

WAKE COUNTY, NC 436
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
10/21/2004 AT 15:57:47

BOOK:011066 PAGE:02099 - 02106

HOLD: Senter, Stephenson & Johnson, P.A
Wake County Registry Box #175

AMENDED PROTECTIVE COVENANTS

OF

OAKS AT SIPPIHAW, PHASE 2

KNOWN AL MEN BY THESE PRESENTS that:

HORACE J. TART and wife, BRENDA SUE TART, owner of Lots 30-35, 37-41, 43-47, 49, 51-57, 60,61,63-66,68,70 hereinafter referred to as "Declarant"

and

MARTY R. TART and wife, JENNIFER R. TART, owner of Lot #48 and Lot #71

and

STRONG BUILT HOMES, Inc., owner of Lot #67 and Lot #69

and

C. PAUL JONES and wife, FAYE A. JONES, owner of Lot #62

and

BRISTAR ENTERPRISES, INC., owner of Lot #50 and Lot #36, hereinafter singularly referred to as "Lot Owners"

Being all the owners of the land hereafter described do hereby **REVOKE** those Protective Covenants recorded in Book 10891, page 483 and hereby agree with all persons, firms and corporations who hereafter acquire a lot from the above referenced subdivision (Oaks At Sippihaw, Phase 2) and the following amended protective covenants, which are the same except for the former Article II, Use Restrictions, Section 9 regarding Recreational Vehicles, which is the new Article III, Section 9 (the Article numbers have changed to correct the numbering) shall apply to all lots conveyed out of said subdivisions and said restrictions shall run with the properties by whomever owned, which covenants are as follows:

WITNESSETH:

WHEREAS, Declarants and Lot Owners are the owners of certain property in Fuquay-Varina, County of Wake, State of North Carolina, which is more particularly described as follows:

BEING all of Lots #30 through #41, and Lots #43 through #49, and Lot #71, inclusive and Lots #50 through #57, and Lots #60 through #70, inclusive of THE OAKS AT SIPPIHAW, PHASE 2, as shown on that map recorded in Book of Maps 2004, page 702 and 703, Wake County Registry, reference to which is hereby made for greater certainty of description.

NOW, THEREFORE, Declarant and Lot Owners hereby declare all of the properties described above shall and all future lots developed as Oaks at Sippihaw which incorporate these covenants by reference, be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each owner thereof. All Lot owners will be subject to monthly dues established by the Association for the maintenance and upkeep required by these declarations. Every lot owner shall be a member of the Association and subject to the rules and regulations adopted by the Association. Failure of any lot owner to pay dues or assessments will result in the filing of a lien upon the property of such owner as hereafter provided.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Oaks at Sippihaw Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners, together with all water and sewer lines located on and serving the properties which are located outside dedicated public easements and city rights-of-way, except water and sewer lines located on a lot which serve only that lot. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

The following three described "Common Areas" and any future developed common areas shown on any recorded map wherein these covenants are incorporated by reference, the three now being described as follows:

Being Common Area (1) containing 5348 S.F. as shown on Book of Maps 2004, page 703.

Being Common Area (2) containing 3260 S.F. as shown on Book of Maps 2004, page 702.

Being Common Area (3) containing 5995 S.F. as shown on Book of Maps 2004, page 702.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties upon which a Single Family Dwelling is to be situated.

Section 6. "Architectural Control Committee" shall be the declarant or anyone appointed by the declarant and is hereafter referred to as ACC.

Section 7. "Declarant" shall mean and refer to Horace J. Tart and wife, Brenda S. Tart and/or their assigns.

Section 8. The term "Improvement" shall mean and include all buildings, storage sheds or areas, roofed structures, parking areas, loading areas, trackage, fences, walls, hedges, plantings, trees, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, clothesline installation, swimming pools, tennis courts, signs, exterior illumination, changes in any exterior color or shape and any new exterior construction or exterior improvement exceeding \$1,000.00 in cost which may not be included in any of the foregoing.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association, however, voting shall be limited to one vote per lot.

Section 10. "Master Covenants" shall mean and refer to these Declaration of Master Covenants, Conditions and Restrictions for Oaks at Sippihaw as the same may be amended from time to time as provided therein.

Section 11. "Town" shall be the Town of Fuquay-Varina, North Carolina.

