

BYLAWS
OF
WEYCROFT RESERVE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is WEYCROFT RESERVE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as "Weycroft Reserve"). The principal office shall be located at 140 Towerview Court, Cary, NC 27513. The location of the principal office of the Association may be changed by the Board of Directors. Meetings of Members and directors shall be held at such places within Franklin County, North Carolina as shall be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words and terms, when used in the Declaration or any amendment hereto, or any Supplemental Declaration or Subdivision Declaration, unless amended or unless the context clearly indicates otherwise, are defined as follows (when these and other defined words or terms herein have an initial capital letter or letters, however, it is not required that their use in the Declaration have initial capital letters in order to have the defined meaning). When two different words or groups of words are defined as part of the same definition, those words or groups of words each have that definition when used herein. Terms and words used herein without definition shall have the meanings, if any, specified therefor in the "Definitions" section of the Act or, if not defined in the Act, in the "Definitions" section of the Nonprofit Corporation Act, or if not defined in either the Act or Nonprofit Corporation Act, any applicable definitions section of the Code, and, in the event of any conflict between the definitions contained herein and the definitions contained in the Act, the Nonprofit Corporation Act or the Code, the Act or Nonprofit Corporation Act or Code, in that order and as appropriate, shall control:

- (a) "Act" is defined as the North Carolina Planned Community Act, currently contained in Chapter 47F of the North Carolina General Statutes, and including all amendments, supplements and replacements thereof.
- (b) "Additional Property" is defined as all real property annexed or subjected to the Declaration, in one of the ways allowed herein, following the initial recording of the Declaration in the Registry. As the context allows or requires, the term also includes real property that Declarant or any other Person desires to annex or subject to the Declaration, but no such Additional Property shall be subject to the terms of the Declaration until it has been annexed or subjected to the Declaration in one of the ways allowed herein.
- (c) "Architectural Guidelines" is defined as the guidelines and standards adopted and in effect with respect to Dwellings and other improvements in the Properties.
- (d) "Articles" is defined as the Articles of Incorporation of the Association, including all duly adopted amendments thereto.

(e) "Association" is defined as **WEYCROFT RESERVE ASSOCIATION, INC.**, a North Carolina nonprofit corporation, its successors and assigns.

(f) "Board" is defined as the Board of Directors of the Association, and is the "Executive board" as defined in the Act. The Board is responsible for the management and administration of the Association as provided for herein and in the Act.

(g) "Builder" is defined as a Person, other than the Declarant, who regularly is in the business of constructing Dwellings for resale to other Persons, and who purchases or becomes the Owner of one or more Lots within the Community for the purpose of constructing thereon one or more Dwellings for resale to other Persons. "Builders" refers to all such persons or entities collectively.

(h) "Bylaws" is defined as the Bylaws of the Association as they may now or hereafter exist, including all duly adopted amendments thereto.

(i) "City" or "Town" or "governmental entity" is defined as the Town of Cary, North Carolina (also referred to herein separately as the "Town of Cary"), the County of Chatham, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, whichever governmental entity or entities is/are applicable.

(j) "Code" is defined as the Town of Cary ordinances, including all rules, regulations and policies lawfully adopted pursuant thereto, and including all amendments, supplements and replacements thereof.

(k) "Common Expenses" is defined as any one or more of the following: i) expenses of maintenance of Common Property and Common Expense Property, including repair, restoration and replacement thereof; (ii) *ad valorem* taxes and public assessments, if any, levied against the Common Property or other assets of the Association (but specifically excluding *ad valorem* taxes on real property on, under or over which the Association has only an easement or other similar right of use, except to the extent, if any, that any improvements in any such easement that are owned or maintained therein by the Association result in additional *ad valorem taxes* on such real property that would not be assessed in the absence of such improvements); (iii) premiums for hazard, liability and other insurance insuring the Common Property, assets of the Association, or the Association, its officers, directors and employees, if any; (iv) fees and expenses of attorneys, accountants, and other persons and entities employed by the Association for Association business; (v) expenses declared to be or described as Common Expenses by the Act, the Code, or other Legal Requirements; (vi) expenses declared to be or described as Common Expenses by the provisions of the Governing Documents, including all expenses for implementation, administration, enforcement, and maintenance of Stormwater Control Measures; (vii) utility charges in connection with the Common Property, except to the extent that such charges are paid by users of Common Property or are part of any use fees or charges imposed by the Governing Documents for use of the Common Property (for example, paying a meter box attached to lights that light a tennis court); (viii) expenses required to be paid by the Association pursuant to any Stormwater Agreement, encroachment agreement, or other agreement with the City; (ix) expenses required to be paid by the Association pursuant to any agreement with a utility provider who provides utility services to any part or all of the Properties; (x) expenses determined by the Board or by the Members to be Common Expenses; (xi) reserve funds maintained by the Association pursuant to the Declaration or any Legal Requirement; (xii) expenses incurred by the Association for implementation, administration, and enforcement of the Governing Documents as the Board determines to be in the best interests of the Association or its Members; (xiii) all other expenses incurred by the Association in performing its functions and providing services under the Governing Documents, Legal Requirements, and the Association's contractual obligations, including operating, management and

administrative expenses; and (xiv) expenses incurred by the Association for all other purposes required or allowed under the Governing Documents, the Act, the Code, and other Legal Requirements.

