



Doc ID: 023837870015 Type: CRP
 Recorded: 09/30/2011 at 03:42:53 PM
 Fee Amt: \$56.00 Page 1 of 15
 Workflow# 0000081403-0001
 Buncombe County, NC
 Drew Reisinger Register of Deeds

BK 4919 PG 304-318

FIRST MODIFICATION TO CCR AGREEMENT

Pulliam/WeavervillePartners/CCR/1stModV5.1

Prepared by: Steven I. Goldstein
 Box to: Patla Straus/#35

This First Modification to CCR Agreement is made and entered into as of the 28th day of September, 2011, by and between Weaverville Partners, LLC (the "Developer") and all parties in the future who own any portion of the Development, as such term is defined in the CCR Agreement, as set forth below.

Whereas, the parties hereto are parties to a document entitled "CCR Agreement" which is recorded in Buncombe County Book 4874 at page 1934 (the "Original Agreement"); and

Whereas, certain modifications to the Original Agreement are presently needed in order to clarify certain provisions of the Original Agreement, and in furtherance of Section 6 of the same.

Now, therefore, in consideration of the foregoing and for other good and valuable considerations, it is agreed as follows:

1. The provisions hereof shall inure to the benefit of and bind the parties hereto and their respective successors and assigns. In the event of any conflict between the provisions contained in this document and those contained in the Original Agreement, then the provisions contained in this document shall control. Except as modified herein, the Original Agreement remains in full force and effect. Any terms which are capitalized herein, but are not otherwise defined, shall have the same meanings ascribed to them in the Original Agreement. The Original Agreement, as modified hereby, is the "Agreement" of the parties.

2. Any reference in the Original Agreement to "Architectural Review Committee", "Committee" or "Architectural Design Committee" is referring to the same committee which is intended to have the powers and rights set forth in Sections A. (ii) and 9 of the Original Agreement. As of the date hereof, and until the end of the Control Period, the Committee shall be Winston W. Pulliam, Jr. and Gregory M. Phillips, or such other person or persons as the Developer may select, from time to time.

3. The Association has now been established with the North Carolina Secretary of State.

4. Item A. (v) of the Original Agreement is deleted in its entirety and the following substituted in lieu thereof, to wit:

✓ "(v) 'Board'- shall mean the Board of Directors of the Association as elected and/or appointed, from time to time, in accordance with the Bylaws, and the 'Residential Board' shall mean the Board of Directors of the Residential Association, as elected and/or appointed, from time to time, in accordance with the Residential Bylaws;"

5. Item A. (vii) is deleted in its entirety and the following substituted in lieu thereof, to wit:

✓ "(vii) 'Commercial Costs'- shall mean those amounts required in order for the Association to (a) repair and/or maintain any Roadways or Parking Lots that are either (1) not within the bounds of a Lot, or (2) which are Not Properly Cared For (as defined below) by the Owner of such Lot; (b) repair and/or maintain the Stormwater (Main) Transmission as well as the Stormwater Treatment and Detention System, if the same is Not Properly Cared For by the Lot's Owner; (c) pay the cost of landscaping and mulching of all green areas within the Commercial Tract; and (d) pay for and provide commercial liability insurance with respect to all of the Commercial Tract, with the coverages and deductibles with respect to such commercial liability insurance to be as selected by the Association, from time to time. Even though Residential Lot Owners shall pay a part of the Commercial Costs, such payment does not give them any rights to park in the Parking Lots or use the Roadways (other than for entrance access off of Weaver Boulevard) beyond the rights, if any, that the general public has to use the Parking Lots or Roadways. Prior to the time that Developer shall have sold all of the Lots, it shall pay any shortfall in the payment required for the Commercial Costs, as long as such shortfall is not the result of a Lot Owner, other than Developer, failing to pay the Commercial Costs allocated to such Lot in its sale, in which case the overdue assessment is due from the Association which shall have the right to pursue the Lot's Owner for the Assessed amounts."

6. Item A. (xii) is deleted in its entirety and the following substituted in lieu thereof, to wit:

"(xii) 'Commercial Tract'- shall mean the front (northern) portion of the Development, as shown on the Plan, as defined below, and is to the north of the Residential Tract Line on the Plan, but does not include any part of the Development to the south of the Residential Tract Line. The Developer has the absolute right to cause a Plat or Plats to be prepared and recorded hereafter, and the tract shown thereon as the Residential Tract, is the Residential Tract."

