

SCHEDULE "C"TO DECLARATION OF UNIT OWNERSHIP FOR SANDY CREEK CONDOMINIUM
DATED THE 11th DAY OF April, 1974BYLAWS OF THE SANDY CREEK
CONDOMINIUM ASSOCIATIONARTICLE I

THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an unincorporated association and shall be called "The Sandy Creek Condominium Association". The business and property of Sandy Creek Condominium shall be managed and directed by the Board of Directors of the Association.

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

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

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable at any time by actual notice

to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

A. Annual Meeting. The annual meeting of members of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place upon or in close proximity to the Condominium Property as may be designated by the Board and specified in the notice of such meeting, at 8:00 o'clock P.M., or at such other time as may be designated by the Board and specified in the notice of such meeting. The first annual meeting of members of the Association shall be held on April 2, 1975, and successive annual meetings of members of the Association shall be held on the second Monday of each February thereafter, if not a legal holiday and, if a legal holiday, then on the next succeeding business day.

B. Special Meeting. Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice President of the Association authorized to exercise the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of members entitled to exercise at least twenty-five percent (25%) of the voting power. Calls for such meetings shall specify the time, place and purpose thereof. No business other than that specified in the call shall be considered at any special meeting.

C. Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association. If

mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting.

D. Quorum; Adjournment. At any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration, or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided, further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

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

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

Section 6. Actions Without a Meeting. All actions, except removal of a Board member, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in a writing or writings signed by

members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualification. Except as provided in Section 11 of this Article II, the Board shall consist of not less than three nor more than seven persons, and all persons nominated or elected to the Board shall be a Unit Owner and Occupant, officers of a corporation owning an individual condominium unit or a partner in a partnership owning an individual condominium parcel.

Section 2. Election of Board; Vacancies. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be elected, only persons nominated as candidates shall be eligible for election as Board members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the whole authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

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

Section 4. Organization Meeting. Immediately after each annual meeting

of members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

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

Section 6. Special Meetings. Special meetings of the Board may be held at any time upon call by the President or any two (2) Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purpose of the meeting; provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting, and such notice may be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

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

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

- A. purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;
- B. make contracts;
- C. effect insurance;
- D. borrow money, and issue, sell, and pledge notes, bonds, and other evidences of indebtedness of the Association;
- E. levy assessments against Unit Owners;
- F. employ a managing agent to perform such duties and services as the Board may authorize;
- G. employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and
- H. do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws, or the Declaration or incidental thereto.

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

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

Section 11. Initial Board. From time of formation until the first annual meeting of members on April 2, 1975, the Board shall consist of three persons appointed by The Sandy Creek Company, a North Carolina general

partnership ("Grantor"). These persons may be employees of Grantor and need not own or occupy a Unit. Until these three persons are replaced by elected Board members, at the first annual meeting on April 2, 1975, they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in these Bylaws. They are further specifically authorized to enter into a management agreement with such party and upon such terms and conditions as they may deem to be in the best interest of the Association.

ARTICLE III

OFFICERS

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

Section 2. Term of Office: Vacancies. The officers of the Association shall hold office until the next organizational meeting of the Board and until their successors are elected, except in cases of resignation, removal from office or death. The Board may remove any officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

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

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

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

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

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

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

ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

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

A. Utility Service for Common Areas and Facilities.

The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Elements and, to the extent that the same are not separately metered or billed to each Condominium Unit, for the Condominium Units,

excluding the Limited Common Areas and Facilities (herein as Limited Common Elements). Upon determination by the Board that any Unit Owner is using excessive amounts of any utility services which are Common Expenses, the Association shall have the right to levy special assessments against such Unit Owner to reimburse the Association for the expense incurred as a result of such excessive use;

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

C. Liability Insurance. The premium upon policy or policies insurance the Association, the members of the Board, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Elements, as provided in the Declaration, the limits of which policy shall be reviewed annually;

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

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

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

G. Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations and insurance, which the Association is required to secure or pay for pursuant to the

terms of the Declaration and these Bylaws or by law or which the Association deems necessary or proper for the maintenance and operation of the Condominium Property as a first class Condominium Project or for the enforcement of the Declaration and these Bylaws;

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

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

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

K. All invoices, vouchers, bills or other requests for payment from Association funds, together with payment vouchers therefor, must be approved in writing by the President or Treasurer of the Association prior to payment.