(1) "Common Property" and "Common Area" are defined as any one or more of the following: (i) all real property and improvements thereon owned in fee or leased or used by the Association, or with respect to which the Association has a financial obligation, for the common use, enjoyment or benefit of the Properties or the Members of the Association; (ii) all personal property owned or leased or used by the Association, or with respect to which the Association has a financial obligation, for the common use, enjoyment or benefit of the Properties or the Members of the Association; and (iii) all rights and easements of the Association in, on, under, over, through and to any real property or personal property not owned in fee or leased by the Association, together with all improvements that are owned or maintained by the Association on such real property, each such easement or right and improvements also being referred to herein as "Common Expense Property". Common Expense Property is included within the definition of Common Property, even though Common Expense Property at times may be referred to herein separately from Common Property. Common Property and Common Expense Property typically will be identified either by plat recorded in the Registry or by an instrument, whether or not recorded in the Registry, conveying real property or granting or reserving an easement or right in real property to or for the Association (including instruments granted to or reserved by or on behalf of the Association or by or on behalf of the Declarant for later transfer or assignment to the Association, for the use, enjoyment or benefit of the Properties or the Members of the Association) and labeled or described thereon or therein as "Common Area", "Common Property", "Open Space", "Common Open Space", "Private Open Space", "Permanently Protected Open Space", "Permanently Protected Undisturbed Open Space", "Permanently Preserved Open Space", "Private Street", "Landscape Easement", "Sign Easement", "Greenway", "Greenway Easement", "Street Island", "Median", "Encroachment", "Buffer", "Stormwater Drainage Easement", "Drainage Easement", "Private Drainage Easement", "Stormwater Control Facility", or some other similarly descriptive term. Stormwater Control Measures may be on Common Property or on Common Expense Property. Common Expense Property may include portions of public street rights of way or other property owned by or dedicated to a governmental entity that are subject to an encroachment agreement with such governmental entity, and may include signs, landscaping and other improvements identifying any part or all of the Subdivision and located on a portion of the Properties that is not Common Property or located in a public street right of way in or adjacent to the Properties. This definition of Common Property also includes Limited Common Property, which is a sub-classification of Common Property and is for the use, enjoyment and benefit of Owners of less than all of Lots in the Properties. All Common Property shall be maintained by the Association as provided herein. The Town of Cary has required the construction of certain "Greenway Trails" or "Trails" which will be depicted on the recorded plats. The maintenance of said trails by the Association is a requirement of The Town of Cary and said trails are for the benefit of the general public and the Owners. It is anticipated that the Association may implement rules and regulations as to the usage of said trails that are not contrary to other rules, regulations or ordinances of a governmental entity. (Note: This definition of Common Property in the Declaration is broader than the definition of "common elements" in the Act.)

Common Property also includes the following:

- (1) any private street and private sidewalks in the Properties (but excluding private sidewalks on and solely for the benefit of an individual Lot);
- (2) Stormwater Control Measures (but excluding Stormwater Control Measures on and solely for the benefit of an individual Lot);
- (3) any water or sewer utility line that serves more than one Lot and which is either located outside public street rights-of-way or outside any City utility easement;
- (4) any Code-required shared facility or open space for the Properties, except for open space owned by the City;

- (5) any road right-of-way in or adjoining the Properties constructed or installed by the Declarant or the Association, or required to be constructed or installed by the Declarant or the Association, that has been dedicated to public use or offered to dedication for public use, but not accepted for maintenance by the applicable Governmental Entity. Provided, however, that the fact that a street or road has not been accepted by the applicable Governmental Entity shall not relieve the Declarant or the Association, as applicable, of any obligation it has to take such action as is necessary to have any street or road accepted. The Declarant and the Association each has the right to enforce this obligation against the other, and the obligated party shall be liable to the enforcing party for all costs and expenses, including court costs and reasonable attorney's fees, incurred by the enforcing party in connection with such unaccepted street or road and enforcement of these rights;
- (6) any object or improvement located on, under, in or over City property or a City right-of-way or easement, which object or improvement is subject to an encroachment agreement with the City, including signs, landscaping, irrigation facilities, drain pipes, decorative surfaces, and brick pavers; and
- (7) all other real and personal property and improvements, if any, required to be included as Common Property by the Code or other Legal Requirements, and all other real and personal property and improvements, if any, declared to be Common Property by the Declaration or other Governing Documents.

(m) "Community-Wide Standard" is defined as the standard of conduct, maintenance, or other activity generally prevailing in the Subdivision, or the minimum standards established pursuant to the Architectural Guidelines, Restrictions and Rules, and Board resolutions, whichever is a higher standard. Declarant initially may establish the Community Wide Standard and it may contain both objective and subjective elements. The Community-Wide Standard may change as development of the Subdivision progresses and as the needs and desires within the Subdivision change.

(n) "Declarant" is defined as **IPG OLD CHATHAM, LLC**, a North Carolina limited liability company. The term "Declarant" also includes any Person to whom or which Declarant assigns or delegates the rights and/or obligations of Declarant under the Declaration by an assignment of Declarant's rights recorded in the Chatham County Registry. The term "Declarant" also includes any Person designated by Declarant as its "affiliate".

(o) "Declarant Control Period" is defined as the period of time between the date of recording of the Declaration and ending on the date on which the first of the following occurs:

- (1) the date on which more than 75% of the total number of Lots permitted by the Subdivision Plan (i) have Dwellings thereon for which certificates of occupancy have been issued and (ii) have been conveyed to Class A Members other than Builders. Provided, until such time as the Declarant Control Period ends under any other subparagraph of this definition, without the possibility of any reinstatement, the Declarant Control Period shall be reinstated automatically as the Subdivision Plan is revised such that the foregoing requirements for termination of the Declarant Control Period no longer are met; or
- (2) voluntary termination of the Declarant Control Period by a written instrument executed by Declarant and recorded in the Registry; or
- (3) termination of the Declarant Control Period required by any Legal Requirement; or
- (4) 5:00 p.m. seven (7) years after recordation of the Declaration.

