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June 4, 2003

Ms. Lynn Doolittle
Tater Knob Property Owners
Association, Inc.
P.O. Box 354
Glennville, NC 28736

Re: Tater Knob Property Owners Association, Inc.

Dear Lynn:

Enclosed please find the original, recorded Amended and Restated Declaration of Protective and Restrictive Covenants with regard to the above-referenced Association.

I have also enclosed my billing statement for recording fees.

Thank you for allowing me to be of service to you. If I can be of service in the future or should you have any questions, please contact me or my assistant, Kim Russell.

Very truly yours,



Kimberly R Coward

KRC/kar
Enclosure

**BYLAWS OF
TATER KNOB PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
IDENTIFICATION**

Section 1. Name. The name of the Association is TATER KNOB PROPERTY OWNERS ASSOCIATION, INC., as defined hereinbelow.

Section 2. Principal Office. The principal office of the Association shall be 211 Cashiers School Road, Cashiers, North Carolina, 28717 or such other location in North Carolina as may be designated from time to time by the Board of Directors of the Association.

Section 3. Fiscal Year. The fiscal year of the Association shall be July 1 through June 30.

**ARTICLE II
DEFINITIONS**

The following terms are used in these Bylaws and defined as follows:

Section 1. "Articles of Incorporation" means the Articles of Incorporation of TATER KNOB PROPERTY OWNERS ASSOCIATION, INC., and all exhibits which are attached thereto and made a part thereof, and shall include such amendments, as may be adopted from time to time pursuant to the terms hereof.

Section 2. "Association" means TATER KNOB PROPERTY OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation.

Section 3. "Bylaws" means the Bylaws of TATER KNOB PROPERTY OWNERS ASSOCIATION, INC., and all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 4. "Common Areas" means all real, tangible and intangible interests owned by the Association for the common use and enjoyment of the Members of the Association.

Section 5. "Declaration" means the Amended and Restated Declaration of Protective and Restrictive Covenants for Tater Knob Estates Subdivision, together with those exhibits which are attached thereto and made a part hereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 6. "Lot" means any plot of land so designated upon any recorded plat of the Declaration Property or portions thereof.

Section 7. "Member" means a natural person who is either the sole Owner or the person designated by the Owner pursuant to the Bylaws of the Association.

Section 8. "Owner" means the record owner, whether one or more persons or entities, of fee simple title to any lot of Declaration Property.

Section 9. "Plat" means any map of the Declaration Property, which is on record in the Jackson County Registry.

Section 10. "Residence" means the single family dwelling located upon a lot of Declaration Property.

Section 11. "Property" or "Declaration Property" means that certain real property described in Exhibit "A" to the Amended and Restated Declaration of Protective and Restrictive Covenants for Tater Knob Estates Subdivision.

Section 12. "Single-family dwelling" means a residential dwelling, under one roof, for one or more persons, each related to the other by blood, marriage, or legal adoption or, alternately, a group of not more than four (4) persons not so related who shall maintain a common household in such dwelling.

ARTICLE III PURPOSES AND POWERS

Section 1. Purposes. The purposes for which the Association is organized are to further and promote the common interests of Association Owners, Members and Associate Members within Tater Knob Estates Subdivision, Hamburg Township, Jackson County, North Carolina, and in connection therewith to own, maintain, operate or provide for the operation of common properties of all kinds for the use, enjoyment and benefit of its Members which may include, but not be limited to, roads and recreation areas.

Section 2. Powers. The Association shall do whatever is necessary, conclusive, incidental or advisable to accomplish and promote its purposes, and in connection therewith, shall have, but shall not be limited to, the following powers, and all other powers as set forth in the Articles of Incorporation, these Bylaws and in the Declaration of Covenants and Restrictions for Tater Knob Estates Subdivision, and as set forth in Chapter 47F of the North Carolina General Statutes:

- (a) To acquire real or personal property by gift, purchase or other means.
- (b) To own, construct, maintain and operate community facilities of all kinds within the Estates, to prescribe the use thereof and to contract for the maintenance, operation and management thereof.
- (c) To regulate, maintain, rebuild, repair, beautify and otherwise care for all roads within the Estates not subject to regulation or maintenance by Governmental authority.
- (d) To pay taxes and assessment, if any, levied on property owned by it.
- (e) To enforce changes, easements, restrictions, covenants, conditions and agreements existing upon or created for the benefit of the real property within the Estates.
- (f) To appoint such committees as may be necessary in the discharge of any of its obligations or powers.
- (g) To pay for maintenance, gardening, utilities, materials, supplies and service relating to property owned by it and to employ personnel reasonably necessary for the administration of its purposes not otherwise inconsistent or in contravention of the laws of the State of North Carolina.

ARTICLE IV CORPORATION MEMBERSHIP

Section 1. Membership. The membership in the Association shall consist of Members, as defined in Article I, Section 7 of the Amended and Restated Declaration of Protective and Restrictive Covenants for Tater Knob Estates Subdivision. When the Owner is more than one person, a corporation, a partnership, a trust, a limited liability company, or other entity, said Owner shall designate, in writing, one natural person to be the Member, as follows: Multiple owners shall designate one of the individual owners; a corporation shall designate either its president or vice president; a partnership shall designate a general partner; the trustee of a trust shall designate a trustor, a trustee or a primary beneficiary; a limited liability company shall designate one of its members or its manager.

Section 2. A. Classes of Members. There shall be one (1) class of Members.

B. Votes. Each Member shall be entitled to one vote for each lot owned by said Member. If a lot is owned by other than one natural person, the owner(s) shall designate a voting Member in writing to the Association. Voting shall be in person, by mail ballot or by proxy.

C. Associate Members. The immediate family of the Member, designated in accordance with the provisions of this Section 2, above, shall be considered "Associate Members", and shall have the right to use amenities and to serve as a director, to hold office, but shall not have the right to vote. (For purpose of this Paragraph B, a family member is the spouse of a Member or a child of

a Member who is less than 23 years of age and residing with the Member or at an institution of higher learning).

Section 3. Election and Removal of Directors of Association; Size of Board of Directors. There shall be no less than three (3) and no more than nine (9) directors who shall be elected and/or removed by the Members in accordance with the procedures established herein and in Chapter 47F and 55A of the General Statutes of North Carolina.

Section 4. Privileges of Owners. Owners shall have a license to use the Common Areas subject to the provisions of the Declaration and subject to such other rules and conditions as may be established by the Board.

Section 5. Suspension of Privileges of Membership. The Board may suspend the license of any Owner to use the Common Areas for:

(a) Any period during which any Corporation assessment on such Owner's lot remains unpaid;

(b) The period of any continuing violation by such Owner of the provisions of the Declaration after the existence thereof shall have been declared by the Board;

(c) A period to be determined by the Board, for repeated violations of the Bylaws or the rules and regulations of the Association.

Section 6. Fines. In addition to the suspension of privileges described in Section 5, above, the Board may levy fines upon any Owner (or Member or Associate Member as defined herein), as determined by the board, for repeated violations of the Bylaws or rules and regulations of the Corporation. Said fines, if unpaid, shall constitute a lien on the Owner's lot pursuant to Article VII, hereinbelow.

ARTICLE V TRANSFER OF OWNERSHIP

Section 1. When an Owner conveys property, said Owner shall remain liable for all Association assessments incurred prior to the giving of written notice of said conveyance to the Association.

ARTICLE VI MEETINGS OF MEMBERS

Section 1. Place of Meetings. Any meeting of the Members of the Association shall be held in the State of North Carolina at such place therein as may be stated in the notice of such meeting.

Section 2. Meetings of the Association. Meetings of the Association may be called by the

Board at any time in the manner herein provided. The annual meeting of the Association shall be held at 10:00 A.M. on the third Saturday in July of each year at a place designated by the Board in Jackson County, North Carolina, unless otherwise notified.