7. Item A. (xxix) is deleted in its entirety and the following substituted in lieu thereof, to wit:

✓ "(xxix) 'Parking Lot(s)'- shall mean all those areas established, from time to time, by Developer (or the Board after the Release Date) within the bounds of the Development for use of the public, Occupiers and all persons authorized by Occupiers for the general parking of passenger vehicles, and the temporary parking of delivery trucks (for deliveries to be made to Commercial Lots), but no portion of the Residential Tract shall be considered a Parking Lot."

8. Item A. (xxxi) is deleted in its entirety and the following substituted in lieu thereof, to wit:

"(xxxi) 'Plan'- shall mean the Exhibit A Site Plan, so entitled, and attached hereto, but such rendering is an approximation only and future revisions thereto may occur by virtue of either or both of additional Plats (subsequent to the Initial Plat), showing revisions to the same and/or revisions thereto by the Town of Weaverville."

9. Item A. (xlili) is deleted in its entirety and the following substituted in lieu thereof, to wit:

"(xlili) 'Residential Tract Line'- shall mean the line marking the boundary of the Commercial Tract and the Residential Tract on the Plan."

10. The following shall serve as Section A. (xlix) of the Agreement, to wit:

"(xlix) 'Bylaws'- shall mean those Bylaws that are attached hereto, as amended in accord therewith, from time to time."

11. The following shall serve as Section A. (l) of the Agreement, to wit:

"(l) 'Not Properly Cared For'- shall mean a situation when a Lot Owner is obligated to perform, but fails to perform its obligation(s) hereunder, as set forth within Section 19 below."

12. The following shall serve as Section A. (li) of the Agreement, to wit:

"(li) 'Majority of Owners'- shall mean, prior to the Release Date, forty-seven (47) votes of Owners and, subsequent to the Release Date, twenty-four (24) votes of Owners, but the foregoing shall not affect those matters (as determined by the Board) on which only materially affect the Commercial or the Residential Lots, and; thus, only the Commercial Lot Owners and/or Residential Lot Owners are intended to vote thereon, in which event, prior to the Release Date, what constitutes the Majority of Owners shall be unchanged from the above, while subsequent to the Release Date, a majority of Commercial Lot Owners (on Commercial Lot issues) shall be fourteen (14) votes of Commercial Lot Owners, while a majority of Residential Lot Owners (on Residential Lot issues) shall equal ten (10) votes of Residential Lot Owners. If any Commercial Lot is subsequently divided, each such Lot (the nine (9) Commercial Lots on the Plan) still only have three (3) votes each."

13. The following shall serve as Section A. (lii) of the Agreement, to wit:

"(lii) 'Commercial Director'- shall mean one of the Directors elected by the Commercial Lot Owners."

14. The following shall serve as Section A. (liii) of the Agreement, to wit:

"(liii) 'Residential Director'- shall mean one of the Directors elected by the Residential Lot Owners."

15. The following shall serve as Section A. (liv) of the Agreement, to wit:

"(liv) 'Residential expense elements'- shall mean those items which only affect owners of the Residential Lots; but those matters which affect the entrance road and/or the entrance landscaping shall be a part of the Commercial Costs that affect both the Commercial Lots and the Residential Lots."

16. The following shall serve as Section 19 of the Agreement, to wit:

"19. An Owner shall be conclusively deemed to have Not Properly Cared For such Owner's Lot if the Owner fails to perform the task(s) required of the Owner by the Agreement after having been so notified in writing (whether hand delivered, Federal Expressed, mailed by U.S.P.S., or otherwise sent to the Owner at the best address available at that time to the Association) by the

*
✓

Association and failing to remedy such failure within fifteen (15) business days of being given notice in writing; but if the remedy shall reasonably require more than fifteen (15) business days to remedy the same, and such Owner shall have commenced cure within such fifteen (15) day period and diligently pursued the same thereafter; then said Owner shall not be deemed to have Not Properly Cared For said Owner's Lot. Any Owner who has Not Properly Cared For such Owner's Lot, must pay the reasonable costs billed by the Association for the Association's doing so, plus an administrative fee of ten percent (10%), but not to exceed what is permitted by the North Carolina Statutes with respect thereto then in force. The Association shall be conclusively deemed to have a license to enforce all its rights and obligations hereunder."