Declarant has the sole authority to resolve any issues or disputes regarding the date on which the Declarant Control Period ends or is reinstated.

(p) "Declaration" is defined as this "Declaration of Protective Covenants For Weycroft Reserve", including all duly adopted amendments hereto.

(q) "Development Period" is defined as the period of time from the date of recording of the Declaration in the Registry through and including 5:00 p.m. on the **last** of the following dates to occur:

- (1) Seven (7) years after recordation of the Declaration; or
- (2) the date that is five (5) years after the date of recording of the most recent Supplemental Declaration executed by the Declarant subjecting real property to the Declaration; or
- (3) the date of release of the last bond (or letter of credit or other, similar financial guarantee) posted by Declarant with the City in connection with Declarant's development of the Properties or any portion thereof.

Notwithstanding the foregoing, if Declarant is delayed in the development of any part or all of the Properties as a result of a sanitary sewer, water or building permit moratorium, or as the result of some other cause or event beyond Declarant's control, then the foregoing applicable time period shall be extended by the amount of time of the delay. Provided, however, Declarant may terminate the Development Period at any time by recording a termination instrument in the Registry. The Development Period also shall include any periods of time after the applicable termination event, including voluntary termination by Declarant, during which Declarant is conducting any activity within the Properties that is required by Legal Requirements or for Declarant to complete development of any part of the Properties, or for Declarant to fulfill any obligation to the City, the Association, a Builder or any Owner with respect to any portion of the Properties. In the event of an assignment of Declarant rights, with respect to the rights assigned the Development Period shall remain in full force and effect through the applicable periods of time as they relate to the assignee rather than the original Declarant hereunder. Declarant has the sole authority to resolve any issues or disputes regarding the date on which the Development Period ends. Any approvals, waivers, or variances granted by the Declarant under the Governing Documents shall be binding upon all successors to Declarant's approval, waiver, or variance authority.

(r) "Dwelling" or "Dwelling Unit" is defined as any building or portion thereof within the Properties which is used or occupied, or intended for use or occupancy, as a residence by an individual or by one family unit, whether by the Owner thereof or by tenants or sub-tenants of the Owner. At the time of the recording of the Declaration in the Registry, it is contemplated by Declarant, but not required by the Declaration, that each Dwelling in the Properties will be a detached single-family dwelling.

(s) "Exempt Property" is defined as all portions of the Properties included within any of the following categories:

- (1) Common Property (provided, however, a Lot on which Common Expense Property is located is not exempt from assessments);
- (2) property within the right-of-way of publicly-dedicated streets and roads
- (3) property owned by the City or a utility provider, unless such property is a Lot that has a Dwelling thereon (and provided, that a Lot is not exempt from assessments because it has an easement located on it that has been dedicated to the City or a public utility or that constitutes Common Expense Property); and

- (4) property owned by a charitable or nonprofit organization exempt from taxation by Legal Requirements, unless the property is a Lot that has a Dwelling thereon.

Exempt Property shall not be subject to the assessments provided for herein, and the Owner of such Exempt Property shall have no membership or voting rights in the Association associated with the ownership of such Exempt Property. Furthermore, unless and until such time, if any, as it loses its Exempt status, except as otherwise provided herein all Exempt Property owned by or subject to an easement in favor of the City or a utility provider, and all Exempt Property within publicly-dedicated street rights-of-way, is exempt from all of the provisions of the Declaration, except for the provisions of the Declaration with respect to any easements over such Exempt Property reserved in the Declaration by or for the Declarant, the Association, the City or any other Person, and except for provisions of the Declaration requiring Approved Plans for Dwellings and associated improvements.

Exempt Property that loses its status as Exempt (*e.g.*, property within a publicly-dedicated street right-of-way that has been closed as a public street, property formerly owned by the City or a tax-exempt charitable or nonprofit organization which has been conveyed to a Person whose status does not qualify for the exemption) shall be reclassified as a Lot or Common Property, as appropriate, and shall be subject to all of the terms and provisions of the Declaration in the same manner and to the same extent as other Lots and Common Property.

- (t) "fiscal year" of the Association is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different fiscal year for the Association.

(u) "Force Majeure" is defined as any one or more of the following: acts of God, earthquakes, blizzards, tornadoes, hurricanes, fire, flood, malicious mischief, insurrection, terrorism, riots, strikes, lockouts, boycotts, picketing, labor disturbances, public enemy, war (declared or undeclared), landslides, explosions, epidemics, compliance with any order, ruling, injunction or decree by any court, tribunal or judicial authority of competent jurisdiction, inability to obtain materials or supplies after the exercise of all reasonable efforts, substantial interference in construction activities resulting from construction activities conducted simultaneously on adjacent lands by or under the direction of unrelated parties, and any other similar circumstances beyond the reasonable control of the Person responsible for complying with some provision of the Declaration.

(v) "Governing Documents" is defined as the Declaration, the Articles of Incorporation, the Bylaws, Restrictions and Rules, Board resolutions, Architectural Guidelines, all applicable Supplemental Declarations and Subdivision Declarations, all Stormwater Agreements and other agreements with governmental entities, and all duly adopted amendments and revisions to any of the foregoing documents.