ARTICLE II

EXTERIOR MAINTENANCE

Section 1. Single Family Dwellings. The Association shall have no obligation or responsibility for any maintenance of Single Family Dwellings which includes driveways, walks, patios, decks, (except it may clean out gutters) such being the sole responsibility of the Owner.

Section 2. Maintenance by Owner. In cases where maintenance or repair is required in this Declaration to be done or made by an Owner, and such maintenance or repair has not commenced within sixty (60) days, or if commenced, is not completed within a reasonable time thereafter, the Association may, and is hereby granted such right and easement, upon thirty (30) days written notice to such owner, make or complete such maintenance or repairs, and the cost thereof shall be an additional assessment applicable only to such lot and Owner, and shall be payable as determined by the Board of Directors of the Association.

Section 3. (A) Common Areas. The existing wooded area of parcel in common area shall generally be left in its natural state at this time. The Association may add walking trails and/or related improvements. All other common areas (natural areas, islands, inside and outside rights-of way, entry, entry buffer along Stewart

Street, and all tree plantings, and landscaping within rights-of-way of all streets) shall be maintained by the Association. If areas defined as full maintenance should fail to be maintained reasonably, the Town may at its discretion maintain or contract services and assess the Association reasonable charges for the work required.

(B) Yard Areas. The homeowners association shall keep all lawns mowed and free of debris and may, at the election of the association, prune and maintain shrubbery and trees within a yard. No shrubbery or trees may be planted without the prior written consent of the architectural committee in existence at the time of the request. A home owner may have a small defined garden area that has been approved in writing by the homeowners association but the home owner shall be solely responsible for the maintenance and care of the defined garden area and shall not hold the homeowners association liable or responsible for any damage caused by any maintenance personnel supplied by the homeowners association.

Section 4. Street Lighting. Should the Declarant and/or the Association desire to install street lights different from those furnished by the Power Company for Town, then the Declarant and Association shall be responsible for cost difference and difference in the electrical bill in proportion of wattage difference. Declarant reserves the right to subject the above described property to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each lot within said property.

ARTICLE III

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the use and enjoyment of the front and side yard space of each lot and the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. No portion of the Properties (except for temporary office and/or storage of the Declarant and/or model houses used by Declarant) shall be used except for residential and street purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry shall be raised, bred or kept in any portion of the Property except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance (in the judgement of the Board of Directors of the homeowners association) such as, but without limitation, by noise, odor, damage or destruction of property or refuse.

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, exclusive of open porches and decks, of less than 1200 square feet of heated area.

Section 7. Screening. All garbage containers and utility meters shall be permanently screened from view from all street rights-of-ways except on the day of garbage pick-up.

Section 8. Mailboxes. All mailboxes will be initially installed by the developer and any changes must have the approval of the Association. Maintenance of mailboxes will be the duty of the Association.

Section 9. Recreational Vehicles. Recreational vehicles will not be allowed to be parked on the premises or driveway except that a guest of any lot owner shall be allowed to park a recreational vehicle or camper trailer in the driveway of the owner for a maximum of 10 consecutive days only at which time it must be removed and not to return until 14 days has past. Furthermore, lot owners who own Recreational Vehicles may bring in their Recreational Vehicles for up to 48 hours to load and unload. The Recreational Vehicles cannot be parked permanently on the lot.

Section 10. Zero lot line easements. Lots and any common area adjoining lots with improvements situated on the zero setback line whereon a wall of the main dwelling or a fence is placed shall be subject to a ten foot access easement for the construction, repair and maintenance of improvements located upon any adjacent lot where said improvements are located on the zero setback line of the adjacent lot and to a permanent 8 inch fence support column, "coin corner" for the main structure and roof overhang, if so constructed. The zero setback line lot owner must replace any fencing, landscaping or other items on the adjoining lot that he may disturb during such construction, repair or maintenance. Additionally, this easement, when used, must be cleaned up of debris and left unobstructed unless the easement is actively being utilized for construction, repair or maintenance and any items removed must be replaced by the party that removed them. The zero setback line lot owner must notify the adjacent lot owner of his intent to do any construction, repair or maintenance upon the zero setback line wall at least twenty four (24) hours before any work is started, with the hours that such access easement may be utilized being restricted to between the hours of 8:00 A.M. to 5:00 P.M. Monday through Friday and 9:00 A.M. to 6:00 P.M. on Saturdays, unless an emergency exists requiring immediate attention. Any lots in Oaks at Sippihaw that share a common rear line may

have a fence or brick wall built on the line to be equally divided between the lots sharing said common rear line, i.e. four inches of the wall on each lot and eight inches of the support column on each lot. Horace J. Tart and wife, Brenda S. Tart, as the developers, shall be authorized to waive up to an 8 inch violation of any common property line having either a zero clearance or sharing a common rear line.