17. The Lot sold to Goodwill Industries of Northwest North Carolina, Inc. (the 1.38 AC. Tract shown on the Initial Plat, and hereafter, the "Goodwill Lot") shall be assessed for twelve percent (12%) of the Commercial Costs (leaving seventy-eight percent (78%) thereof to be assessed against the remaining Commercial Lot Owners and ten percent (10%) thereof to be assessed against the Residential Lot Owners)

18. Notwithstanding what may be set forth in Section 4 of the Original Agreement, or elsewhere in the Agreement, if the Committee and/or the Developer approves a site plan for a Lot Owner, and if what is so approved is in any way contrary to or in apparent conflict with the Agreement, then such approval shall control. As of the present time, the only apparent conflict is between Section 4 of the Original Agreement and the approval provided to Goodwill as to how the Goodwill Lot is to be developed. Such approval (diminishing the setback as to one or more lines to be less than twenty feet (20'), shall control).

In witness whereof, the foregoing is duly executed.

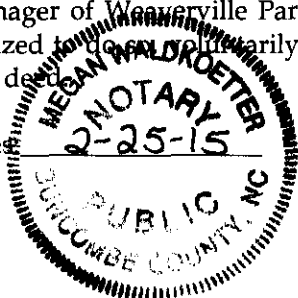
Weaverville Partners, LLC

By: Gregory M. Phillips
Gregory M. Phillips, Member/Manager

State of North Carolina - County of Buncombe

I, a Notary Public of said County and State certify that Gregory M. Phillips, being personally known to me, personally came before me this 28th day of September, 2011, and each acknowledged that he is the Member/Manager of Weaverville Partners, LLC, a North Carolina limited liability company, and being duly authorized to do so, voluntarily executed the foregoing on behalf of the limited liability company, as its act and deed.

My Commission Expires



Megan Walcott
Notary Public

BYLAWS
(of Weaver Village Association, Inc.)

Article I
Plan of Lot Ownership

Section 1: All terms defined in the Agreement, of Weaver Village Development shall be deemed so defined herein and shall be used without further definition. The Association is incorporated.

Section 2: The Development is located in Buncombe County, North Carolina and has been restricted as a Planned Community, as set forth in the Agreement.

Section 3: The provisions of these Bylaws are applicable to the Lots and the occupancy and use thereof.

Section 4: All Owners, invitees, licenses, tenants, future tenants, or their employees or any other person that might occupy and/or use a Lot in any manner, are subject to the provisions of these Bylaws and to any Rules and Regulations adopted, from time to time, pursuant to the Agreement.

Section 5: The acquisition and/or occupancy of any of the Development hereafter shall constitute acceptance of these Bylaws, the Agreement, the Rules and Regulations and amendments thereto and an agreement to comply therewith.

Article II
Voting, Majority of Owners, Quorum, Proxies

Section 1: Except as otherwise set forth below, each Residential Lot Owner shall have one (1) vote in all matters to be considered by the Owners, while each Commercial Lot Owner shall have three (3) votes on all matters to be considered by Owners. Where a Lot is owned by more than one person or entity, such persons or entities shall designate, by agreement in writing filed with the Board, the person entitled to cast the vote (or votes) for the Lot. Notwithstanding the foregoing, prior to the Release Date, Developer shall have the foregoing regular votes (per Lot(s) owned), plus forty-seven (47) votes. If an issue is determined by the Board to only affect certain types of Lots (e.g. Residential or Commercial) the Owners voting thereon shall be limited to only the Owners of such Lot type. Further, a Majority of Owner's votes in the affirmative of both Residential Lot Owners and Commercial Lot Owners shall be required on matters affecting (in the Board's opinion) both types of Lots.

Section 2: Except as otherwise provided in these Bylaws, the presence in person or by proxy of a Majority of Owners at any meeting shall constitute a quorum. Subsequent to the Release Date, a quorum that meets the North Carolina statutory requirements for a quorum shall be sufficient to constitute a quorum. Prior to the Release Date, Developer must be present at any meeting.

Section 3: Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary before the appointed time of any meeting.

6

Section 4: Subsequent to the Release Date, in the event of deadlock between conflicting interests, the same shall first sought to be resolved by mediation. Prior to the Release Date, since Developer has a majority of the votes, no deadlock is possible.

