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FOR REGISTRATION REGISTER OF DEEDS
REBECCA T CHRISTIAN
NEW HANOVER COUNTY, NC
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DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR BRIDGERS CREEK SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRIDGERS CREEK SUBDIVISION (the "Declarant") made as of this 9th day of May, 2001, by JOHN J. HOOTON and wife, SUSAN C. HOOTON and BRIDGERS CREEK, LLC, a North Carolina limited liability company (hereinafter collectively referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain real property comprising that residential subdivision known as, or to be known as, Bridgers Creek, and as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Declarant desires to insure the attractiveness of the Property and to preserve the values and amenities thereof; to establish a general plan of development as herein set out; to restrict the use and occupancy of the Property; and to provide for a method for the maintenance, repair, replacement and operation of the Common Area (as defined below).

NOW THEREFORE, Declarant hereby declares that the Lots (as defined below) and other property comprising the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions and easements set forth in this Declaration which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and be binding on all parties owning any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION
ADDITIONS THERETO

Section 1. Existing Property The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in new Hanover County, North Carolina, and is more particularly described on Exhibit "A"

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attached and incorporated herein (the "Existing Property").

Section 2. Additions to Existing Property. Additional property adjacent to or adjoining the Existing Property may be brought within the scheme of this Declaration and the jurisdiction of the Association (as defined below) by Declarant without the consent of the Association or its Members (as hereinafter defined); provided, however, that said annexations, if any, must occur within twenty (20) years after the date of the filing of this Declaration. Declarant shall not be obligated to subject any additional property to this Declaration. Such additions shall be made by filing a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional property in the New Hanover County, North Carolina, Public Registry, which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein.

ARTICLE II

DEFINITIONS

Section 1. "Association" means Bridgers Creek Owners Association, Inc., its successors and assigns.

Section 2. "Common Area" means any real property and property rights owned by the Association for the common use and enjoyment of the Owners and/or designated as "Common Area" on the Map of the Property, together with all improvements and facilities installed upon or used in connection with such real property and property rights. The Common Area shall include without limitations, the Association's rights (if any) in and to the Private Streets and access easements, parks and ponds.

Section 3. "Declarant" means JOHN J. HOOTON and wife, SUSAN C. HOOTON and BRIDGERS CREEK, LLC, and any successor thereof so designated as a Declarant hereunder, which successor has purchased all remaining Lots not theretofore sold by John J. Hooton and wife, Susan C Hooton and Bridgers Creek, LLC (or any successor Declarant) to third party purchasers. At any time, and from time to time, Declarant may relinquish any one or more of the rights granted to or reserved in favor of Declarant in this Declaration by written instrument recorded in the New Hanover County Public Registry, and from and after the recording of any such instrument, the Association shall thereafter have the power to exercise such

right and shall thereafter be responsible for all obligations and liabilities with respect to such right. At such time as Declarant ceases to be a Member of the Association, all rights granted to or reserved in favor of Declarant shall be deemed transferred to and exercisable by the Association, and the Association shall from and after such time be liable for all actions taken in the exercise of such rights, with the exception of the right of architectural control provided for in Article III of this Declaration, which shall be relinquished by Declarant only in the manner and at the time set forth in such Article.

Section 4. "Lot" means any plot of land, with delineated boundary lines, shown upon the Map and any other subdivision map of the Property recorded after the Map is recorded. In the event any Lot is increased or decreased in size by re-subdivisions or through recordation of new subdivision plats, any such newly plotted lot shall thereafter constitute a Lot for the purpose of this Declaration.

Section 5. "Map" means that certain map of the Existing Property as recorded in Map Book 40 at Page 394 in the New Hanover County, North Carolina, Public Registry, and the map(s) of any additions to the Existing Property which may be recorded by Declarant in the New Hanover County, North Carolina, Public Registry.

Section 6. "Member" means every person or entity who holds membership in the Association.

Section 7 "Mortgage" means any mortgage or deed of trust constituting a recorded first lien on a Lot.

Section 8. "Mortgagee" means the owner and holder of a mortgage at the time such term is being applied.

Section 9. "Owner" means the record owner, whether one or more person or entity, of fee simple title to any Lot which is a part of the Property, including contract sellers and owners of any equity or redemption, but excluding those having such interest in a Lot solely as security for the performance of an obligation.

Section 10. "Private Streets" means any streets and alleys marked as such on any Map of the Property and/or designated by Declarant as Private Streets. The Private Streets shall include all paved portions of such streets, adjoining curbs and gutters, irrigation systems, all storm drains, sanitary sewer lines, and other utility

facilities installed therein or thereunder, all landscaped medians therein, and adjoining landscaped areas within the full width of the rights-of-way of the Private Streets as shown on any Map or as designated in writing by Declarant.

Section 11. "Property" means the "Existing Property" described in Article 1, Section 1 hereof, and any additions thereto, as are or shall become subject to this Declaration and any Supplementary Declaration under the provisions of Article I, Section 2 hereof.

ARTICLE III

ARCHITECTURAL CONTROL

Section 1. Duration of Control. Because Declarant may develop areas adjoining the subdivision and bring same within the scheme of this Declaration. Declarant shall retain the right of architectural control as provided for in this Article III for twenty (20) years from the date of filing of this Declaration even though the Declarant at the time of any exercise of such control may not own a Lot. However, the Declarant may, at its sole option, surrender such right of architectural control at any time by a duly recorded written instrument, and, at such time, the Association shall have the power through an additional duly recorded written instrument to appoint an architectural review board (the "Architectural Review Board"), which Architectural Review Board, if so appointed, shall have the right of architectural control as described in this Article, and shall retain such right until said Architectural Review Board is terminated by a duly recorded written instrument executed by the Association.