Section.2. Association's Right to Enter Units. The Association or its agents may enter any Unit or portion of the Limited Common Elements when

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

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

Section 4. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board, may adopt such reasonable Rules and from time to time amend the same as it or they may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants. Written notice of such Rules shall be given to all Unit Owners and Occupants and the Condominium Property shall at all times be maintained subject to such Rules. In the event such Rules shall conflict with any provisions of this Declaration or of these Bylaws, the provisions of this Declaration and of these Bylaws shall govern.

Section 5. Special Services. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may

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

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

ARTICLE V

FINANCES OF ASSOCIATION

Section 1. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemizations thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association as it may direct one-twelfth (1/12th) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according

to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six months after rendering the accounting.

Section 2. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said estimated cash requirement proves inadequate for any reason, including non-payment of any Unit Owner's assessment, such extraordinary expenditures shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. The Association shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall be payable with the next regular monthly payment becoming due to the Association not less than ten (10) days after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount.

Section 3. Budget for First Year. The budget for the remainder of the calendar year 1974 and for the calendar years 1975 and 1976 shall be determined by the Board appointed by Grantor.

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

Section 5. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any

Unit Owner or his representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Unit Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Unit Owners in proportion to each Unit Owner's percentage ownership in the Common Elements.

Section 7. Annual Audit. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. In addition, an outside audit shall be made at least once during each calendar year.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Indemnification of Board Members and Officers. Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought

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

Section 2. Amendments. Provisions of these Bylaws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than seventy-five per cent (75%) of the voting

power. Any such amendment shall not be effective until it is set forth in an Amendment to the Declaration, duly recorded, as required under Chapter 47-A of the North Carolina General Statutes (the Unit Ownership Act). No such amendment shall conflict with the provisions of the Declaration or of the Unit Ownership Act. All Unit Owners shall be bound by an amendment upon the same being passed and duly set forth in an amended declaration duly recorded.

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

TO DECLARATION OF UNIT OWNERSHIP FOR SANDY CREEK CONDOMINIUM DATED THE 11th
DAY OF April, 1974

BUILDING	UNIT	STREET ADDRESS	PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENT
A	1	115 Newton Road	2.37
	2	117 Newton Road	2.31
	3	119 Newton Road	1.93
	4	121 Newton Road	1.93
	5	123 Newton Road	1.85
	6	125 Newton Road	1.93
B	1	127 Newton Road	1.93
	2	129 Newton Road	1.85
	3	131 Newton Road	2.29
	4	133 Newton Road	2.36
C	1	135 Newton Road	2.36
	2	137 Newton Road	2.29
	3	139 Newton Road	1.93
	4	141 Newton Road	1.93
	5	143 Newton Road	1.93
	6	145 Newton Road	1.93
	7	147 Newton Road	2.29
	8	149 Newton Road	2.36
D	1	151 Newton Road	2.37
	2	153 Newton Road	2.31
	3	155 Newton Road	1.93
	4	157 Newton Road	1.93
	5	159 Newton Road	1.93
	6	161 Newton Road	1.93
	7	163 Newton Road	2.31
	8	165 Newton Road	2.37
E	1	167 Newton Road	2.37
	2	169 Newton Road	2.31
	3	171 Newton Road	1.85
	4	173 Newton Road	1.85
	5	175 Newton Road	2.29
	6	177 Newton Road	2.36
F	1	179 Newton Road	2.00
	2	181 Newton Road	1.93
	3	183 Newton Road	1.93
	4	185 Newton Road	2.31
	5	187 Newton Road	2.37
G	1	189 Newton Road	2.36
	2	191 Newton Road	2.29
	3	193 Newton Road	1.85
	4	195 Newton Road	1.85
	5	197 Newton Road	2.29
	6	199 Newton Road	2.36
H	1	203 Newton Road	2.00
	2	205 Newton Road	1.93
	3	207 Newton Road	2.29
	4	209 Newton Road	2.36

100.00

SCHEDULE "E-1"

TO DECLARATION OF UNIT OWNERSHIP FOR SANDY CREEK CONDOMINIUM
 DATED THE 11th DAY OF April, 1974 (See NOTE below
 for explanation of columns (a), (b) and (c).)