Section 5: In lieu of formal meetings, all actions of the Association and the Board may be taken by unanimous consent of the Association, its Board or Owners, as applicable, with written evidence thereof to be filed with the Association. It is the intention of Developer that matters which primarily concern the Commercial Tract, as determined on a case by case basis by the Board, even if the same will have some (minor) effect upon the Residential Lots, shall be determined, by the affirmative vote a Majority of the Commercial Lot Owners (or Commercial Directors if a Board matter), rather than being subject to the affirmative vote of both a Majority of the Commercial Lot Owners (or Commercial Directors if a Board matter) and the Residential Lot Owners (or Residential Directors if a Board matter); and likewise by only the affirmative vote of a Majority of the Residential Lot Owners (or Residential Directors if a Board matter) if the matter primarily concerns only Residential Lots.

Section 6: It is the intent hereof that the Association need not deal directly with the Residential Lot Owners, but rather deal only with the Residential Directors. The foregoing does not bar the Association from dealing with the Residential Lot Owners, but is intended to ease matters. The Residential Association will have its own declaration that shall set forth its governance.

Article III Administration

Section 1: The Association, generally acting through the Board, will have the responsibility of administering the Development, approving its annual budget, establishing and collecting monthly assessments, and arranging for the management of the Development, which may be pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of a management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a Majority of Owners. The Association shall have all powers necessary to administer the Development and provided for a non-profit corporation pursuant to the laws of North Carolina.

Section 2: Meetings of the Association shall be held at the principal office of the Development or such other suitable place convenient to the Owners as may be designated by the Board.

Section 3: The first annual meeting of the Association shall be held on the 1st day of December 2011. Thereafter, the annual meetings of the Association shall be held on the first day of December of each succeeding year, unless this shall be a Sunday or legal holiday, in which case the meeting shall be held on the next business day. At such meetings, the Board shall be elected by ballot of the Owners in accordance with the requirements of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

Section 4: The President shall call a special meeting of the Owners if so directed by a resolution of the Board, or if requested on a petition signed by Owners entitled to cast one-third of the outstanding votes and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice thereof, unless consented to by Owners having the right to cast three fourths of the then outstanding votes.

Section 5: The Secretary shall mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held to each Owner at least ten (10) but not more than sixty (60) days prior to such meeting. Notice shall be personally delivered or mailed, postage prepaid, to the Owner's address within the Development or at such other address, as an Owner shall have specified to the Association in writing. A notice mailed shall be deemed delivered the third day following mailing.

Section 6: If any meeting of Owners does not have a quorum present, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called, notice of which shall be provided to all Owners not then present.

Section 7: The order of business at all meetings of the Owners shall be as follows, unless otherwise agreed:

- a. Roll Call
- b. Proof of Notice of Meeting or Waiver of Notice
- c. Reading of minutes of preceding meeting
- d. Reports of Officers
- e. Reports of Committees
- f. Election of Directors (when so required)
- g. Unfinished business
- h. New business.

Section 8: The Association shall make available, within a reasonable time, upon reasonable request therefor, copies of the Agreement, these Bylaws, the Rules and Regulations and the books, records and financial statements of the Association to Lot Owners. In addition, if called upon to do so, the Association shall, within a reasonable time of request therefor, verify Assessments due and reasonably aid in the transfer of ownership. The Association may charge, and every requesting party shall pay, a reasonable amount to compensate it for the copying costs, assessment verification and aid in transfer.

Section 9: The Association shall represent the Lot Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common elements, or part thereof and each Owner appoints the Association as the Owner's attorney-in-fact for such purposes. In the event of a taking or acquisition of part of all the Common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, for the use and benefit of the Owners as required by the Agreement.

Article IV Board of Directors

Section 1: The affairs of the Association shall be governed by the Board. The Board shall be composed of five (5) persons (or votes as set forth herein), the three (3) Commercial Directors, and two (2) Residential Directors. Prior to the Release Date, Developer shall appoint two (2) of the Commercial Directors and one (1) of the Residential Directors. The remaining Commercial and Residential Director, prior to the Release Date, shall be selected by the majority vote of the Lot Owners, other than Developer (if any exist), but with Commercial Lot Owners to only vote for the Commercial Director and the Residential Lot Owners to only vote for the Residential Director. Each member of the Board shall be either the owner of

a Lot, have an interest therein, or be proposed by one of the foregoing. Subsequent to the Release Date, Developer shall have no extraordinary voting rights or appointment rights, and at that time the Residential Directors shall be elected by the majority vote of the Owners of Residential Lots, including Developer (if it owns any Residential Lots), and the Commercial Directors by the majority vote of the Owners of Commercial Lots, including Developer (if it owns any Commercial Lots).