Section 3. Notice of Meetings of the Association. Written notice of the place, date, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered either personally or by mail, to each Member not less than thirty (30) days or more than forty (40) days before the date of the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Association, with postage prepaid; or such notice may be published in the newspaper or publication printed under the auspices of the Association and distributed generally among the Members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 4. Quorum. A quorum at a meeting shall be thirty-three percent (33%) of the Members, present or by proxy. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present, and a new meeting called in accordance with N.C.G.S. Section 47F-3-109.

ARTICLE VII THE DIRECTORS

Section 1. Powers. The Board shall:

(a) Manage and control the affairs of the Association in accordance with the provisions of Chapter 47F and 55A of the North Carolina General Statutes.

(b) Perform such acts, the authority for which has been granted herein or by law, including the borrowing of money for Association purposes. A resolution by the board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose and is approved, in writing, by no less than eighty percent (80%) of the votes in the Association. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowings, and it may pledge or assign future revenues of the Association as security therefor, provided that no less than eighty percent (80%) of the votes in the Association approve such action.

(c) Adopt such rules and regulations relating to the use of Association property, and sanctions for noncompliance therewith, as it may deem reasonably necessary for the best interest of the Association and its Members.

(d) Adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final.

(e) Elect the officers of the Association. It may establish committees of the Association and appoint the Members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of these Bylaws or with law as it may deem appropriate.

(f) The Board of Directors shall adopt a proposed annual budget for the planned community, and, within 30 days thereof shall provide to all Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The meeting shall be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget shall be deemed ratified unless at that meeting a majority of all lot owners in the Association reject the budget.

g) Obtain insurance on Association property and Director and Officer liability insurance.

Section 2. Number. There shall be not less than three (3) directors and not more than nine (9) directors (said number to be determined annually by the Board of Directors prior to the annual meeting of Members whereby Directors are elected) who shall be elected and/or removed by the Members in accordance with the procedures established herein and in Chapter 55A of the General Statutes of North Carolina.

Section 3. Term. The term of each director shall be two (2) years, beginning on the date of the annual meeting of Members described in Article IV, Section 2 of the Bylaws, and terminating on the date of the annual meeting the second following year. There shall be no limit upon the number of terms a director may serve. A majority vote of all persons present and entitled to vote at any meeting of the Members which a quorum is present, may remove any Director with or without cause. The directors shall be divided into two classes, as nearly equal in number as may be, to serve in the first instance for terms of one and two years, respectively, and until their successors shall be elected and shall qualify, and thereafter the successors in each class of directors shall be elected to serve for terms of two years and until their successors shall be elected and shall qualify at the said annual meeting. In the event of any increase or decrease in the number of directors, the additional or eliminated director shall be so classified or chosen that all classes of directors shall remain or become equal in number, as nearly as may be. In the event of death, resignation, removal or disqualification of a director during his elected term of office, his successor shall be elected to serve only until the expiration of the term of his predecessor.

Section 4. Qualifications of Directors. A Director shall be at least eighteen (18) years of age and be a Member or Associate Member.

Section 5. Meeting of the Board of Directors. The Board shall meet at least annually, with the annual meeting to be no more than thirty (30) days subsequent to the annual meeting of the Members as defined in these Bylaws. Special meetings of the Board may be called by a majority of the Board and shall be held at such place as the call or notice of the meeting shall

designate. Notice of a special meeting may be given in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given.

Section 6. Action Without Meeting. Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in writing, signed by all of the Directors who would be entitled to vote upon said action at a meeting and filed with the Secretary of the Association.

Section 7. Quorum. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present, and a new meeting called in accordance with N.C.G.S. Section 47F-3-109.

Section 8. Vacancies. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining Directors might be less than a quorum. Any person so elected a Director shall serve out the unexpired term of the Director whom he has replaced.

ARTICLE VIII THE OFFICERS

Section 1. Officers. The officers of the Association shall be the President, one or more Vice-Presidents, the Secretary, the Treasurer, and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. Officers must be Members of the Board of Directors and shall be elected each year at the annual meeting of the Board.

Section 2. President. The President shall be the general managerial officer of the Association, except as otherwise determined by the Board, and he shall be vested with the powers and duties generally incident to the office of President of a Non-Profit Corporation, except as otherwise determined by the Board, or as may be otherwise set forth in these Bylaws.