ARTICLE IV

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration, and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it; subject further easements as are requisite for the convenient use and enjoyment of the Properties.

An easement is hereby established over the common areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

All lots and common areas shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant or anyone approved by the Declarant to the extent that such initial improvements actually encroach including eaves, gutters and downspouts, fences, decks and walls.

The owner of each Lot shall be required to provide a maintenance easement as required by the ordinances of the Town of Fuquay-Varina, which easement shall be adjacent to the side of the dwelling that has the Zero Lot Line (to serve adjoining dwelling). Carolina Power and Light Company or its successors shall be permitted to install and maintain underground electric utility cables within said maintenance easement.

ARTICLE V

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at Law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant of restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land until December 31, 2015, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty-five percent (85%) of the Lot Owners (inclusive of the ownership of the Declarant herein), and thereafter by an instrument signed by no less than seventy-five percent (75%) of the Lot Owners. For purposes of these covenants, each lot shall be entitled to one vote and multiple owners of a lot shall decide between themselves who shall cast that one vote.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. General. No site preparation on any Lot or change in grade or slope of any Lot or erection of buildings or exterior additions or alterations to any building situated upon the Property or erection of or changes or additions in fences, hedges, plants, trees, walls and other improvements, shall be commenced, erected or maintained on any Lot until the Architectural Control Committee (herein called the "ACC") appointed as hereinafter provided, has approved the plans and specifications therefor and the location of such Improvements and specify who has responsibility for maintenance.

Section 2. Composition. Until all Lots are sold, Declarant shall annually appoint the members of the ACC which will be composed of up to three (3) individuals. Each member will be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards with the Project. In the event of the death or resignation of any member of the ACC, Declarant, for as long as it has the authority to appoint the members of the ACC, and thereafter, the remaining members of the ACC, shall have full authority to designate and appoint a successor. No member of the ACC shall be liable for claims, causes of action or damages (except where occasioned by gross negligence or willful misconduct of such member) arising out of services performed pursuant to this Declaration. Subsequent to all Lots being sold, the Board of Directors of the association shall appoint the members of the ACC on an annual basis.

Section 3. Procedure. No improvement of any kind or nature shall be erected, remodeled or placed on any Lot until all plans and specifications therefor and a site plan therefor have been submitted to and approved in writing by the ACC, as to:

- (i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, and facing of main elevation with respect to nearby streets;
- (ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces;
- (iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and drainage arrangement;
- (iv) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the ACC, or matters in which the ACC has been vested with the authority to render a final interpretation and decision.

Final plans and specifications for all Improvements proposed to be constructed on a Lot shall be submitted in duplicate to the ACC for approval or disapproval. The ACC is authorized to request the submissions of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the ACC, one complete set of plans and specifications will be retained by the ACC and the other complete set of plans and specifications will be marked "Approved" and returned to the Lot Owner or his designated representative. If found not to be in compliance with these covenants, conditions and restrictions or if found to be otherwise unacceptable to the ACC pursuant hereto, one set of plans and specifications shall be returned to the Lot Owner marked "Disapproved", accompanied by a reasonable statement of items found not to be in compliance with these covenants, conditions, and restrictions or otherwise being so unacceptable. Any modifications or changes to the ACC approved set of plans and specifications must again be submitted to the ACC for its inspection and approval. The ACC's approval or disapproval, as required herein, shall be in writing. The ACC may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied in regard to the Lots and shall carry forward the spirit and intention of these covenants, conditions, and restrictions. Although the ACC shall not have unbridled discretion with respect to taste, design and any standards specified herein, the Committee shall be responsible to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins shall supplement these covenants, conditions and restrictions and are incorporated herein by reference.