Section 2: The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law prohibited or by these Bylaws directed to be done by the Owners. Since there are a majority of Commercial Directors, and since it is not the intent of Developer in the preparation hereof to permit the Board to ever have the power to act in a manner that would substantially interfere with a Residential Lot Owner's ability to use the Residential Lots for primarily residential purposes, the affirmative vote of at least four (4) Directors shall be required to adopt any proposal that would substantially affect a Residential Lot (as determined by the affirmative vote of both Residential Directors, or if they do not agree, by the affirmative votes of at least four (4) Directors).

Section 3: In addition to the duties elsewhere imposed by these Bylaws or by resolutions of the Association, the Board shall be responsible for overseeing the following:

(a) Care, upkeep and protection of the Development in the manner provided herein, including but not limited to the performance of those items set forth as Commercial Costs, in order to keep the Development in reasonably good and sightly condition. It is the intention of Developer and all Owners that the obligations of Owners to pay the Assessments should never fail for lack of a standard to measure or for a lack of clarity as to what is to be maintained. By acceptance hereof and of a deed to a Lot, all Owners waive any and all right to claim the non-enforceability of Assessments for lack of a standard or clarity. Owners shall have the right to receive information as to such matters, but not to claim any lack of enforceability;

(b) Hiring and firing of personnel for the maintenance and operation of the Development;

(c) Fiscal management of the Association, including but not limited to the determination of and collection of all Assessments in accordance with the Agreement and these Bylaws;

(d) Borrowing money for the purpose of improving the Development; and in aid thereof, to mortgage and grant liens secured by such assets as the Association may have, but subject to the Agreement, with no such mortgage to be granted without the affirmative vote of at least four (4) Directors.

Section 4: The Board may contract with or employ any person, firm or corporation, including the Developer, to serve as management agent for the Development and the Association, at a reasonable compensation established by the Board.

Section 5: The Developer shall have the right to designate all members of the Board prior to the first annual meeting of members. Notwithstanding anything to the contrary elsewhere herein, at the first annual meeting following the Release Date, the term of office of one (1) Commercial Director shall be fixed to expire upon the date of the second annual meeting of the Association thereafter, the term of one (1) Commercial Director shall be fixed to expire upon the date of the third annual meeting and the term of one (1) Commercial Director shall be fixed to expire upon the date of the fourth annual meeting of the Association thereafter. No Director shall be elected for longer term than three (3) years (but Directors may serve

consecutive terms). At the expiration of the initial term of office of each respective Director, the successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting. Prior to the Release Date, Developer need not appoint more than one (1) Residential Director who shall have two (2) votes on the Board; and the second Residential Director shall have a term of three (3) years. Prior to the Release Date, Developer need not appoint more than two (2) Commercial Directors who shall (collectively) have three (3) votes. The Residential Directors shall serve three (3) year terms.

Section 6: Vacancies on the Board caused by any reason other than the removal of a Director by a vote a Majority of Owners shall be filled by vote of the majority of the then remaining Directors of the type of Director (Residential or Commercial) who has left the Board, even though they may constitute less than a quorum; and even though a Residential Director vacancy will be filled by the selection of the remaining Residential Director. Each person so elected shall be Director until a successor is elected at the next annual meeting of the Association.

Section 7: At any regular or special meeting of the Association duly called, any one or more of the Directors previously elected by the Owners may be removed, with or without cause, by a Majority of Owners; and their successors may then and there be elected by the affirmative majority vote of those Owners of the type of Director represented (Residential or Commercial) to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 8: The first meeting of a newly elected Board shall be held within five (5) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the Board shall be present.

Section 9: Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of Directors. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, email, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 10: Special meetings of the Board may be called by the President on three (3) days' notice to each Director given personally or by mail, email, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the Directors.

