

OF

PINEHURST MANOR HOMEOWNERS ASSOCIATION, INC.

## ARTICLE I

## PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership: The property located in MOORE COUNTY, NORTH CAROLINA, and more particularly described in the Declaration to which these By-Laws are attached has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act", by the Declaration recorded in the Office of the Register of Deeds of Moore County, North Carolina, simultaneously herewith. The Association of Unit Owners established in connection with such Declaration shall hereinafter be known as PINEHURST MANOR HOMEOWNERS ASSOCIATION, INC. (hereinafter called the "ASSOCIATION"). The Association shall not issue stock. Membership in the Association may be transferred only as an incident to the transfer of title to a Unit (made in accordance with requirements of the Declaration or these By-Laws) and shall become effective upon recordation of a deed conveying title to the Unit.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the administration of the property by the Association and to the use and occupancy thereof. The term "PROPERTY" shall include the land, the buildings and all other improvements thereon owned in fee simple absolute and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of the "Unit Ownership Act" by the Declaration and amendments thereto.

Section 3. Application: All present and future owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and rules and regulations made pursuant hereto, and any amendment to these By-Laws, upon the same being passed and duly set forth in an amendment to the

*DECLARATION. BULKY RESOURCES*

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-Laws and any rules and regulations made pursuant hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II

UNIT OWNER

Section 1.

Place of Meetings: All meetings of the Association of Unit Owners (hereinafter referred to as "UNIT OWNERS") of the Association shall be held at the Property or at such other place either within or without the State of North Carolina, as shall be designated in a notice of the meeting.

Section 2.

Annual Meeting: The first annual meeting of the members shall be held within one (1) year from the date that the first unit is conveyed from the Declarant to the first Unit Owner, and each subsequent regular annual meeting of the Unit Owners shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock p.m. If the day for the annual meeting of the Unit Owners is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.

Special Meetings: Special meetings of the Unit Owners may be called at any time by the President or by the Board of Directors, or upon written request of the voting members representing one-third (1/3rd) of all the Unit Owners.

Section 4.

Notice of Meetings: Written notice of each meeting of the Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days or more than fifty (50) days before such meeting to each Unit Owner entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such Unit Owner to the Association for the purpose of notice. Such

NOTICE SHALL SPECIFY THE PLACE AND DATE OF THE MEETING, AND

in the case of special meeting, the purpose of the meeting.

Quorum: The presence at the meeting of voting members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the Unit Owners shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Unit Owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6.

Voting Rights: There shall be one (1) person with respect to each Unit who shall be entitled to vote in any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "VOTING MEMBER". Such Voting Member may be the owner or one of the group composed of all of the owners of the Unit, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the owner or owners.

The voting rights of the membership shall be apportioned to the ownership of the units. There shall be two (2) classes of units with respect to voting rights:

(a) CLASS A UNITS. Class A Units shall be all units except

Class B Units, as the same are hereinafter defined.

Each Class A Unit shall entitle the owner(s) of said unit one (1) vote. When more than one (1) person owns an interest (other than a leasehold or security interest) in any unit, all such persons shall be members and the voting rights appurtenant to said unit shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any one Class A Unit.

(b) CLASS B UNITS. Class B Units shall be all units owned

by Declarant which have not been converted to Class A Units as provided in (1) or (2) below. The Declarant shall be entitled to three (3) votes for each Class B Unit owned by it. The Class B Unit shall cease to exist as such and shall be converted to Class A Units:

- (1) When the total number of votes appurtenant to the Class A Unit equal the total number of votes appurtenant to the Class B Units, or
- (2) On DECEMBER 31ST, 1987, whichever shall be earlier.

Section 7.

Cumulative Voting: In all elections for members of the Board of Directors, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. In the event of a tie for one or more positions on the Board of Directors, additional votes shall be held until each office is filled.

ARTICLE III

BOARD OF DIRECTORS - SELECTION; TERM OF OFFICE

Section 1.

Number: The affairs of this Association shall be managed by a Board of no less than three (3) directors, the majority of whom shall be members of the Association.

Section 2.

Term of Office: At the first annual meeting the members shall elect one (1) directors for a term of one (1) year, one (1) directors for a term of two (2) years, and one (1) director for a term of three (3) years; and at such annual meeting thereafter the members shall elect one (1) director for a term of three (3) years.

Section 3.

Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board AND SHALL SERVE FOR THE UNFINISHED TERM OF THE

Section 4.