Section 2. Extent of Control. No building, garage, fence, wall, sidewalk, hedge, mass planting, change in grade or slope, side preparation, swimming pool, tree house, childern's play house, sign, exterior illumination, monument or marker, driveway, utility facility, mailbox, well, tennis court, patio, deck, dock or pier, shrubbery, landscaping, or any other structure or improvement ("Improvements") shall be commenced, erected or maintained upon any Lot nor shall any exterior addition, change or alteration therein (including change of color) be made without the prior written approval or Declarant in its sole discretion. The areas over which Declarant shall have control shall include, but shall not be limited to, the size and plan of the principal residential structure, the location of the principal residential structure on the Lot, the size and plan of any attached or unattached garage or

other building, the location and manner of construction of any driveway, swimming pool, utility facility, patio, mailbox, driveway and landscaping monuments and markers or any other exterior improvements, the composition and color of all material used on the exterior of any structure and the location and type of any shrubbery. Declarant shall also have control over the removal of any tree or other vegetation from any Lot and no party shall grade, excavate upon or otherwise alter the topography of any Lot or remove any tree or other vegetation therefrom without obtaining the prior written approval of Declarant in accordance with its general plan of development. The Declarant reserves the right to control absolutely and solely and decide the precise site and location of any house or dwelling or other structure upon all Lots, provided however, that such locations shall be determined only after reasonable opportunity is afforded the Lot Owner to recommend a specific site

Section 3. Procedure. Any party requiring approval of any proposed Improvements to any Lot shall submit to Declarant plans and specifications showing in such detail and manner as Declarant shall require the nature shape, height, color, material and location of any such improvements. Declarant, in its sole and absolute discretion, may require in particular instances that such plans and specifications be accompanied by a plat prepared by a registered surveyor showing the location of the proposed Improvements on the Lot All decisions by Declarant shall be based on Declarant's discretionary determination as to whether any particular Improvement is suitable and harmonious with the development of the Property. Declarant's approval or disapproval of any proposed Improvement shall be in writing. In the event that Declarant fails to approve or disapprove any such proposed Improvement within thirty (30) days after complete plans and specifications in such detail as Declarant may require have been received by it, such plans and specifications shall be deemed approved. Subsequent to the approval of any plans and specifications, the Owner shall have the responsibility for making such Improvements in accordance with the plans and specifications as approved. Approval by Declarant of any proposed Improvements shall not constitute or be construed as approval of the structural stability, design, or quality of any Improvement or the compliance of any such Improvement with applicable laws and codes. Refusal or approval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which in the opinion of and the sole and uncontrolled discretion of Declarant shall be deemed sufficient.

In the event any Owner violates the terms of this Section, Declarant or its duly appointed agent shall, after thirty (30) days written notice to Owner to cure such violation and failure of Owner to so cure, be entitled to enter upon the Lot(s) of Owner and cure such defect including the removal of any Improvements built in violation hereof, all at the cost and expense of Owner. Any costs and expenses incurred by Declarant or such duly appointed agent in connection with the cure of any such violation shall be a lien upon such Lot(s), and upon the failure of such Owner to reimburse Declarant or such agent for such cots and expenses upon demand, Declarant or such agent may enforce such lien against such Lot(s) in the same manner as is provided for enforcement of the Association's lien for non-payment of assessments as provided for in Article VII, Section 8, hereinbelow. This right of the Declarant or its agent shall be in addition to all other general enforcement rights which the Declarant may have for a breach or violation of the terms of this Declaration and shall not be deemed a trespass by Declarant or its agents. Declarant reserves the right for reasonable needs, but shall not be obligated, to waive in writing any violation of this provision

ARTICLE IV

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions that shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Use of Lots. All lots and buildings shall be single-family residential lots and shall be used for residential purposes. The Developer may use one or more homes for offices and/or models for sales purposes. The foregoing shall not be construed to limit or prohibit offices within the home provided said offices are not open to the public or held out to be for public visitation, use or convenience.

Section 3. Subdivision of Lots. No Lot shall be subdivided by sale or otherwise so as to reduce the total Lot area shown on the Map, except by and with the written consent of the Declarant and

provided same is also permitted under applicable governmental regulations and private restrictions affecting said Lot. However, Declarant hereby expressly reserves unto itself, its successors and assigns, the right to re-plat any two or more Lots shown on the plat of any subdivision of the Property or Additional Property in order to create one or more modified Lots; to further subdivide tracts shown on any such subdivision plat into two or more Lots; to recombine one or more tracts or Lots or a tract and Lots to create a larger tract; to eliminate from this Declaration Lots that are not otherwise buildable or are needed for access, or for use as private roads or access areas, and to take such steps as are reasonably necessary to make such re-platted Lots or tracts suitable and fit as building sites or access areas or roadways, said steps to include, but not limited to, the relocation of easements, walkways, and rights of way to conform to the new boundaries of the said re-platted Lots.

Section 4. Right of First Refusal Respecting Unimproved Lots. Before any unimproved Lot may be sold or resold to any person, firm or corporation by any Owner thereof except Declarant or its successors, the Owner of such Lot first shall offer in writing to sell the Lot to Declarant, at a price and on terms designated by said Owner. If Declarant does not accept or reject in writing said offer of sale within seven (7) days of its receipt of the same, then the Owner of such Lot shall have the right to sell the Lot to any third party; provided, however, the sale of said Lot to such third party shall be at a price and on terms and conditions not less favorable to said Owner than the offer made to Declarant, and the closing of the sale of such Lot must occur within six (6) months after the offer by Owner to sell the Lot to Declarant. Any sale of a Lot at a price or on terms and conditions less favorable to said Owner than the offer made to Declarant, or which closes more than six (6) months after the offer made by such Owner to Declarant, will require separate compliance with the foregoing provisions of this Article IV, Section 4.