Section 3. Vice-President. In the absence of the President, or in the event of his inability, or refusal to act, the Vice-President is empowered to act and shall thereupon be vested with the powers and duties of the President. In the event that there are more than one Vice-Presidents, the Board shall establish the order in which they serve.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of the

business and other matters transacted at the meetings of the Members and of the Board. He shall mail, or cause to be mailed, all notices required under the Bylaws. He shall have the custody of the corporate seal and records and maintain a list of the Members and their addresses and perform all other duties incident to the office of Secretary.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

Section 6. Removal of Officers. Any officers may be removed when, in the judgment of the Board, the best interest of the Association will be served by such removal.

Section 7. Execution of Amendment. The President or Vice-President, and the Secretary or Assistant Secretary, shall be responsible for the preparation, execution, certification and recordation of amendments to the Declaration.

ARTICLE IX DUTIES OF MEMBERS

Section 1. Payment of Assessments. The charges or assessments levied by the Association shall be paid to the Association on or before August 1 of each year and considered delinquent after September 1 or on the dates fixed by resolution of the Board. Written notice of the charge and the date of payment shall be sent to each Owner at the address last given by Member to the Association.

Section 2. Effect of Non-Payment of Assessments; Remedies of The Association; The Personal Obligation of Owner; The Lien.

A. Any assessment levied against a lot remaining unpaid for a period of 30 days or longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the clerk of superior court in the manner provided in the North Carolina General Statutes, Section 47F-3-116. The Association may foreclose the claim of lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes. All fees, charges, late charges, fines, interest, and other charges are enforceable as assessments. The Association shall have any other remedy available under the law.

B. If any assessment against a lot is not paid by the due date, such assessment shall be delinquent and shall bear interest from the due date at the rate of eighteen per cent (18%) per annum, or the maximum interest rate allowed by law, whichever is lower.

C. If any delinquent assessment is not paid within (30) days from due date as established herein or by resolution of the Board of Directors, and is placed in the hands of an

attorney for collection, there shall be added to the amount due all costs of collection including reasonable attorney's fees.

Section 3. Owner May Not Escape Liability by Non-Use of Roads, and/or Common Areas. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the roads and/or common areas or abandonment of his lot.

Section 4. Suspension of Member's Rights While Delinquent. The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Member or to any persons claiming under such Member until all assessments and charges have been paid in full.

Section 5. Proof of Payment. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount remaining unpaid.

ARTICLE X

MISCELLANEOUS

Section 1. Record Date. The Board may fix a time in the future as a record date for the determination of Members entitled to notice of ballot. The record date so fixed shall not be more than thirty (30) days prior to the date of the meeting or election. When a record date is so fixed, only Members of record and in good standing on that date shall be entitled to notice of, and to vote at the meeting or election, notwithstanding any change of membership status after the record date.

Section 2. Inspection of Records. Members shall be entitled to inspect all Association records as set forth in Chapter 55A of the North Carolina General Statutes.

Section 3. Checks and Drafts. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association in excess of \$1,000.00 must be signed by any two (2) of the Officers or Directors approved by the Board and properly registered as a signatory on the Association's accounts. Any checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association and less than \$1,000.00 must be signed by either the President, Treasurer or other Officer or Director approved by the Board and properly registered as a signatory on the Association's accounts.

Section 4. Execution of Contracts. The Board, except as may be otherwise provided in these By-Laws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument or document in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless otherwise specifically determined by the Board or otherwise required by indebtedness, mortgages and other corporate instruments or documents requiring the corporate seal shall be executed, signed or endorsed by the President and Secretary/Treasurer.

Section 5. Dissolution. In the event of the dissolution of the Association, each Member in good standing shall receive his pro-rata portion of the Association's property and assets, after all of its debts and liabilities have been paid or provided for, as permitted by the court having jurisdiction thereof.

ARTICLE XI AMENDMENTS

These Bylaws may be amended by two-third (2/3) of the voting Members present or voting by mail ballot or proxy at an annual meeting or a special meeting called for that purpose, at which a quorum is present.

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