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

Section 5.

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1.

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

Section 2.

Election: Election to the Board of Directors shall be by secret written ballot.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1.

Regular Meetings: Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

- Section 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any three (3) directors, after not less than three (3) days' notice to each director.
- Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### ARTICLE VII

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Powers: The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the Unit Owners and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a Unit Owner during any period in which such Unit Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing before the Board of Directors, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all power, duties and authority vested in or delegated to this Association and not reserved to the Unit Owners themselves by other provisions of these By-Laws, or the Declaration;
- (d) declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such

other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Unit Owners at the annual meeting of the Unit Owners or at any special meeting when such statement is requested in writing by one-third (1/3rd) of the Class A Unit Owners who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (1) fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Unit Owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association of Unit ~~Owners~~.

- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the common areas and facilities as more particularly set forth in the Declaration to be maintained;
- (h) impose and collect special assessments, if necessary, for the administration of the property of the Association, for repair and reconstruction or otherwise as provided by the Declaration or By-Laws.

#### ARTICLE VIII

##### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The officers of this Association shall be 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 following each annual meeting of the Unit Owners.

Section 3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of 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 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 follow:

(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, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

(c) Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Unit Owners; serve notice of the meetings of the Board and of the Unit Owners; keep appropriate current records showing the Unit Owners of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association of Unit Owners and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association of Unit Owners; keep proper books of account; cause an annual audit of the Association of Unit Owners' books to be made by a 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 Unit Owners at their regular annual meeting, and deliver a copy of each to the Unit Owners.

ARTICLE IX  
COMMITTEES

The Association shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X  
BOOKS AND RECORDS

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

ARTICLE XI

FINANCE AND ASSESSMENTS

Section 1. Depository: The funds of the corporation shall be deposited in a bank in Moore County, North Carolina, designated by the Board of Directors, in an account for the corporation under resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by any designated officer(s) of the corporation. All notes of the corporation shall be signed by any two officers of the corporation.

Section 2. Fiscal Year: The fiscal year for the corporation shall begin on the first day of JANUARY of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments:

(a) *THE BOARD OF DIRECTORS SHALL DETERMINE THE ASSESSMENT*

determine from time to time the sum or sums necessary and adequate for the common expenses of the condominium property. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common areas and facilities of the corporation, all insurance premiums and expenses relating thereto, taxes until separately assessed, and any other expenses designated as common expenses from time to time by the Board of Directors of the corporation.

The Board of Directors is specifically empowered, on behalf of the corporation, to make and collect assessments, and to lease, maintain, repair, and replace the common elements of the condominium. Funds for the payment of common expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing common expenses provided in the Declaration. Said assessments shall be payable monthly or quarterly in advance, as ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied, and paid in the same manner as hereinbefore provided for regular assessments.

- (b) When the Board of Directors has determined the amount of any special assessment, the Secretary-Treasurer of the corporation shall mail or present a statement of the assessment to each of the Owners. All assessments shall be payable to the Secretary-Treasurer of the corporation and upon request, the Secretary-Treasurer shall give a receipt for each payment made to him.

Section 4.

Delinquent Assessments: In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the corporation, through its Board of Directors, may proceed to enforce and collect the said assessment and interest at the rate of twelve percent (12%) per annum against the Unit Owner owing

the SAME in any MANNER provided for in North Carolina General

STATUTES §49A-29 AS REV AMY 17000 METERS, 2-1-1988-8 WITH AMEND

Section 5. Carolina Law, allowed by the Declaration or these By-Laws. Collection and Enforcement: In connection with any assessment, the corporation shall have all of the powers, rights and privileges and legal remedies provided for by the Declaration, Condominium Act, and North Carolina Law, concerning collection and enforcement. Further, in this connection, each Unit Owner shall be liable for his assessment in the same manner provided for by the Declaration, and shall likewise be responsible for reasonable attorney's fees, interest and costs incurred by the corporation incident to the collection of such assessment or enforcement of any lien held by the corporation for unpaid assessments.

Section 6. Foreclosure: Where the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to a unit as a result of foreclosure of a first mortgage (or deed in lieu of foreclosure) such purchaser, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid share shall be deemed to be common expenses collectible from all of the Unit Owners including such purchaser, his successors and assigns.