Section 5. Reserved Utility Easements. In addition to the easements reserved on the Map, the Declarant reserves for itself, and its successors and assigns, a permanent easement in and the right at any time in the future to grant a permanent right of way over, under and along an area uniformly ten (10) feet in width along the rear and front lines and five (5) feet in width along the side lines of each Lot for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary or useful for furnishing electrical power, gas, water, sewer,

telephone service and other utilities and drainage facilities. Within such areas no structures, plantings, fences or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may obstruct or retard the flow of water through drainage channels in such areas. The area of each Lot containing the easement and all improvements thereon shall be maintained continuously by the Owner of the Lot except for those improvements for which a public Authority or utility company is responsible. In the event that any Lot is subdivided pursuant to Section 3 hereof, an easement uniformly ten (10) feet in width shall exist both along the rear and front lines and five (5) feet in width along the side lines of the Lot both as shown on the Map and along the rear, front and side lines as exist upon the Lot as so subdivided; provided, however, that upon request by the Owner of the subdivided Lot, the Declarant may release the easement reserved along the rear, front or side line of the Lot if doing so would not interfere with the installation or maintenance of any utilities or the drainage within the Property. In the event two or more lots are combined into one Lot with the residence to be constructed over the common interior Lot lines, the side line easements reserved along the common interior Lot lines shall be released provided that the easements have not previously been used for the installation of utilities and their release shall not interfere with the drainage within the Property.

Section 6. Reserved Access Easements and Vegetative Easements. Access easements reserved on the Map for walking trails and pond perimeters are intended for nonvehicular access for Members and their guests. Pathways within these access easements may be cleared, mowed, graveled, decked, or paved by Declarant or the Association, and vegetative buffers may be planted and maintained by Declarant or the Association. Vegetative easements are also shown on the map, and within these areas there shall be no removal, cutting, pruning, or destruction of existing trees, bushes, shrubbery or other vegetation without prior approval of the Declarant.

Section 7. Easements Reserved for the Association. The Association is hereby granted an easement for the installation and maintenance of all of the Common Areas.

Section 8. Exterior Lights All light bulbs or other lights installed in any fixture located on the exterior of any building or on any Lot shall be clear, white or non-frost lights or bulbs, and

shall be low level (not fluorescent, neon, etc.). No street lights or other high intensity lights are permitted.

Section 9. Electrical Power. The Declarant reserves the right, at its option, to subject the Property, or any portion thereof, to a contract with Carolina Power and Light Company which may require a continuing monthly payment to Carolina Power and Light Company by the Association.

Section 10. Approval of Plans. Front, rear and side elevations, together with specifications on the exterior siding, square footage, windows, doors, roofing and exterior colors must first be submitted to Declarant for review and approval prior to the beginning of any construction, to include site work.

Section 11. Minimum House Size. A house shall contain not less than 2,400 square feet of heated living area. However, it is expressly understood and agreed that Declarant, in its sole discretion, may approve a 10 percent variance. All houses shall have a minimum two car garage.

Section 12. Building Placement. Since the establishment of inflexible building setback lines for location of houses on lots tends to force construction of houses directly to the side of other homes, with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines shall be established by this Declaration. Garages shall be designed so that the garage doors do not face the street. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any lot shall be controlled by and must be approved absolutely by the Declarant.

Section 13. Building Completion. The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner of builder, due to strikes, fires, national emergency or natural calamities.

Section 14. Number of Dwellings and Height. No structure shall be erected, altered, placed or permitted to remain on any Lot, except one single-family dwelling not to exceed two-and-a-half stories in height, unless the Declarant or its successor, as the case may be,

approves in writing a structure of more than two-and-a-half stories, and one or more small accessory buildings which may include a detached private garage or guest facilities.

Section 15. Limitations on Impervious Surfaces. All Lots are subject to the State of North Carolina rules and regulations concerning stormwater runoff as those rules and regulations are amended from time to time These regulations currently provide that the allowable built-upon area per lot is 8,710 square feet. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools Declarant reserves the right to recalculate the maximum allowable built-upon area in accordance with the stormwater runoff rules and regulations of the State of North Carolina. Drainage swales or drainage patterns used to treat stormwater runoff as required by the rules and regulations of the State of North Carolina may not be filled in, piped or changed without the consent of the Declarant, its designee, the Association, or the State of North Carolina and shall be maintained as provided herein. For curb and gutter projects, no one may pipe, fill in, or alter any lot line swale used to meed North Carolina Stormwater Management Permit requirements. The State of North Carolina is hereby made a beneficiary of this Declaration to the extent necessary to enforce its stormwater runoff regulations as the same may be amended from time to time. This paragraph cannot be changed or deleted without the consent of the State of North Carolina.

Section 16. Outbuildings and Similar Structures. No trailer, camper or other structure of a temporary nature shall be erected or allowed to remain upon any Lot and no trailer, camper, shack, tent, garage, barn, or other structure of a similar nature shall be used as a residence either temporarily or permanently upon any Lot; provided, however, that this Section shall not be construed to prevent the Declarant from permitting any party building a structure upon any lot to erect temporary structures during construction.

Section 17. Nuisances and Unsightly Materials. No noxious, offensive, or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance to the neighborhood. No rubbish, trash, leaves, tree

branches or other debris shall be burned on a lot at any time. No person may keep any animal upon any part of the Lot except that any Owner then occupying a residence upon a Lot may keep customary household pets upon such Lot provided that such pets are not kept, bred or maintained for any commercial purposes or in such a manner as to become a nuisance to the other Owners or residents of the subdivision and provided that such pets are kept in accordance with county ordinances and leash laws. No domesticated farm animal or fowl shall be kept on any part of the Property. No hunting for any bird or animal shall be permitted on any part of the Property.

All service utilities, fuel tanks, air-conditioning compressors, trash receptacles and wood piles are to be enclosed within a wall or plant screen of a type and size approved by the Declarant or its successor, so as to preclude the same from causing an unsightly view from any street or way within the Property or from any other residence within the Property. No fences shall be placed or permitted to remain on any lot without approval of the Declarant.