Building	Unit	Dwelling Unit Type	Percentage of Undivided Interest In Common Elements		
			(a) IA/IB	(b) IA/IB IIA	(c) IA/IB IIA/IIB
A	1	Willowrun	1.22	.91	.67
	2	Willowrun	1.18	.88	.65
	3	Cedarwood	.98	.72	.54
	4	Cedarwood	.98	.72	.54
	5	Shagbark	.94	.69	.52
	6	Shagbark	.99	.72	.53
B	1	Shagbark	.99	.72	.53
	2	Shagbark	.94	.69	.52
	3	Elmbrook	1.10	.87	.65
	4	Elmbrook	1.22	.89	.67
C	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Cedarwood	.98	.72	.54
	4	Cedarwood	.98	.72	.54
	5	Cedarwood	.98	.72	.54
	6	Cedarwood	.98	.72	.54
	7	Elmbrook	1.10	.87	.65
	8	Elmbrook	1.22	.89	.67
D	1	Willowrun	1.22	.91	.67
	2	Willowrun	1.18	.88	.65
	3	Cedarwood	.98	.72	.54
	4	Cedarwood	.98	.72	.54
	5	Cedarwood	.98	.72	.54
	6	Cedarwood	.98	.72	.54
	7	Willowrun	1.18	.88	.65
	8	Willowrun	1.22	.91	.67
E	1	Willowrun	1.22	.91	.67
	2	Willowrun	1.18	.88	.65
	3	Shagbark	.94	.69	.52
	4	Shagbark	.94	.69	.52
	5	Elmbrook	1.10	.87	.65
	6	Elmbrook	1.22	.89	.67
F	1	Cedarwood	1.01	.77	.56
	2	Cedarwood	.98	.72	.54
	3	Cedarwood	.98	.72	.54
	4	Willowrun	1.18	.89	.65
	5	Willowrun	1.22	.91	.67
G	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Shagbark	.94	.69	.52
	4	Shagbark	.94	.69	.52
	5	Elmbrook	1.10	.87	.65
	6	Elmbrook	1.22	.89	.67

H	1	Cedarwood	1.01	.77	.57
	2	Cedarwood	.98	.72	.54
	3	Elmbrook	1.10	.87	.65
	4	Elmbrook	1.22	.89	.67
I	1	Willowrun	1.22	.91	.67
	2	Willowrun	1.18	.88	.65
	3	Cedarwood	.98	.72	.54
	4	Cedarwood	.98	.72	.54
	5	Cedarwood	.98	.72	.54
	6	Cedarwood	.98	.72	.54
	7	Willowrun	1.18	.89	.65
	8	Willowrun	1.18	.91	.67
J	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Willowrun	1.18	.88	.65
	4	Willowrun	1.18	.88	.65
	5	Willowrun	1.18	.88	.65
	6	Willowrun	1.22	.91	.67
K	1	Willowrun	1.22	.91	.67
	2	Willowrun	1.18	.88	.65
	3	Elmbrook	1.10	.87	.65
	4	Elmbrook	1.10	.87	.65
	5	Elmbrook	1.10	.87	.65
	6	Willowrun	1.18	.88	.65
	7	Willowrun	1.22	.91	.67
L	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Willowrun	1.18	.88	.65
	4	Willowrun	1.18	.88	.65
	5	Willowrun	1.18	.88	.65
	6	Elmbrook	1.10	.87	.65
	7	Elmbrook	1.22	.89	.67
M	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Willowrun	1.18	.88	.65
	4	Willowrun	1.18	.88	.65
	5	Willowrun	1.18	.88	.65
	6	Willowrun	1.18	.88	.65
	7	Elmbrook	1.10	.87	.65
	8	Elmbrook	1.22	.89	.67
N	1	Elmbrook	1.22	.89	.67
	2	Elmbrook	1.10	.87	.65
	3	Elmbrook	1.10	.87	.65
	4	Elmbrook	1.10	.87	.65
	5	Elmbrook	1.10	.87	.65
	6	Elmbrook	1.10	.87	.65
	7	Elmbrook	1.22	.89	.67
O	1	Elmbrook		.89	.67
	2	Elmbrook		.87	.65
	3	Shagbark		.69	.52
	4	Shagbark		.69	.52
	5	Shagbark		.69	.52
	6	Elmbrook		.87	.65
	7	Elmbrook		.89	.67