Section 4. Jurisdiction. The ACC is authorized and empowered to consider and review any and all aspects of the construction of any Improvements on a Lot which may, in the reasonable opinion of the ACC, adversely affect the living enjoyment of one or more Owners or the general value of the Property or the Project.

Section 5. Enforcement. The ACC shall have the specific, nonexclusive right (but not obligation) to enforce the provisions contained in this Article of Declaration and/or to prevent any violation of the provisions contained in this Article of Declaration by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained in this Article of Declaration. The ACC shall further be authorized to file liens pursuant to North Carolina General Statute §44A-7 et seq. for failure to pay dues and/or assessments and/or costs of repairs if the repairs have to be performed by the Association.

Section 6. Improvements No improvements may be made to any property until the same has been approved by the ACC. The definition of Improvements does include both original Improvements and all later changes to Improvements.

Section 7. Failure of the ACC to Act If the ACC fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within thirty (30) days after submittal thereof, and provided such submittal was a full and complete submittal of all items that were to have been submitted to the ACC, it shall be conclusively presumed that the ACC has approved such conforming plans and specifications and other submittals, EXCEPT that the ACC has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in the Declaration. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the ACC may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance. The ACC is authorized to request the submission of samples of proposed construction materials.

Section 8. Limitation of Liability. Neither the ACC nor the members thereof nor Declarant shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or failure to approve or disapprove any plans or specifications.

Section 9. Miscellaneous. No member of the ACC shall be entitled to compensation for, or be liable for, claims, causes of action or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of or services performed pursuant to this Article. The Association shall reimburse members of the ACC for reasonable out-of-pocket expenses.

IN TESTIMONY WHEREOF, the declarants state that any reference to the neuter or singular herein shall equally apply to the singular, plural, feminine or male gender and that they have hereunto set their hands and seals, this ____ day of June, 2004.

Horace J. Tart (SEAL)
Horace J. Tart
Brenda S. Tart (SEAL)
Brenda S. Tart
Marty R. Tart (SEAL)
Marty R. Tart, owner of Lot #48 & Lot #71
Jennifer R. Tart (SEAL)
Jennifer R. Tart, owner of Lot #48 & Lot #71

Bristar Enterprises, Inc.

By: Horace J. Tart (SEAL)
Horace J. Tart, President
Owner of Lot #50 & Lot #36

C. Paul Jones (SEAL)
C. Paul Jones, owner of Lot #62

Faye A. Jones (SEAL)
Faye A. Jones, owner of Lot #62

Strong Built Homes, Inc.

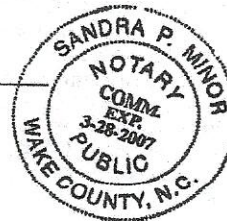
By: John L. Strong (SEAL)
John L. Strong, President
Owner of Lot #67 & Lot #69

NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned, do hereby certify that Horace J. Tart and wife, Brenda S. Tart, each personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notary seal, this 18th day of October, 2004.

My commission expires: 3-28-2007



NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned, do hereby certify that Marty R. Tart and wife, Jennifer R. Tart, each personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notary seal, this 18th day of October, 2004.

My commission expires: 3-28-2007



NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned, do hereby certify that **Horace J. Tart**, personally came before me this day and acknowledged that he/she is President of **Bristar Enterprises, Inc.**, a corporation/association, and that he/she as President, being authorized to do so, executed the foregoing on behalf of the corporation/association.

Witness my hand and notary seal, this 18th day of October, 2004.

Sandra P. Minor

My commission expires: 3-28-2007



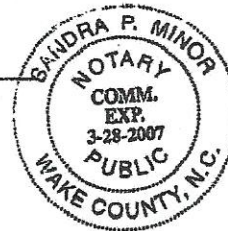
NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned, do hereby certify that **C. Paul Jones and wife, Faye A. Jones**, each personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notary seal, this 19th day of October, 2004.

Sandra P. Minor

My commission expires: 3-28-2007



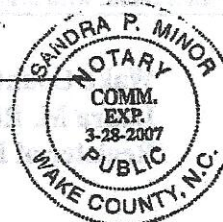
NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned, do hereby certify that **John L. Strong** personally came before me this day and acknowledged that he/she is President of **Strong Built Homes, Inc.**, a corporation/association, and that he/she as President, being authorized to do so, executed the foregoing on behalf of the corporation/association.