Section 18. Maintenance of Lots. Each Owner shall keep his Lot in an orderly condition and shall keep the Improvements thereon in a first class and suitable state of repair promptly repairing any damage thereto by fire or other casualty. No clotheslines may be erected or maintained on any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever or for the storage of any property or thing that will cause any noise that will disturb the peace and quiet of the occupants of surrounding Lots, and no trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish or other debris for collection by governmental or other similar garbage and trash removal units. Each Owner shall provide suitable receptacles for trash, rubbish, garbage or ashes, and such receptacles shall be located in a screened area not generally visible from the road, the adjoining Lots or from Common Areas. In the event that any owner fails or refuses to comply with any of the foregoing, the Declarant may demand that the Owner promptly comply with the same by mailing a notice thereof to the Owner at his address specified in the records of the Association and by posting such notice on the Lot. If the Owner has not complied therewith within five (5) days thereafter, the Declarant may enter and correct the same at Owner's expense. Each Owner by acquiring a Lot(s) subject to these restrictions, agrees to pay such cost promptly upon demand by Declarant Such

cost shall be a lien upon such Owner's Lot(s), and upon the failure of such Owner to pay such cost to Declarant upon demand, Declarant may enforce such lien against such Lot(s) in the same manner as is provided for enforcement of the Association's lien for non-payment of assessments as provided for in Article VII Section 8, herein below. No such entry as provided herein shall be deemed a trespass.

Section 19. Preservation of Trees, Natural Buffer. All landscaping, tree cutting an site preparation work to be performed shall be approved by the Declarant prior to any such landscaping, tree cutting and site preparation work being done. Plans must be submitted for approval to the Declarant and shall include a site plan with lot lines, building outlines, driveways and parking areas. Identification of trees for which removal is requested is required. Specifically, hardwoods with a caliper of 5 inches or more may not be cut or removed without the express written consent of the Declarant. Owners are encouraged not to cut any wild olive, eleagnes, hawapple, hawthorne, dogwood, oak , chinquapin, hickory, bay, cherry, holly, or cedar trees or shrubs, no matter the diameter.

Every effort shall be made to preserve existing trees during construction except those that the owner has the written consent of the Declarant to remove. Fencing and barricades should be employed to prevent root compaction. Trees damaged during construction should be treated as soon as possible.

Section 20. Mailboxes. Each lot shall have only one (1) mailbox and one (1) paper box which shall be mounted on a single post; all such boxes must be approved by Declarant. Such boxes may be provided by the Declarant or building contractor. Any such boxes shall be considered an improvement and must remain with the Lot, and shall be maintained by the Association. Boxes damaged beyond repair shall be replaced by the Association at the expense of the Owner of the Lot.

Section 21. Signboards. No signboard, billboard, or advertising sign of any description shall be displayed upon or above any Lot by an Owner, any building contractor or other party with the exception of the following signs, none of which may be affixed to a tree:

- Signs stating the name of the resident of any Lot and the street address, the design of which shall be furnished to Declarant and shall be subject to approval by Declarant.

- During the period of construction, the general contractor's sign, but no subcontractor's sign, shall be allowed.

Only the Declarant or general contractor may post signs "For Rent" or "For Sale" which signs shall not exceed two feet by three feet in dimension, shall refer only to the Lot on which it is displayed and shall be limited to one sign per Lot.

Section 22 Antennae. No satellite dishes (greater than 19" in diameter)or similar structure nor any radio or television aerial antenna or any other external electronic equipment or devises may be installed or maintained on any exterior portion of any structure erected on a Lot or elsewhere upon any Lot or within the Property without the prior written approval of Declarant.

Section 23. Common Area Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Association.

Section 24. Lease of Homes. No dwelling unit on any Lot shall be leased for transient or hotel purposes, nor may any Owner lease less than the entire dwelling unit, nor shall any lease be for any period of less than six (6) months. Any lease must be in writing and provide that the terms of the lease and occupancy of this dwelling shall be subject in all respects to the provisions of the Declaration, the By-Laws and Rules and Regulations of the Association and that any failure of any lessee to comply with the terms of such documents shall constitute a default under the lease.

Section 25. Parking Rights and Restrictions. Adequate off-stree parking shall be provided by the Owner of each Lot for automobiles and other vehicles owned and controlled by such Owner, members of the Owner's family or guests and invitees of the Owner. No automobiles, trucks, boats, jet skis, trailers of other vehicles shall be parked on the streets or the yards, including front, side and back yards of the Lots. All such vehicles and other property shall be required to be parked within the designated driveway and parking areas, except that all boats, vessels, jet skis or similar type item must be stored in an enclosed garage or in such other location that is not visible to the owners of other Lots, or the suers of a street or common area.

Section 26. Garages and Driveways. Garage doors shall be placed so as not to open toward or face the street. Driveway placement shall be subject to approval by Declarant In order to preserve a natural buffer between Bridgers Creek development and Dunbar Road, the Owners of Lots 31, 32, 33 and 34 with frontage on Dunbar Road are specifically required to have driveways connecting to interior Private Streets and are prohibited from using direct vehicular access to Dunbar Road.

Section 27. Private Boat Docks or Piers. In order to protect the marsh view from common areas, Owners of Lots 19, 20, 21, 22, 23, 24, 25 and 26 may construct piers or docks if such structures meet the following provisions:

- No pier or dock shall extend out in excess of 50 feet from mean high water, unless it has been specifically approved in writing by Declarant;
- No part of any pier or dock shall be situated beyond the extension of the side lot lines into the marsh, so as to be in front of neighboring lots;
- Any pier or dock must meet the provisions of the architectural review in Article III, and the New hanover County zoning ordinance, and the Coastal Area Management Act (CAMA) of the State of North Carolina.