(w) "Improvement" is defined as any improvement of or on any Lot, including Dwellings and other buildings and structures (specifically including exterior materials, colors, size, location and architectural style), decks, patios, porches, driveways, motor vehicle and other parking areas, storage areas located outside of a Dwelling, recreational areas, equipment and facilities located outside of a Dwelling, mailboxes, exterior antennae, dishes and other apparatus to receive or transmit radio, television, or microwave or other signals, fences, walls, hedges, other landscaping (including planted areas, grassed areas, natural areas and the plant and other materials therein), poles, flags, decorative features and items attached to or on the exterior of a Dwelling or in the yard, ponds, lakes, clearing, grading and other site preparation, swimming pools, coverings for windows and other glass portions of a Dwelling (for example, curtains, blinds, and shutters), which coverings are visible from anywhere outside of the Dwelling, lights and signs located on or outside of a Dwelling or visible inside a Dwelling from a street or adjoining portion of the Properties, and all other items used or maintained on a Lot outside of the Dwelling. The definition of Improvements includes

both initial improvements and all subsequent alterations, changes and additions to same. The term “initial improvements” is defined as all of the improvements constructed or placed or located on any Lot in accordance with Approved Plans or Architectural Guidelines not requiring Approved Plans at the time of issuance of a certificate of occupancy for the Dwelling thereon. The examples of improvements stated for the purposes of this definition do not imply that all such improvements will be allowed in the Properties, and all improvements are subject to the architectural approval provisions of the Declaration.

(x) “include” or “including” is defined as being inclusive of, but not limited to, the particular matter described, unless otherwise clearly obvious from the context.

(y) “Institutional Lender” is defined as a Mortgagee who is a commercial bank, savings bank, savings and loan association, trust company, credit union, industrial loan association, insurance company, pension fund or business trust, including real estate investment trust, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities and who holds a first lien deed of trust encumbering a Lot (“first lien” meaning that it has priority over all other security interests in the Lot). Only for the purposes of the notice and inspection rights contained in the Declaration in the portions hereof dealing specifically with Institutional Lenders, amendment of the Declaration and termination of the Declaration, the term “Institutional Lender” also shall include the Federal Housing Administration (“FHA”), the Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”), the Federal National Mortgage Association (“FNMA” or “Fannie Mae”), the Department of Veterans Affairs (“VA”), the Government National Mortgage Association (“GNMA” or “Ginnie Mae”) and any other public or private secondary mortgage market agency participating in purchasing, guaranteeing or insuring mortgages which has notified the Board of such participation in writing (each of whom generically is referred to herein as a “Secondary Mortgage Market Agency”). Where the approval of Institutional Lenders is required, such approval consists of any one or more of the following: (i) written approval; (ii) any written waiver of approval rights; (iii) a letter stating no objection; or (iv) presumptive approval if an Institutional Lender does not respond to a notice from the Association requesting approval by notifying the Association, in the manner required herein for giving notices, within thirty (30) days after the Association gives notice to the Institutional Lender of the request for approval.

(z) “landscaping” includes any or all of the following: flowers, plants, shrubs, trees, grass, natural areas (for example, areas covered with pine straw, mulch, or naturally growing vegetation), fences, walls, statues, brick pavers or other decorative ground covering of a similar nature, ornamental water features, and any other items that the Board, in the exercise of its reasonable discretion, determines should be included in the term “landscaping” under the Declaration.

(aa) “Legal Requirement” is defined as any duly adopted and applicable law, ordinance, regulation or requirement of the United States of America, the State of North Carolina, the Town of Cary, the County of Chatham, North Carolina, or any other governmental entity or quasi-governmental entity or agency having jurisdiction over the Properties or any portion thereof, including any branch, department or division of any of the foregoing governmental and quasi-governmental entities.

(bb) “Limited Common Expenses” is defined as all expenses of the type included within the term Common Expenses, but that are related solely and specifically to Limited Common Property. Limited Common Expenses shall be paid out of assessments against Members who own Lots in the particular phase or section or portion of the Subdivision for or in which the associated Limited Common Property has been established. All references in the Declaration to Common Expenses in the context of Limited Common Property are deemed to refer to Limited Common Expenses for the applicable Limited Common Property.

(cc) "Limited Common Property" and "Limited Common Area" are defined as Common Property, if any, that is established by the Declarant or the Association for the benefit of the Owners of less than all of the Lots in the Properties, and which has been designated as Limited Common Property by the Declarant or the Association. Limited Common Property may include, for example, private alleys or landscaped medians in streets and private alleys adjacent to Lots in particular sections of the Subdivision, and may include Stormwater Control Facilities that serve more than one, but less than all, of the Lots in the Properties.

(dd) "Lot" is defined as any portion of the Properties with delineated boundary lines, whether improved or unimproved, that is intended for independent ownership and either has a Dwelling constructed thereon or is intended for construction of a Dwelling thereon, and is shown on a plat recorded in the Registry. A "Proposed Lot" is defined as any portion of the Properties with delineated boundary lines, whether improved or unimproved, that is intended for independent ownership and either has a Dwelling constructed thereon or is intended for construction of a Dwelling thereon, and is shown on Subdivision Plan but not shown on a plat recorded in the Registry. A Proposed Lot becomes a Lot from and after the date on which a plat thereof is recorded in the Registry. The definition of Lot also includes Unsubdivided Land as described in the definition of Unsubdivided Land. In the event that any Lot is increased or decreased in size by recombination or re-subdivision through the recording of a new plat, the newly platted lot thereafter shall constitute a Lot under this definition, except as otherwise may be provided herein with respect to allocation of votes and assessments applicable to the newly platted Lot.