P	1	Willowrun	.91	.67
	2	Willowrun	.88	.65
	3	Cedarwood	.72	.54
	4	Cedarwood	.72	.54
	5	Willowrun	.88	.65
	6	Willowrun	.91	.67
Q	1	Willowrun	.91	.67
	2	Willowrun	.88	.65
	3	Cedarwood	.72	.54
	4	Cedarwood	.72	.54
	5	Cedarwood	.77	.57
R	1	Willowrun	.91	.67
	2	Willowrun	.88	.65
	3	Cedarwood	.72	.54
	4	Cedarwood	.72	.54
	5	Cedarwood	.72	.54
	6	Cedarwood	.72	.54
	7	Willowrun	.88	.65
	8	Willowrun	.91	.67
S	1	Elmbrook	.89	.67
	2	Elmbrook	.87	.65
	3	Shagbark	.69	.52
	4	Shagbark	.69	.52
	5	Shagbark	.72	.53
T	1	Willowrun		.67
	2	Willowrun		.65
	3	Cedarwood		.54
	4	Cedarwood		.54
	5	Willowrun		.65
	6	Willowrun		.67
U	1	Willowrun		.67
	2	Willowrun		.65
	3	Cedarwood		.54
	4	Cedarwood		.54
	5	Cedarwood		.54
	6	Willowrun		.65
	7	Willowrun		.67
V	1	Elmbrook		.67
	2	Elmbrook		.65
	3	Shagbark		.52
	4	Shagbark		.52
	5	Shagbark		.52
	6	Elmbrook		.65
	7	Elmbrook		.67
W	1	Willowrun		.67
	2	Willowrun		.65
	3	Cedarwood		.54
	4	Cedarwood		.57
X	1	Elmbrook		.67
	2	Elmbrook		.65
	3	Cedarwood		.54
	4	Cedarwood		.54
	5	Elmbrook		.65
	6	Elmbrook		.67

Y	1	Cedarwood			
	2	Cedarwood	.57		
	3	Cedarwood	.54		
	4	Elmbrook	.54		
	5	Elmbrook	.65		
Z			.67		
	1	Elmbrook			
	2	Elmbrook	.67		
	3	Shagbark	.64		
	4	Shagbark	.53		
	5	Shagbark	.53		
	6	Elmbrook	.53		
	7	Elmbrook	.64		
TOTAL			.66		
				100.00	100.00
				100.00	100.00

NOTE: (1) Column (a) above denotes the percentage of undivided interest appurtenant to each dwelling unit constructed or to be constructed within The Sandy Creek Condominium during such time as Phase IA and Phase IB only are subject to this Declaration.

(2) Column (b) above denotes the percentage of undivided interest appurtenant to each dwelling unit constructed or to be constructed within The Sandy Creek Condominium during such time as Phase IA, Phase IB and Phase IIA only are subject to this Declaration.

(3) Column (c) above denotes the percentage of undivided interest appurtenant to each dwelling unit constructed or to be constructed within The Sandy Creek Condominium at such time as Phase IA, Phase IB, Phase IIA and Phase IIB shall be subject to this Declaration.

(4) The percentages of undivided interest in the common elements appurtenant to each dwelling unit now or hereafter made subject to this Declaration are based upon values assigned by Grantor to each such dwelling unit solely for this purpose. Such values do not necessarily reflect or represent the selling price or other circumstantial value for the particular dwelling unit, and no opinion, appraisal, sale or market value transaction at a greater or lesser price than the assigned value utilized in computing said percentages shall be interpreted as requiring or permitting any change in the percentage of undivided interest assigned herein.