ARTICLE V
THE ASSOCIATION

Section 1. Association Membership. Every Owner of a Lot shall be a member of the Association which Declarant may organize at any time of its choosing. Membership shall be appurtenant to and may not be separated from ownership of any Lot. When more than one person holds an interest in any Lot, all such persons shall be Members The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 2. Availability of Documents. The Association shall maintain current copies of the Declaration, the By-Laws and other rules and regulations concerning the Property as well as its own books, records, and financial statements, available for inspection by all Owners, mortgagees, and insurers and guarantors of Mortgages, upon reasonble notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

ARTICLE VI

COMMON AREA

PROPERTY RIGHTS AND OBLIGATIONS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right of enjoyment and easement in and to all Common Areas, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to and in accordance with the terms and provisions of this Declaration, including without limitation the following provisions:

a. The right of the Association to suspend the voting rights and enjoyment rights of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

b. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least a majority of the votes appurtenant to all Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this subsection shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of sewerage, utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements, in the opinion of said Board, are requisite for the convenient use and enjoyment of the property.

c. The right of the Association, with the assent of Members entitled to at least two-thirds (2/3) of the votes appurtenant to all Lots, to mortgage, pledge, deed in trust, or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of use.

a. Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by any members of the Owner's family who occupy the residence of the Owner

within the Property as their principal residence in new Hanover County, North Carolina.

b. Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the owner to his tenants or contract purchasers who occupy a residence within the Property as their principal residence in new Hanover County, North Carolina.

Section 3. Maintenance Responsibility of Association The Association shall have the responsibility of maintaining in good condition all Common Areas, including roadways, Private Streets, the entrance to Bridgers Creek, ponds, walkways, plantings and shrubbery, amenities, or other facilities or improvements constructed thereon, and shall pay all costs of operation thereof, including premiums associated with general liability insurance insuring the Association from liability arising from ownership and operation thereof which the Board of Directors may elect to purchase. Further the Association shall be responsible for adopting rules and regulations governing utilization of all Common Areas. The Association shall be obligated to accept ownership of all Common Areas designated on the Map or any other Property that by Supplementary Declaration is made subject to this Declaration. To the extent necessary, the Association may employ personnel necessary to perform its obligations.

The specific maintenance and upkeep obligations of the Association with respect to Lots include maintenance of mailboxes and paper boxes. Boxes damaged beyond repair shall be replaced by the Association at the expense of the Owner of the Lot.

The Association shall have no obligation to maintain the exterior of any building, or any other improvements on any Lot. The owner of each Lot shall have an affirmative obligation to maintain the Lot and the exterior appearance of all buildings, structures, and improvements as provided in Article IV, Section 18, hereof.

Section 4. Private Streets. As is indicated hereinabove, the Private Streets shall be part of the common Area. The Private Streets have been initially constructed by Declarant and are intended for the use and benefit of all Owners, their guests, employees, tenants and invitees for the purpose of ingress, egress and regress from portions of the Property to public streets by vehicle or otherwise. Neither the inclusion of the Private Streets on the Map nor the dedication of the Private Streets for the use

and benefit of the Owners shall be construed to be an offer to dedicate the Private Streets for public use. The Association shall, at its own expense, operate, repair, maintain, and reconstruct the Private Streets, including all paved portions thereof, all curb and gutter, all irrigation systems, and all storm drains, sanitary sewer lines, and other utility facilities installed therein or thereunder, all street signs and related improvements, and all landscaped medians therein. The Association shall have the right to establish rules and regulations governing the use of the Private Streets, including establishing speed limits thereon.

ARTICLE VII

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Every Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) general assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s), firm(s), or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them.

The Declarant is not required to pay general or special assessments to the Association for unsold lots, and nothing in this Article shall be construed to require such payments.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of the Property and in particular for the operation and maintenance of the Common Areas. The assessments shall also be used for the acquisition, improvement and maintenance of properties, services, utilities and facilities related to the use and enjoyment of the Property, the Lots and in particular, the Common Areas, including, but not limited to: the cost of all repair, replacement and additions thereto; the cost of operating

and maintaining the Private Streets; the cost of labor, including the cost for providing a guard for the guardhouse if a guardhouse is built by or for the Association as a capital improvement with a special assessment as provided in Section 4 hereof; equipment, materials, management and supervision thereof; the payment of taxes assessed against the Common Areas, the procurement and maintenance of insurance as permitted or required under the terms of this Declaration or the By-Laws, including without limitation casualty insurance on the Common Area, or any portion thereof, general liability insurance with respect to the Property, and directors' and officers' liability insurance for the directors and officers of the Association, any or all of which coverages the Association is hereby expressly authorized to obtain and maintain in such amounts as the Board of Directors shall deem prudent and reasonable; the employment of attorneys to represent the Association when necessary; payments of principal and interest on funds borrowed for Association purposes; and such other needs as may arise.

Section 3. Initial General Assessment. The initial general assessment, due and payable to the Association, shall be prorated and paid at the time of closing of the purchase of a Lot by an Owner, so that all payments thereafter shall be due on January 1 of each year or the due date(s) which may be set by the Board of Directors as is more fully set forth in Section 7 of this Article. All general assessments shall be fixed at a uniform rate for all Lots.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, repair, or replacement of any common amenities, private utility facilities, or capital improvements, repayment of indebtedness or interest thereon, borrowing of funds to make property comply with zoning ordinances, borrowing of money for capital improvement or pledging or mortgaging of Association property as security for loans, including fixtures and personal property related thereto, provided that any such assessment shall be approved by no less than a majority of the votes of the Members of the Association. All special assessments shall be fixed at a uniform rate for all Lots.

Section 5. Working Capital Assessment At the time title is conveyed to an Owner by Declarant, the Owner shall contribute to the Association as a working capital reserve an amount equal to

three months owners association dues. Such funds shall be used for initial operating and capital expenses of the Association, such as prepaid insurance, supplies, and furnishings, fixtures and equipment for the common areas, etc. Amounts paid into the working capital fund are not to be considered as advance payment of general assessments. Any remaining working capital funds shall become part of the general operating funds of the Association.