(ee) "maintain", "maintaining", "maintenance" or any substantially similar term used in the Declaration, is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, monitoring, testing, examination, upkeep, cleaning, renewal, alteration, repair, replacement, painting, staining, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering, and preservation. Maintenance also includes any action necessary for real or personal property to be maintained so that it functions for the purposes for which it is intended and so that it complies with the Community Wide Standard.

(ff) "Member" is defined as each Person who or which holds membership in the Association.

(gg) "mortgage" or "deed of trust" is defined as any mortgage, deed of trust or other instrument that creates a security interest in real property, and includes all acts required to create such security interest.

(hh) "Mortgagee" is defined as the beneficiary or payee under any mortgage or deed of trust.

(ii) "Nonprofit Corporation Act" is defined as the "North Carolina Nonprofit Corporation Act", currently contained in Chapter 55A of the North Carolina General Statutes, and including all amendments, supplements and replacements thereof.

(jj) "Owner" is defined as the current owner of record in the Registry, whether one or more Persons, of fee simple title to any Lot, but excluding in all cases any Person owning or holding an interest merely as security for the performance of an obligation.

(kk) "Person" is defined to include any natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture or other legal or commercial entity.

(ll) "Plans" is defined as the plans and specifications for a proposed improvement showing (where applicable) the size, shape, dimensions, materials, exterior finishes and colors, location on the applicable portion of the Properties, driveway, parking areas, provisions for handling stormwater, decorative landscape planting and other decorative landscaping features, floor plans and elevations, and other items specified in

any applicable Architectural Guidelines or required by the Person from whom approval of the Plans must be obtained in accordance with the Declaration. "Approved Plans" is defined as Plans that have been approved by the Declarant or by the Architectural Review Committee (or by the Board, on appeal from the Architectural Review Committee).

(mm) "present" at a meeting of the Association is defined as being present in person or by a proxy that has been executed and is effective under Legal Requirements and the Governing Documents.

(nn) "Properties", or "Community", or "Subdivision" is defined as the Existing Property, together with all Additional Property annexed to the Declaration pursuant to Article II hereof, less and except all real property that is withdrawn from the Declaration as allowed herein. References to the Properties includes any part or all of the Properties, as applicable, in accordance with the context of such reference herein, whether or not the reference specifically states that it is referring to any part or all of the Properties.

(oo) "property manager" or "management company" is defined as a Person employed by the Association to manage or assist in the management of the business and property of the Association.

(pp) "Recreational Amenities" is defined as those portions of the Common Property on which a swimming pool, clubhouse, bathhouse, and/or other recreational facilities, including associated parking and other improvements, have been constructed or placed for use, subject to the Governing Documents, by the Declarant, by Lot Owners and their family members, tenants and guests, and by Recreational Amenities Users. Provided, however, nothing herein shall be construed as imposing any obligation on the Declarant or any other Person to construct or provide for any Recreational Amenities, except to the extent, if any, that Declarant or such other Person is so obligated under Legal Requirements.

(qq) "Recreational Amenities User" is defined as each natural Person, other than Declarant, Builders, Lot Owners and their family members, tenants and guests, who, subject to rules, regulations and fees adopted by the Board, has been granted the right to use part or all of the Recreational Amenities in the Subdivision. A Recreational Amenities User shall have no voting rights in the Association, but a Recreational Amenities User shall be subject to payment of such charges for use of the Recreational Amenities as established by the Board and subject to all of the rules and regulations for use of the Recreational Amenities applicable to Owners, as well as any additional rules and regulations adopted by the Board, including rules and regulations relating to use of the Recreational Amenities by family members, tenants, and guests of Recreational Amenities Users.

(rr) "Registry" is defined as the office of the Register of Deeds for Chatham County, North Carolina, or any successor office in which deeds, plats, easements, mortgages and deeds of trust are recorded. Any reference herein to a plat or document being recorded refers to such plat or document as recorded in the Registry.

(ss) "Restrictions and Rules" or "Rules and Regulations", the terms being used interchangeably herein with respect to matters adopted by the Declarant or the Association, as applicable, is defined as rules, regulations, requirements, prohibitions, and/or conditions for any one or more of the following as are adopted, amended, or repealed by the Declarant or the Association: (i) matters governing use of the Properties or any part thereof, including the Common Property, or (ii) matters governing conduct of Persons while in or on the Properties or any part thereof, including the Common Property, or (iii) providing for the implementation and enforcement of the Governing Documents, or (iv) any other matters that the Declarant or Board, as applicable, determines to adopt as part of the Association's Restrictions and Rules.

In addition to any other provisions of the Declaration authorizing the Association to adopt rules and regulations, the Association, separate and apart from the Restrictions and Rules, may adopt, amend, modify,

and enforce reasonable rules and regulations for the use and operation of the Common Property and/or for the implementation and enforcement of the Governing Documents.

(tt) "Special Declarant Rights" is defined as all development and other rights granted to, or reserved by, or established for the benefit of, Declarant in the Declaration and other Governing Documents, whether or not such rights are referred to as Special Declarant Rights in the Declaration or other Governing Documents. As long as a Special Declarant Right exists under the Declaration or other Governing Document, Declarant may exercise it at any time and from time to time. Declarant may assign Special Declarant Rights, in whole or in part, temporarily or permanently, at any time and from time to time, subject to such terms and conditions as Declarant specifies in the assignment document. Unless the Declaration or other Governing Documents specify that Special Declarant Rights may be exercised by any Person other than the Declarant or that they become rights exercisable in whole or in part by the Association at any time, any assignment of Special Declarant Rights must be in writing and recorded in the Registry, and the assignment becomes effective only upon the recording of the document in the Registry or any later date specified therein.