Section 11: Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12: At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum for the transaction of business and acts of the majority of the Directors present at a meeting at which a quorum is present shall be acts of the Board, except as provided hereafter. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time

to time. At any such adjourned meeting, and business which might have been transacted at the meeting as originally called may be transacted without further notice, but notice of the adjourned meeting shall be provided to the directors not present. Notwithstanding the foregoing, a quorum shall not be deemed to exist unless at least one Residential and one Commercial Director are present. If any matter of a material nature, which will substantially affect (as determined by the affirmative votes of at least four (4) members of the Board) the Owners is being considered, then the affirmative vote of at least four (4) Directors shall be required to adopt it.

Section 13: The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds; provided, however, that this provision shall not require that the Treasurer be bonded if, under the terms of any management agreement in effect from time to time, the person, firm or corporation serving as management agent is responsible for collecting and disbursing Assessment funds and is required to account to the Association for said funds at least annually. The premiums on necessary fidelity bonds shall be paid by the Association as a part of the Commercial Costs.

Section 14: No member of the Board shall receive any compensation for serving in said capacity, nor shall the expenses of meeting be borne by the Association.

Article V Officers

Section 1: The principal officers of the Association shall be a President, a Vice President, a Secretary and Treasurer, all of whom shall be elected by the Board. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary.

Section 2: The officers of the Association shall be elected annually by the Board at the organization meeting of each new board, and they shall hold office at the pleasure of the Board.

Section 3: Upon affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4: The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Association and of the Board and shall have all of the general powers and duties which are usually vested in the office of President of an association, including but not limited to the powers to appoint committees from among the Owners, from time to time.

Section 5: The Vice President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other members of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated by the Board.

Section 6: The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; shall have charge of such books and papers as the Board may direct; and shall, in general, perform all the duties incident to the Office of Secretary.

Section 7: The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association, and shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association, in such depositories as may from time to time be designated by the Board; provided, however, that the Treasurer shall not be responsible for such of the foregoing matters as have been delegated to the management agent pursuant to the provisions hereof.

Section 8: All agreements, contracts, deeds, leases, checks, notices and other instruments to be executed on behalf of the of the Association shall be executed by any two officers (for the purposes hereof, an attesting officer shall be deemed an executing officer) of the Association or by such other person(s), firm(s) or corporation(s), including the management agent, as may be designated by the Board. In no event shall any such document only be signed by one signatory.

Section 9: No officer shall receive any compensation for serving in said capacity, nor shall the expenses of meeting be borne by the Association.

Article VI Fiscal Management of the Association

Section 1: The Board shall use the following guidelines in the fiscal management of the Association:

(a) Receipts and disbursements of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(i) Current maintenance and administrative expenses, including a reasonable allowance for current contingencies and working funds other than expenditures chargeable to reserves, and amounts necessary to make up any deficiencies in expenses for any prior year. Any balance in this fund at the end of each year shall be applied to reduce the Assessments for current expenses for the succeeding year or shall be transferred to the appropriate reserve fund or general operating reserve, hereinafter provided for, as determined by the Board. ✓

(ii) A general reserve fund for the purpose of performing the Commercial Costs items and for such other purposes as may, from time to time, be determined by the Board to be necessary. ✓

(iii) A general operating reserve for the purpose of providing a measure of financial stability during periods of special financial stress, which may be used to meet deficiencies from time to time as a result of delinquent payment of Assessments by Owners and other contingencies, may be established, from time to time, if so desired by the Board.

(iv) The amounts to pay the premiums of insurance policies obtained and maintained pursuant to other portions hereof.

(v) Repayment of any loans to the Association.

(b) The Board shall adopt a budget for each calendar year that shall include the estimated funds required to provide and maintain funds for the foregoing accounts. Said budget shall be ✓

based upon the costs set forth in any management agreement in effect pursuant hereto to the extent that said agreement is applicable to the accounts established above. If no such agreement is in effect, the budget shall be determined by the Board, except that the amount for any budgeted item may not be increased by more than fifteen percent (15%) over the preceding year's amount unless approved by a Majority of Owners. ✓

Section 2: Copies of the budget and proposed Assessments shall be transmitted to each Owner on or before November 1 preceding the calendar year for which the budget applies. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member. ✓