Section 6. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 hereof shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members owning one-half (½) of the Lots, or of persons holding proxies entitled to cast one-half (½) of all the votes appurtenant to all Lots, shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of General Assessments and Due Dates. The general assessments provided for herein shall commence as to each Lot on the date of conveyance of each Lot to an Owner other than Declarant. Each Lot owned by Declarant shall be exempt from any assessment unless a residence is constructed thereon, in which case an assessment shall be due from and after the date of issuance of a certificate of occupancy for such residence. The first general assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment period. Written notice of the general assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The Board of Directors shall require the general assessments to be paid at least annually but may require the general assessments to be paid more often The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law. The Association may bring an action at law

against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Lot in the same manner as is provided in the North Carolina General Statutes for foreclosure of mortgages under power of sale, and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area of abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot the is subject to any Mortgage pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any Mortgage

Section 10. Exempt Property. Each Lot owned by Declarant shall be exempt from any assessment unless a residence is constructed thereon. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VIII

GENERAL PROVISIONS

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

Section 2. Severability. Invalidation of any one of the covenants, conditions or restrictions of this Declaration by

judgment or court order shall in no way affect any of the other provisions not expressly held to be void And such remaining provisions shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions and restrictions of this Declaration shall run with the land and bind the Owners of Lots for a period of twenty (20) years from the date this Declaration is recorded, after which time such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of seventy percent (70%) of the Owners after the expiration of said twenty (20) year period. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Declarant and the Owners of not less than seventy percent (70%) of the Lots, thereafter by an instrument signed by the Owners of not less than seventy percent (70%) of the Lots. Any amendment must be properly recorded. For the purpose of this Section, an addition to the Existing Property as provided in Article I, Section 2 hereof shall not constitute "amendment".

Section 4. Additional Property. In the future, the Declarant may or may not develop additional property in the vicinity of the Property. In such event the Declarant may, in its sole and absolute discretion, either annex such additional property to the Property by recorded instrument, as hereinabove described, in which case each lot within the annexed area shall be considered a Lot hereunder, or Declarant may separately impose the same, additional, or lesser restrictions on such additional property or may impose no restrictions whatsoever on the development of such additional property. Nothing herein contained shall be construed to impose any restrictions on or easements in any land or property now or hereafter owned by the Declarant, other than the Property.

Section 5. Waiver of Unintentional Violations. Declarant reserves the right, but shall not be obligated, to waive in writing any violation of the designated and approved building location line or either side Lot line, provided that such violation does not exceeded ten percent (10%) of the applicable requirements and the violation thereof was unintentional.

ARTICLE IX

TEMPORARY WASTE DISPOSAL SYSTEM EASEMENT

Section 1. Temporary Easement. There shall be a temporary waste disposal system easement on Lot 14 for the benefit of Lots 1, 2, 3 and 4 all as shown on the Subdivision Map and described on Exhibit "B" attached and incorporated herein.

Section 2. Future Easements. Declarant reserves for itself and its successors and assigns the right to use any Lot in the subdivision for temporary waste disposal system purposes for the benefit of any other Lot within the Bridgers Creek Subdivision. The Declarant may unilaterally amend this Declaration to create such temporary waste disposal system easements hereafter at its sole discretion.

Section 3. Termination. All temporary waste disposal system easements shall terminate with 180 days from the date municipal or community waste disposal is available for hookup to the Subdivision. Any Lots benefitting from said temporary waste disposal system easements shall be required to tie into said municipal or community waste disposal system upon termination of said temporary waste disposal system easement(s).

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed and sealed by its manager, all as of the day and year first above written.

BRIDGERS CREEK, LLC

By: _____ (SEAL)
John J. Hooton, Manager

_____ (SEAL)
John J. Hooton

_____ (SEAL)
Susan C. Hooton

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

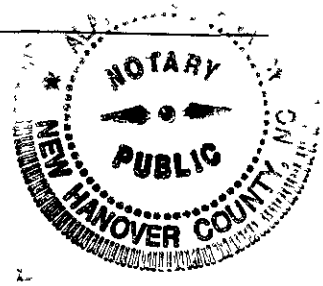
I, Alan M Solana, a Notary Public of the aforesaid County and State, do hereby certify that John J Hooton, Manager of Bridgers Creek, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the said limited liability company.

Witness my hand and notarial seal, this the 10th day of May, 2001.

Notary Public

My Commission Expires. May 30, 2004

(AFFIX NOTARIAL SEAL)



STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Alan M. Solana, a Notary Public of the aforesaid County and State, do hereby certify that John J Hooton and wife, Susan C. Hooton, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the 10th day of May, 2001

Notary Public

My Commission Expires: May 30, 2004

(AFFIX NOTARIAL SEAL)

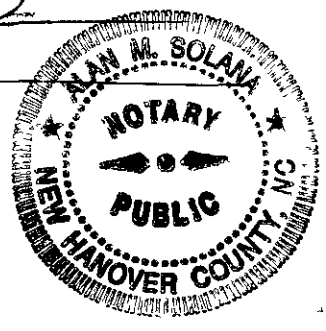


EXHIBIT "A"

BEING ALL of that certain tract of land as shown on map entitled "Boundary Survey of 37.1 Acre Tract for John J. & Susan C. Hooton" recorded in Map Book 40, at Page 4 of the New Hanover County Registry, reference to which is hereby made for a more particular description.