(uu) "Stormwater Agreement" or "Stormwater Replacement Agreement", or "Stormwater Control Structure And Access Easement And Agreement", which terms include any other agreement under Legal Requirements related to Stormwater Control Facilities, by whatever name the agreement is denominated therein, is defined as any agreement related to Stormwater Control Facilities (i) required by the Code or other Legal Requirement and between or among the City or another Person and the Declarant and/or the Association and/or one or more Owners, or (ii) voluntarily entered into between or among the City or another Person and the Declarant and/or the Association and/or one or more Owners.

(vv) "Stormwater Control Facilities" or "Stormwater Control Measures" is defined as any one or more of the following that serves or benefits any part or all of the Properties or is required by Legal Requirements in connection with any part or all of the Properties, whether located in the Properties or outside of the Properties: (i) "stormwater drainage easements" (also referred to herein as "stormwater easements" or "drainage easements") that are shown on plats of the Properties recorded in the Registry or established by written instruments recorded in the Registry, and which either are located on the Common Property or benefit or serve more than one (1) Lot; and (ii) all "stormwater management facilities" for the Properties, including ponds, man-made or natural areas and/or planted or landscaped areas into which stormwater drains, or in which stormwater is collected, or from which it is discharged, as well as drains, pipes, conduits, inlets, creeks, streams, channels, dams, ditches, filters, buffers, bio-retention areas, level spreaders, constructed wetlands, and other equipment, facilities and stormwater management measures used for inspecting, monitoring, measuring, testing, collecting, controlling, transporting, conveying, handling, storing, discharging and/or managing stormwater. Except as otherwise provided herein, Stormwater Control Facilities are part of the Common Property or Limited Common Property, as applicable, and maintenance of Stormwater Control Facilities is a Common Expense or Limited Common Expense, as applicable. References in the Declaration to stormwater management include all applicable Stormwater Control Facilities, Stormwater Agreements and Stormwater Maintenance Manuals.

(ww) "Stormwater Maintenance Manual" (which term includes any other instrument or document under Legal Requirements, by whatever name denominated therein, addressing the same or similar matters) is defined as the specific requirements for maintenance of the Stormwater Control Measures as required by the City.

(xx) "Subdivision Declaration" is defined as any declaration, recorded subsequent to the Declaration, that subjects any phase, section, subdivision, or other portion of the Properties to restrictions, terms, and/or conditions that are different from or in addition to the restrictions, terms, and/or conditions of the

Declaration, or is recorded for any other purpose for which the Declaration allows a Subdivision Declaration to be recorded

(yy) "Subdivision Plan" is defined as the most current land use or development plan approved by the City for the Properties or any part thereof, whether the approval is preliminary or final, and regardless of any name other than Subdivision Plan under which it approved by the City (for example, site plan, cluster unit development plan, or master plan for a planned unit development). Declarant reserves the right, in its sole discretion but subject to Legal Requirements, to amend or modify any Subdivision Plan in whole or in part, including the addition or deletion of property and including the reconfiguration of Lots and Common Area. The fact that property is included on the Subdivision Plan does not obligate Declarant to subject it to the Declaration, nor does it prohibit Declarant from withdrawing it from the Declaration, nor shall Declarant be prohibited from subjecting to the Declaration any property described on **Exhibit B** that is not included on the Subdivision Plan.

(zz) "Supplemental Declaration" is defined as any declaration, recorded subsequent to the Declaration, that annexes Additional Property to the Declaration or is recorded for any other purpose for which the Declaration allows a Supplemental Declaration to be recorded.

(aaa) "Unsubdivided Land" is defined as all portions of the Properties owned by any Person which are not Lots or Exempt Property, and on which no Dwellings are located. Solely for the purposes of membership in the Association and payment of assessments, all Unsubdivided Land owned by any one Person together constitutes one (1) Lot under the Declaration, and each separate parcel of Unsubdivided Land on which a Dwelling is located constitutes one (1) Lot under the Declaration.

(bbb) "utility" or "public utility" is defined as any one or more of the following used in any part or all of the Properties: electricity; telephone; Internet service; water; sanitary sewer; natural gas; television; refuse collection; collection of materials for recycling; and any other service or facility generally recognized as a public utility or determined to be a public utility by the Declarant (during the Development Period, and thereafter, by the Board); "utility provider" or "public utility provider" is defined as the Person who provides a utility to any part or all of the Properties.

(ccc) "utility apartment" is defined as a portion of a Dwelling that complies with all of the following requirements: (i) it physically is part of the Dwelling or part of a garage attached to or detached from the Dwelling; (ii) it is occupied by a Person or family unit other than the Person or family unit that occupies the rest of the Dwelling; (iii) the Person or family unit that occupies the utility apartment either is related to an Owner of the Dwelling by blood or marriage and within the third degree, or is providing physical care for an Owner of the Dwelling or a family member of an Owner of the Dwelling who is residing in the Dwelling with the Owner; (iv) the utility apartment contains a floor area not in excess of 1/4 of the gross floor area of the Dwelling, exclusive of the utility apartment (for example, if the Dwelling contains 2,000 square feet, the utility apartment may contain a maximum of 500 square feet); and (v) the utility apartment complies with all Legal Requirements and with any Restrictions and Rules applicable thereto. Subject to Legal Requirements, the Board has the sole authority to resolve any issue as to what constitutes a family unit under the Declaration.

