatives on the Master Board; and
- d. Any vote by the Master Association to impose any additional Assessments exclusively on the Townhome Property

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 5.1. Officers. The officers of this Master Association shall be a president, vice president, secretary and treasurer. The officers shall be appointed by the Master Board from among the Master Board Members.

Section 5.2. Powers and Duties of Officers.

(a) The president shall preside at all meetings of the Master Board; see that orders and resolutions of the Master Board are carried out; sign all leases, mortgages, deeds and other written instruments.

(b) The vice president shall act in the place of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Master Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Master Board and of the Owners; keep the corporate seal of the Master Association and affix it on all papers requiring said seal; serve notice of meetings of the Master Board and of the Owners; keep appropriate current records showing the Owners together with their addresses; prepare, execute, certify, and record amendments to the Declaration on behalf of the Master Association; and perform such other duties as required by the Master Board.

(d) The treasurer shall receive and deposit, in appropriate bank accounts, all monies of the Master Association and disburse such funds as directed by the Master Board; sign all checks and promissory notes (such checks and promissory notes) to be cosigned by the president) of the Master Association; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the Master Board at its annual meeting. The Commercial Board and the Residential Board, shall have the right to inspect the books and records of the Master Association at the Master Board's office at any reasonable time upon at least thirty (30) days prior written notice to the Master Board, or cause an audit of the Master Association books and records to be made by a public accountant. In the event there is an overpayment discrepancy in the costs set forth in the aforementioned annual budget and statement of income and expenditures, the Master Board shall, within thirty (30) days reimburse the Lot Owners proportionally for such overpayment and, if such overpayment is in excess of ten percent (10%) and if applicable the cost of the audit. In the event there is an underpayment discrepancy in the costs set forth in such annual budget and statement of income and expenditures, the Lot Owners shall, within thirty (30) days, reimburse the Master Board proportionally for such underpayment and, if applicable, the cost of the audit.

Section 5.3. Term. Each officer of the Master Association shall be elected annually by the Master Board and each shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification or until his or her successor is elected and qualified.

Section 5.4. Special Appointments. The Master Board may elect such other officers as the affairs of the Master Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Master Board may, from time to time, determine.

Section 5.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Master Board. Any officer may resign at any time, giving written notice to the Master Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6. Vacancies. A vacancy in any office may be filled by appointment by the Master Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4. of this Article.

Section 5.8. Compensation. No officer shall receive any compensation from the Master Association for acting as such.

ARTICLE VI

BOOKS AND RECORDS

The books, records and papers of the Master Association shall at all times, during reasonable business hours, be subject to inspection by any Owner or by any Mortgagee. The Articles of Incorporation, the Declaration, and the Bylaws of the Master Association shall be available for inspection by any Owner at the principal office of the Master Association, where copies may be purchased at a reasonable cost.

ARTICLE VII

CORPORATE SEAL

The corporate seal may be in such form as shall be approved by the Master Board.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Master Association shall indemnify its officers and directors for such expenses and liabilities in such manner under such circumstances and to such extent as permitted by the North Carolina General Statutes as now enacted or hereafter amended.

ARTICLE IX

FISCAL MANAGEMENT

Section 9.1. Depository. The initial insured depository for the funds of the Master Association shall be as designated in the minutes from the initial meeting of the Master Board, and the Master Board may change such depository from time to time to another insured depository. Withdrawal of funds from such depository shall be initially by check signed by the Declarant until the election of officers of the Master Association, and thereafter only by checks signed by any one (1) officer of the Master Association or any other persons authorized by the Master Board.

Section 9.2. Fidelity Bonds. Fidelity bonds shall be maintained by the Master Association in an amount determined by the Master Board, equal to an amount up to 100% of the annual budget, covering any person handling or responsible for handling funds of the Master Association.

Section 9.3. Payment Vouchers. Payment vouchers shall be approved by the Master Board, provided that the Master Board may delegate such authority to any officer or managing agent of the Master Association.

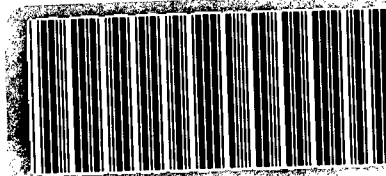
Section 9.4. Financial Records. The financial records of the Master Association shall be made reasonably available for examination upon written request of the Master Association.

Section 9.5. Fiscal Year. The fiscal year of the Master Association shall be from January 1 of each year through December 31 of the immediately following calendar year; however, the first fiscal year shall commence on the date the first portion of the Property is conveyed by the Declarant.

ARTICLE X

AMENDMENT

An amendment to these Master Bylaws may be made by the affirmative vote, of at least eighty percent (80%) of the Master Board. Provided that amendments of these By Laws pertaining to matters described in Sections 4.2 or Sections 4.3 above shall also require approval of those Board members specified in Sections 4.2 or S



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**WAKE
COUNTY**

NORTH CAROLINA

Please retain yellow trailer page

It is part of the recorded document and must be submitted with the original for re-recording.

Charles P. Gilliam

Register of Deeds

Wake County Justice Center

300 South Salisbury Street, Suite 1700

Raleigh, NC 27601

☐ New Time Stamp

☐ \$25 Non-Standard Fee

☐ Additional Document Fee

☐ Additional Reference Fee

This Customer Group

_____ # of Excessive Entities

_____ # of Time Stamps Needed

This Document

40 # of Pages 