Section 3: Assessments against the Owners for their shares of the items of the budget shall be made for the calendar year annually, at the annual meeting of the Association preceding the year for which the Assessments are being made. Such Assessments shall be due in twelve (or less if so voted by the Board) equal installments payable monthly (or quarterly or semi-annually if so voted by the Board) on the first day of each calendar month (quarter or semi-annual period, if so voted) during said year. In the event the annual Assessment proves to be insufficient, the budget and the amount of the Assessments may be amended at any time during the year by the Board; subject, however, to the limitations imposed above. The unpaid Assessment, as amended, for the remaining portion of the calendar year, shall be divided by the number of months remaining in the year and such necessary increased amount shall be payable monthly for the balance of the installments for the budgeted year. ✓

Section 4: If an Owner shall fail to timely pay any installment of an Assessment, the Association may accelerate the remaining installments of the current year's Assessments, upon notice to such Owner, and then the unpaid balance of the current year's Assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the forwarding of the notice to the Owner.

Section 5: Assessments for expenses that are not included in the budget shall be made only after notice of the need for such is given to the Owners. After such notice, and upon approval by the Board at its next meeting, the Assessment shall become effective, and it shall be due after thirty (30) days' notice, in such manner as the Board may require in the notice of Assessment.

✓ Section 6: All unpaid Assessments shall bear a late charge computed at a rate of twelve percent (12%) per annum after thirty (30) days from the time the same are due. In addition, fines may be levied from the Assessment's original due date. In addition, delinquent Owners shall be liable for fines levied by the Association per the Act, the costs to the Association, including reasonable attorneys' fees, of collection of such unpaid Assessments. Unpaid Assessments may be collected by the Association in any manner permitted by law, and during the pendency of an action brought to foreclose a lien for an unpaid Assessment on a Lot, the property's Owner shall be required to pay reasonable rental to the Association for such Owner's usage of the property, and the Association may obtain the appointment of a receiver to collect the same.

✓ Section 7: The Board shall be required to obtain and maintain, to the extent obtainable, the insurance required by the Agreement or otherwise selected by the Board in its discretion. All such policies shall provide that adjustment of loss shall be made with the Board or its designated representatives. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such

policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds.

✓ Section 8: Owners must at all times, and at their own expense, carry All-Risk Hazard insurance in the amount of the replacement cost and reasonable liability insurance. All Owners individual policies must contain waivers of subrogation; and the liability of the carriers issuing insurance obtained by the Board must not be affected or diminished by reason of any such additional insurance carried by any Owner. All Owners must, as required by the Agreement, provide the Association evidence of the insurance being in effect at all times.

Section 9: While the Association shall deal with matters affecting the Residential Lots, to the extent that the same affect the portions of the Commercial Costs which the Residential Association is obligated to pay towards, in all other respects, except as otherwise set forth in the Agreement, the Residential Lots shall be managed by the Residential Association.

Article VII
Leasing and Time Sharing

✓ Section 1: No tenant or other non-Owner occupant shall be allowed to enter into possession of any Residential Lot except pursuant to a written lease. Except for leases from Developer, no lease shall be for a period of less than one (1) year. Copies of leases for the Residential Lots (not the Commercial) shall be furnished to the Association at or prior to the time of the tenant's occupancy. Developer or any other Commercial Lot Owner may provide a memo of any lease for a Commercial Lot.

Section 2: No time sharing type occupancy, whether created by deed or otherwise, may be utilized in connection with any part of the Development.

Article VIII
Liability of Officer and Directors of the Association

The officers of the Association and members of the Board designated or elected as provided in these Bylaws, shall not be liable to Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the officers and members of the Board against all contractual liability to others arising out of contracts made by the officer and/or Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Agreement or of these Bylaws. It is intended that the officers and members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Development. It is also intended that the liability of any Owner arising out of any contract made by the officers and/or Board or out of the aforesaid indemnity in favor of the officers and/or members of the Board shall be limited to such proportion of the total liability thereunder as such Owner's property's value bears to all other such values. Every agreement made by the officers or members of the Board or the management agent or by the manager on behalf of the Development shall provide that the officers, members of the Board, management agent or manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as they may have as an Owner).