ARTICLE III MEMBERS

Section 1. Members. Declarant, for so long as it shall be an Owner, and every person or entity who is a record Owner of a fee simple or undivided fee simple interest in any dwelling

unit or site that is subject by the Declaration to assessments by the Association shall be a Member of the Association; provided, however, that any such person or entity who holds such title or interest merely as security for the performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any dwelling unit or site which is subject to assessment by the Association. Ownership of a dwelling unit or site shall be the sole qualification for Membership. The Board of Directors of the Association may make reasonable rules relating to the proof of ownership of a dwelling unit or site in FARMINGTON OAKS. No Owner shall have more than one Membership, except as expressly provided hereinafter.

Section 2. Member Class and Voting Rights. The Association (the "Board of Directors") or the "Board" shall have two (2) Class of voting Members:

Class A. Class A Members shall be all Owners with the exception of the Declarant, until its Class B Membership has converted to Class A Membership. Class A Members shall be entitled to one (1) vote for each dwelling unit or site in which they hold the required ownership interest.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each dwelling unit or site in which it holds the required ownership interest, provided that the Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs first:

(a) The total votes outstanding in Class A Membership equals the total votes outstanding in the Class B Membership; provided, that the Class B Membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B Membership to Class A Membership, as provided hereunder, and before the time stated in sub-paragraph (b) below, additional lands are annexed to the Properties without the assent of the Class A Members on account of the development of such additional lands by the Declarant, all within the times and as provided for herein, or

(b) 5:00 P.M. on the date that in seven (7) years after the recording of the Declaration in the Chatham County Registry. Thereafter, the Declarant may be entitled to one (1) vote per dwelling unit or site owned by it.

(c) The date specified by the Declarant in a written notice to the Association.

Section 3. Voting Right Suspension. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment of a Member remains unpaid according to the provisions of Article IV, Section 8.

Section 4. Voting. The total vote of the Association shall consist of the sum of the votes of the Class A Members and the votes of Class B Members present in person or by Proxy at a legally constituted meeting at which a quorum is present. The number of votes present at a meeting that will constitute a quorum shall be as set forth in the By-Laws, as amended from time to time. Notice requirements for all action to be taken by the Members of the Association shall be as set

forth herein as the same may be amended from time to time. Quorum and notice requirements shall be as provided in By-Laws except when otherwise specified in the Declaration.

When more than one person holds an interest in any dwelling unit or Lot, all such persons shall be Members; and the vote for such dwelling unit or Lot shall be exercised as they among themselves determine; however, in no event may more than one vote be cast with respect to any one dwelling unit or Lot owned by Class A Members and in no event shall fractional votes be allowed. When one or more Co-Owners signs a proxy or purports to vote for his or her Co-Owners, such vote shall be counted unless one or more other Co-Owners is present and objects to such a vote or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote is counted. Cumulative voting is not allowed.

A persons or entity's Membership in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, but such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of such ownership, or impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

Section 5. Right of Declarant to Representation on Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until December 31, 2015, or until Declarant shall have conveyed seventy-five percent (75%) of the Properties, whichever occurs first, Declarant (or its expressed assignee of the right granted in this section) shall have the right to designate and select any person or persons to serve on any Board of Directors, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association.

Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and replace such person or persons with another person or persons to act and serve in the place of any director or directors so removed. Any director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have pecuniary interest or other interest.

ARTICLE IV MEETINGS 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. Each subsequent regular meeting of the Members shall be held in the same month of each year thereafter unless a different date is fixed by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or Board of Directors of the Association, or by any Member pursuant to the

written request of the holders of not less than one-tenth of all votes of Class A and Class B Membership. 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 said notice.

Section 3. Place of Meetings. Meetings of the Members shall be held at such place, within Franklin County, as may be determined by the Board of Directors.

Section 4. Notice of Meeting. Except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws, written or printed notice stating the time and place of the meeting shall be delivered not less than ten nor more than fifty days before the date of any Membership meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each Member of record entitled to vote at such meeting; provided that such notice must be given not less than twenty days before the date of any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be deemed to be delivered to the Member at his address as it appears on the record of Members of the association, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is required by the provisions of the North Carolina Non-profit Corporation Act.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 5. Quorum. Except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws, the presence at the meeting of Members or of proxies entitled to cast, twenty percent (20%) of the votes appurtenant to each Class of Lots in combination (Class A and B) shall constitute a quorum for any action. 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 represented.

Section 6. Proxies. Voting may be either in person or by one or more agents authorized by a written proxy executed by the Member or by his duly authorized attorney in fact. 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 or may cease upon written notice of cancellation of proxy by Member.

Section 7. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a

meeting and filed with the Secretary of the Association to be kept in the minute book of the Association.

Section 8. Loss of Right to Vote. The vote of any Member who is shown on the books or records of the Association to be more than sixty (60) days delinquent in any payment due the Association shall not be an eligible vote and shall not be counted for purposes of deciding any question so long as such delinquency is not cured, nor shall such Member be eligible to be elected to not remain on the Board of Directors.

ARTICLE V BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors.