EXHIBIT "B"

The following describes the centerline of a 20 foot utility easement along the Western right-of-way of a proposed private street,

Beginning at a point in the Western line of a proposed street (Cedar Ramble Lane 50' R/W), said point being located the following courses and distances from the Southwestern corner of Seven Oaks Subdivision as show on a map recorded in Map Book 30 at Page 55 in the New Hanover County Registry, thence with the Northern line of Dunbar Road (S.R # 1490) South forty-four (44) degrees twenty-four (24) minutes twenty-four (24) seconds West seven-hundred eighty-eight and ninety one-hundredths (788 90) feet to a point, thence leaving Dunbar Road North forty-five (45) degrees thirty-five (35) minutes fifteen (15) seconds West fifty-six and eighty-five one-hundredths (56 85) feet to the beginning of a curve to the right, thence with said curve to the right having a radius of 165 00 feet to a point, said point being North twenty (20) degrees thirty-three (33) minutes sixteen (16) seconds West a chord distance of one-hundred thirty-nine and sixty-four one-hundredths (CH 139 64) feet from the preceding point, thence North four (04) degrees twenty-eight (28) minutes forty-four (44) seconds East one-hundred forty-five and twenty-five one-hundredths (145 25) feet to the beginning point, running thence from said beginning along the Western line of a proposed street with a curve to the right having a radius of 725.00 feet to a point of reverse curve, said point being North eighteen (18) degrees forty-three (43) minutes thirty-one (31) seconds West a chord distance of three-hundred forty-seven and seventy-eight one-hundredths (CH 347 78), thence with a curve to the left having a radius of 235 00 to POINT "A", said point being North thirteen (13) degrees fifty-seven (57) minutes five (05) seconds West a chord distance of seventy-one and eighty-eight one-hundredths (CH 71 88) feet from the preceding point, thence continuing with a curve to the left having a radius of 235 00 feet to a point, said point being North thirty-one (31) degrees thirty (30) minutes thirty-four (34) seconds West a chord distance of seventy-one and fifty-eight one-hundredths (CH 71 58 feet from the preceding point, thence continuing with a curve to the left having a radius of 235 00 feet to a point of reverse curve, said point being North seventy (70) degrees twenty-four (24) minutes thirty-nine (39) second West a chord distance of two-hundred thirty-six (CH 236 00) feet from the preceding point, this ends the centerline of a 20 foot utility along the Western line of said proposed street.

Thence with the centerline of a 20 foot utility easement beginning at POINT "A" in the above described easement, running thence from said beginning POINT "A" North fifty-four (54) degrees ten (10) minutes East fifty-one and nine one-hundredths (51 09) feet to POINT "B" in the Eastern line of the aforementioned proposed street, this ends the centerline of a 20 foot utility easement crossing said proposed street,

The following describes a tract for a wastewater disposal field easement,

BY-LAWS
OF
BRIDGERS CREEK OWNERS ASSOCIATION, INC.

ARTICLE I

General

A Principal Office: The principal office of BRIDGERS CREEK OWNERS ASSOCIATION, INC. shall be located at 2313 Parham Drive, Wilmington, North Carolina 28403.

B. Registered Office· The registered office of the association, which by law is required to be maintained in the State of North Carolina, shall be located at 2313 Parham Drive, Wilmington, North Carolina 28403, or at such other place within the State of North Carolina as may, from time to time, be fixed and determined by the Board of Directors

C. Other Offices· The association may have offices at such other places, either within or outside the State of North Carolina, as the Board of Directors may from time to time determine.

D. Definitions: As used herein, the term "Association" is as defined in the Declaration of Covenants, Conditions and Restrictions for Bridgers Creek Subdivision (hereafter "Declaration of Restrictions"), recorded in the New Hanover County Registry; all definitions set forth in that Declaration, to which these By-Laws are attached, shall be applicable herein, unless otherwise defined.

As used in these By-Laws, "common areas and facilities" shall include the portion of the Property owned, in undivided interest, by all the Owners, as set forth in the Declaration of Restrictions and map of the project referred to herein below, and any and all real property, together with improvements, fixtures and appurtenances thereto, all fixtures and personal property, all rights and privileges, and such other possessory or use interests in land or facilities owned by or available for use by the Association.

ARTICLE II

Members

A. General· The membership shall mean and refer to every person or entity who is an owner of a lot in Bridgers Creek

Subdivision as shown on Map recorded in Map Book 40, at Page 394 of the New Hanover County Registry, as may be amended from time to time, as defined in the Declaration of Restrictions recorded in the Office of the Register of Deeds of New Hanover County North Carolina, and membership in the Association shall be limited to the owners of those lots.

B Class: There shall be only one class of members. The voting rights of the members shall be as set forth in Article III of these By-Laws.

C. Transfer of Membership and Ownership: Membership in the Association may be transferred only as an incident to the transfer of the transferor's lot, and such transfer shall be subject to the procedures set forth in the Declaration of Restrictions.

ARTICLE III

Meeting of Members

A. First Annual Meeting. The first annual meeting of the members shall not take place until the earlier of (1) the transfer by Declarant of all lots, or (2) notice by Declarant of the annual meeting, or (3) the last Saturday in June, 2002.

B. Annual Meeting: The annual meeting of the members subsequent to the first annual meeting shall be held on the first Saturday in June of each year at 9:30 a.m. for the purpose of transacting business as may be necessary or appropriate at the principal office of the Association. If the date of the annual meeting is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday.

C. Substitute Annual Meeting: If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in the manner provided for in the call of the special meeting in accordance with the provisions of Section D of this Article III and substitute meetings so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

D. Special Meetings: Special meeting of the members may be called at any time by the President or by a majority of the Board of Directors.

E. Place of Meetings: All meetings of members shall be held at the principal office of the Association except that a meeting may be held at a place, within or outside the State of North Carolina, as may be designated in a duly executed waiver of notice of such meeting or as may be otherwise agreed upon in advance by a majority of the members entitled to vote at such a meeting.