Article IX
Amendment

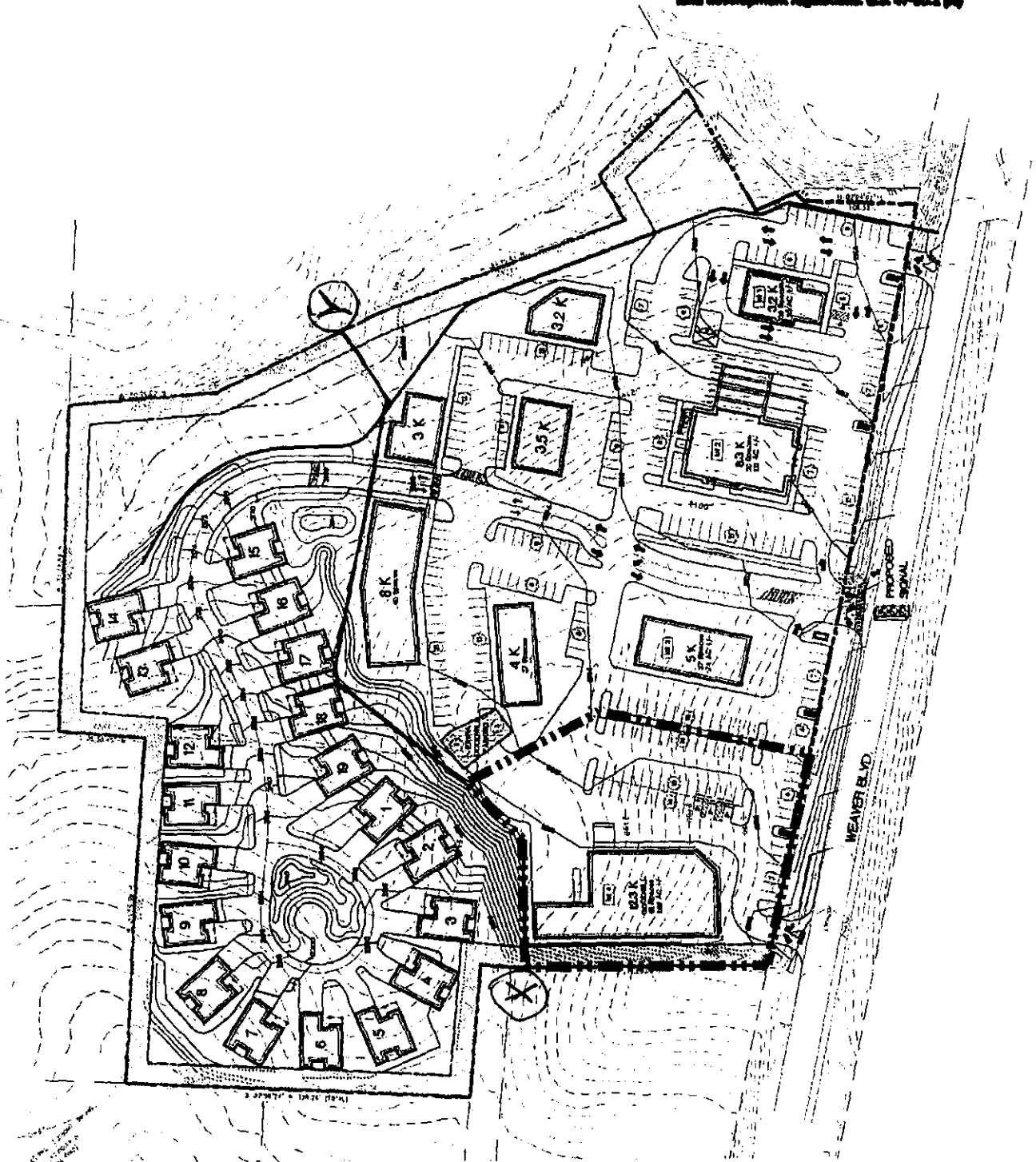
These Bylaws may be amended by the affirmative vote of at least eighteen (18) votes by Commercial Lot Owners (six (6) Commercial Lots) plus the affirmative vote of at least thirteen (13) Residential Lot Owners. Notwithstanding the foregoing, no amendment hereof shall occur prior to the Release Date without the approval of Developer. No amendment hereof shall occur without notice of the proposed amendment being provided in the notice of the meeting. No amendment hereof which could reasonably affect the a Residential Lot or a Commercial Lot may be adopted without the affirmative vote of a Majority of Owners of that type Lot, as well as the affirmative Majority vote of all Owners.



Exhibit A Site Plan

✓

This map is not a certified survey and has not been reviewed by a local government agency for compliance with any applicable land development regulations. G.S. 47-33.2 (a)



Note - Residential Tract Line is (X) to (Y), more or less.