#### ARTICLE XII

##### MAINTENANCE AND REPAIR

Section 1. Units and Limited Common Areas: All maintenance and any regular repairs to any unit or limited common area, whether structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any common areas and facilities contained therein and no necessitated by the negligence, misuse or neglect of the owner of such unit), shall be made by the owner of such unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to common areas or limited common areas and facilities caused by his negligence, misuse or neglect.

Section 2. By the Board of Directors: All maintenance, repairs and

replacements to the common areas and facilities, whether located inside or outside the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

Section 3.

Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration, or improvement in or to his unit, without the prior written consent thereto of the Board of Directors. The Board shall have the obligation to answer any written request by any Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's unit, within thirty (30) days after such request, but failure to do so within the stipulated time shall not constitute a consent by the Board of Directors to the proposed addition, alteration or improvement.

Section 4.

Right of Access: A Unit Owner shall grant a right of access to his unit to the managing agent and/or any other person authorized by the Board of Directors or managing agent, for the purpose of making inspection or for the purpose of correcting any condition originating in his unit and threatening another unit or a common area or facility, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas and facilities in his unit or elsewhere in the buildings, or to correct any condition which violated the provisions of any mortgage covering another unit, provided that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In the case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not.

ARTICLE XIII

PROPERTY USES AND RULES OF CONDUCT

Section 1.

PROPERTY USES: In order to provide for a healthy, attractive and continual occupancy of the units by the owners and to protect the VALUE of each unit, the property shall be maintained in

their use as follows:

- (a) The units shall be utilized for residential purposes only.
- (b) No unlawful use shall be made of the units or any part thereof and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (c) No owner, unit occupant, guest, tenant or other individual shall park within the common area any boat, trailer, camper, bus, recreational vehicle, truck in excess of three-fourths (3/4ths) ton capacity, or similar vehicle, at any time without prior written permission of the president of the Association of Unit Owners.

- (d) No owner, unit occupant, guest, tenant or other individual shall attach, affix, erect or construct, nor shall they cause to be attached, affixed, erected or constructed, any window boxes, exterior decoration, apparatus for emitting or receiving any form of electro-magnetic radio signal, or any other device to the exterior portion of a unit without the express written consent of the Board of Directors.

Section 2.

Rules of Conduct: Rules and Regulations concerning the use of the units and the common areas and facilities may be promulgated and amended by the Board with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective. It shall further be the duty of the Board of Directors to assign parking spaces to each unit. Each unit shall be assigned two parking spaces.

ARTICLE XIV  
AMENDMENTS

Section 1.

These By-Laws may be amended, at a regular special meeting of the voting members, by a vote of two-thirds (2/3rds) majority of all members, whether or not said members are actually present, voting

by proxy, or absent. No modification or amendment shall be valid unless set forth in, or annexed to, a duly recorded amendment to the Declaration. No amendment to these By-Laws shall be effective unless approved by Declarant, until such time as Declarant's right to amend the Declaration to include additional property has expired.

Section 2. In the case of any conflict between the By-Laws and the Declaration, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the members of the Board of Directors of the PINEHURST MANOR HOMEOWNERS ASSOCIATION, INC., have herunto set our hands and seals on this the 15<sup>th</sup> day of February, 1985.

[Signature]  
DIRECTOR (SEA)

[Signature]  
DIRECTOR (SEA)


[Signature]  
DIRECTOR (SEA)

STATE OF NORTH CAROLINA - COUNTY OF MOORE

Before me, an official duly authorized to take oaths, personally appeared EMIL M. KEEN, REX D. WING and DONALD L. HANBACK, being all of the Directors of PINEHURST MANOR HOMEOWNERS ASSOCIATION, INC., on this 15th day of FEBRUARY, 1985.

WITNESS my hand and notarial seal, this the 15th day of FEBRUARY, 1985.

[Signature]  
NOTARY PUBLIC



My commission expires: 9/8/85



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Department  
of the  
Secretary of State

# State of North Carolina

To all to whom these presents shall come, Greeting:  
I, Thad Eure, Secretary of State of the State of  
North Carolina, do hereby certify the following and  
hereto attached ( 4 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

PINEHURST MANOR HOMEOWNERS ASSOCIATION, INC.

and the probates thereon, the original of which was  
filed in this office on the 30th day of May 1984,  
after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand  
and affixed my official seal.

Done in Office, at Raleigh, this 30th day  
of May in the year of our Lord 1984.



*Thad Eure*  
Secretary of State  
By *[Signature]*  
Department of State