Section 2. Number, Term and Qualifications. The number of directors constituting the Board of Directors shall be three. At the first annual meeting of the Association after which transition to homeowner control has taken place, the number of Directors may be increased to five (5). At this first annual meeting after transition, the Members may elect one director to serve for a term of one year, two directors to serve for a term of two years, and two directors to serve for a term of three years, should they elect to increase the number of directors to five (5). If the Members elect to continue to maintain a board of three (3) Members, they shall elect a one, two and three year director. At subsequent annual meetings thereafter, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose term(s) is (are) expiring to serve for a term of three (3) years. Directors need not be Members of the Association.

Section 3. Election of Directors. Except as provided in Section 6 of this Article V, the directors shall be elected at the annual meeting of Members; and those persons who receive the highest number of votes shall be deemed to have been elected. If any Member so demands, the election of directors shall be by ballot. Cumulative and fractional voting are prohibited.

Section 4. Election. The directors may be elected by secret written ballot, if a Member so demands, at the annual meeting of the Members. In such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled under the provisions of Article III of these By-Laws. The persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any director may be removed at any time with or without cause, by a majority vote of the Members.

Section 6. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the selection of a successor by the remaining Directors, who shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Directors.

Section 7. Compensation. No Director shall receive compensation for any service he may render to the Association in the capacity of Director. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held at least quarterly, without notice and at such place and hour as may be fixed from time to time by the Board of Directors.

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.

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.

Section 4. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the action so taken is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the Directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of President, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

Section 6. Participation in Meetings by Means of Conference Telephone. Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone or similar communications device by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

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 Sub-Association Common Properties and the personal conduct of the Members and their guests thereon, and to establish fines and penalties for the infraction thereof;

(b) suspend a Member's voting rights during any period in which he shall be in default in the payment of any assessment levied by the Association pursuant to the provisions of the Declaration. Such rights may also be suspended after such notice and hearing as the Board, in its discretion, may determine, for a period not to exceed 60 days for infraction of the published rules and regulations of the Association;

(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 director shall be absent from three (3) consecutive regular meetings of the Board of Directors:

(e) employ a manager, independent contractors, or such other employees or agents as it may deem necessary and prescribe their duties. In the event a contract is entered into with a management company to manage the affairs of the Association, such contract must be terminable by the Board of Directors without cause or penalty on not more than ninety (90) days notice;

(f) employ attorneys to represent the Association when necessary;

(g) To execute deeds or other legal documents to effectuate the transfer of Association Common Areas as allowed under the Declaration; and

(h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

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 Members entitled to at least one-fourth (1/4) of the votes appurtenant to Class A Lots;

(b) supervise all officers, agents and employees of the Association and 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 before January 1 of each year;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days before January 1 of each year; and

(3) as to any Lot for which an assessment is not paid within sixty (60) days after it becomes due, bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against such Lot.

(d) issue, or cause an appropriate office to the Association 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 of Directors for the issuance of such certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as of the date of its issuance;

(e) procure and maintain adequate liability insurance covering the Association in an amount not less than \$1,000,000.00, and adequate hazard insurance if available at reasonable cost, and adequate hazard insurance on the real and personal 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 Association Common Properties and all facilities erected thereon including private streets to be maintained;

(h) establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements constructed on the Association Common Properties; and

(i) provide such notices to and obtain such consents from the Owners and holders of first deeds of trust on Lots within the Properties as is required by the Declaration or these By-Laws; and

(j) pay all ad valorem and public assessments levied against the real and personal property owned by the Association.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the 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 election of officers shall take place at the first meeting of the Board of Directors. Officers shall include a President, Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or be 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 whom 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. Any officer may resign at any time by 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.

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 follows:

(a) 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, promissory notes, mortgages, deeds and other written instruments, and, in the absence of the Treasurer, shall sign all checks.

(b) Vice Presidents: The Vice President shall act in the place instead of the President in the event of his death, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) 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 a seal, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association and their addresses, and perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year, and shall prepare an annual budget and a 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. Any or all of the duties may be delegated to a Management Company at the

order of the Board of Directors.

ARTICLE IX COMMITTEES

The Board of Directors of the Association may appoint a Nominating Committee, as provided in these By Laws, and shall appoint an Architectural Control Committee, as provided in the Declaration. The Board of Directors may appoint such other committees as it deems appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all time, during reasonable business hours, be subject to inspection by any Member or his authorized agent by appointment. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection at the principal office of the Association, where authorized copies, as outlined in a resolution by the Board of Directors, may be purchased at a reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in Article IV of the Declaration, each Member is obligated to pay to 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 eighteen percent (18%) per annum or the maximum interest rate charge as may be established by the Board of Directors, but said rate shall not exceed the maximum rate allowed under the laws of North Carolina. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot for which such assessment is due. Interest, costs, and reasonable attorneys' 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 Sub-Association Common Area or abandonment of his unit.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: WEYCROFT RESERVE HOMEOWNERS ASSOCIATION, INC.

**ARTICLE XIII
AMENDMENTS AND CONFLICTS**

Section 1. Amendments. 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 at a meeting duly called for such purpose, in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

Section 2. Conflicts. In 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
FISCAL YEAR**

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.

CERTIFICATION

I, the undersigned, do hereby certify:

1. That the original By-Laws have been lost or destroyed.
2. That I am the duly elected and acting secretary of Weycroft Reserve Homeowners Association, Inc., a North Carolina non-profit corporation.
3. That the foregoing By-Laws were duly adopted at a meeting of the Board of Directors held on the 26th day of May, 2011.

IN WITNESS WHEREOF, I hereunto subscribed my name under seal this 26th day of May 2011.

Secretary