Witness my hand and notary seal, this 20th day of October, 2004.

Sandra P. Minor

My commission expires: 3-28-2007





BOOK:011066 PAGE:02099 - 02106

Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.



Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

North Carolina - Wake County

The foregoing certificate 5 of Sandra P. Minor

Notary(ies) Public is (are) certified to be correct. This instrument
and this certificate are duly registered at the date and time and in the book and
page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By: Carolyn J. Hedger
Assistant/Deputy Register of Deeds

This Customer Group

of Time Stamps Needed

This Document

New Time Stamp

of Pages

By-Laws
of
OAKS AT SIPPICAW HOMEOWNERS
ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is Oaks at Sippicaw hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1817 W. Academy Street, Fuquay-Varina, North Carolina 27526, but meetings of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to the above named corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the above named corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restriction applicable to the Properties recorded in the Office of the Register of Deeds.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Annual Assessment Period" shall mean the period between 1 January and 31 December of each calendar year.

Section 10. "Special Assessment" shall mean a one-time assessment approved by the Board to cover the responsibility(ies) of the Association and necessary to prevent a negative or zero Treasury balance. Special assessments are limited to the amount necessary to keep the Treasury at a positive balance and to meet the minimum balance required by the bank.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the second Saturday of January of each year thereafter, at the hour of 7:30 P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the majority of the members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the members' address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty per cent of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Membership and Dues. The dues of all members shall be of ^{\$145.00} \$60.00 monthly, or as set by the Board of Directors IAW Section 2, Article VII, that is payable quarterly. Dues must be paid prior to the beginning of the annual meeting. The quarterly assessment cannot be increased unless approved by a vote of the entire Homeowner's Association. The HOA Treasury is not allowed to fall below zero.

Any person may be elected to the membership in this corporation by a majority vote of the members present at any annual or special meeting thereof.

Any member in default in payment of dues shall be suspended from all privileges of membership. The board of directors shall be authorized to reinstate the privileges any member who is suspended under this provision but only after payment of all current dues in arrears are paid in full. Payment of dues in full are required of all owners under Article XI of these By-laws.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board, shall serve for the unexpired term of his predecessor, and the Association shall be notified of such selection before the next regular meeting of the Board.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election of the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. The new Board of Directors will take office at the first meeting of the Board of Directors after the annual meeting.

ARTICLE VI
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said

meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, or independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
3. send written notice of each special assessment to every Owner subject thereto at least thirty (30) days in advance of the initial invoice for payment of the special assessment; and
4. bring an legal action against the owner who is in default of the assessment.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If any certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained;

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The officers of this Association shall be elected annually by the Board and election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. The Association shall be notified of the election of officers prior to the next regular or special meeting of the Board of Directors.

Section 3. Term. The officers of this Association shall hold office until new officers are elected, unless they shall sooner resign, or be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Officers so removed remain directors unless removed by the Association IAW Article V, Section 3. Any officer may resign at any time giving written notice to the 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 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces. The

Association shall be notified of any appointment prior to the next regular meeting of the Board of Directors.

Section 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 4 of this Article.

Section 8. Duties. The duties of the officers are as follow

President - the president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.

Vice President - the vice president shall act in the place and stead 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 Board.

Secretary - the secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer - the treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members; and shall perform such other duties as required by the Board.

ARTICLE IX COMMITTEES

The Board shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. The Board shall also appoint a Landscape Committee and other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declaration, each owner is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6 percent per annum or at a rate determined by the Board of Directors not to exceed the prime rate plus 3 percent, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Attorney fees incurred by the Association to enforce the covenants may be paid by a homeowner who is in violation of the covenants if the homeowner agrees to pay the fees as part of a settlement without litigation.

ARTICLE XII
CORPORATE SEAL

The Association shall have a corporate seal that complies with the requirements of the State of North Carolina.

ARTICLE XIII
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

In WITNESS WHEREOF, I, being the elected President of the Board of Directors of the non-profit corporation association here unto set my hand this July 15, 2005.


(signature)
Edward W. Richardson
(print name)

President, Board of Directors, HOA



Initials ER Date 7/15