F. Notice of Meetings Written or printed notice stating the time and place of the meeting shall be delivered no less than fourteen nor more than thirty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting, to each member 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 when deposited in the United States Mail, addressed 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 subject matter of the business to be conducted

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 in any one adjournment, 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.

G Voting Lists: At lease ten days before each meeting of the members the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting, with the address of each member, which list shall be kept on file at the registered office of the Association for a period of ten days prior to such meeting, and shall be subject to inspection by any member. The aforementioned list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting

H. Quorum: Except as otherwise provided by statute, or by the Charter of the Corporation, or by these By-Laws the presence in

person or by proxy of a majority of the members entitled to vote at the meeting shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority in interest of the members entitled to vote, present in person or by proxy, may adjourn the meeting from time to time. At any such adjourned meeting, at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been there present. The members present in person or by proxy at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

I Voting: There shall be appurtenant to each lot a total of one vote for the members who are Owners of that lot. It is the intent that each lot will have only one vote regardless of the number of members who may claim an ownership interest in that lot. If more than one person or entirety owns a lot, they shall file a certificate with the Secretary naming the person authorized to cast votes for that lot If the same is not on file with the Secretary, the vote of any co-owner present at the meeting shall be accepted as the vote of all co-owners of each lot.

At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. A proxy must be in writing and filed with the Secretary not later than the time that meeting is called to order. Every proxy shall be revocable and shall automatically be revoked when the person who appointed the proxy attends the meeting or ceases to have voting privileges in the corporation. Votes represented by proxy shall be counted in determining the presence or absence of a quorum at any meeting.

J. Informal Action by Members· Any action that may be taken by the members of a meeting thereof may be taken without a meeting of the members if a consent in writing, setting forth the action taken, shall be signed by all of the persons who would be entitled to vote such action at a meeting and filed with the Secretary of the Association. Any consent so filed with the Secretary of the Association shall be filed in the corporate minute book in like manner as minutes of a meeting. Any such consent shall have the same force and effect as a unanimous vote of members

K. Order of Business: The order of meetings of the members, as far as practical, will be:

1. Roll call and certification of proxies;
2. Proof of Notice of Meeting or Waivers of Notice,
3. Reading of Minutes of prior Meeting;
4. Officers' Reports;
5. Committee Reports,
6. Approval of Budget;
7. Election of Directors;
8 Unfinished Business;
9. New Business, and
10. Adjournment.

ARTICLE IV

Organization

The property, affairs and business of the Association shall be managed by a board of Directors, which Board, other that the first Board of Directors, shall be elected by the members of the Association. The board shall elect officers of the Association, including a President, Secretary, and Treasurer, and such other officers and assistant officers as, from time to time, may be deemed necessary, who shall carry out such functions and duties as are prescribed by these By-Laws and the Board

ARTICLE V

Board of Directors

A. First Board: The first Board of Directors shall consist of three Directors, who shall be John J. Hooton, John Galarde and Ray C. Moore, who shall hold office and exercise all powers of the Board.

B. Number: Not later than the termination of any period of Declarant control, the lot owners shall elect an Executive Board of at least three members, all of whom must be lot owners.

C. Term: The first Board of Directors elected by the members shall be elected to serve until such time as the annual meeting is held, and thereafter, for one year terms, being elected at the annual meeting of the members.

D. Election of Directors: Except as provided in this Article, the Directors shall be elected at the annual meeting of

members and the persons who shall receive the highest number of votes be elected Directors.

E. Cumulative Voting: There shall be no right of cumulative voting for the election of Directors.

F. Removal of Directors: the Board of Directors or any individual Director may be removed form office with or without cause at any meeting, at which a quorum is present, by a vote of a majority of the members entitled to vote at an election of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting.

G. Vacancies· A vacancy in the Board of Directors created by an increase in the authorized number of Directors or in the required number of Directors shall be filled only be election at an annual meeting of members or at a special meeting of members called for that purpose. Any vacancy in the Board of Directors created other than by an increase in the number of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director. The members may elect a Director at any time to fill any vacancy not filled by the Directors. In the event of the resignation of a Director to take effect at a future date either the Board of Directors or the members, at any time after tender of such resignation, may elect a successor to such Director to take office as of the effective date of such resignation.

H. Compensation: No compensation shall be paid to members of the board for services. However any Director may be reimbursed for his actual expenses incurred in the performance of his duties as long as such expense receives approval of the Board and is within the approved Association budget.

I. Resignations: Any Director may resign at any time by giving written notice to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the President or the Secretary of the Association.

J. Actions of First Board: The undertakings and contracts authorized by, and all acts taken by, the first Board of Directors shall be binding upon the Association in the same manner as though such undertakings, contracts and motions had been authorized by a

Board of Directors duly elected by the membership, so long as such undertakings may be exercised by the Board of Directors of the Association in accordance with all applicable documents and these By-Laws.

K. Powers and Duties: All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common laws and statutes, these By-Laws and the Declaration of Restrictions Such powers and duties shall be exercised in accordance with said By-Laws and the Declaration of Restrictions, and shall include, without limiting the generality of the foregoing, the following powers:

(1) To make, levy and collect, regular and special assessments against the members and members' lots to defray the costs of the association and its facilities and to use said proceeds in the exercise of the powers and duties of the Association;

(2) To establish the time within which payment of assessments are due;

(3) To use and expend the assessments collected to manage, replace, operate, maintain, care for and preserve the lot improvements, and common areas and facilities, except those portions thereof which are required to be managed, repaired, replaced, operated, maintained, cared for and preserved by the owners;

(4) To maintain, care for, preserve, repair, replace, operate and manage the common areas and facilities, whenever the same is required to be done and accomplished by the Association for the benefit of its members, and further to approve any expenditures made or to be made for the same;

(5) To purchase the necessary equipment and tools required in the maintenance, repair, replacement, management, operation, care and preservation referred to herein;

(6) To enter into and upon the lots when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care, preservation, repair, replacement, management and operation;

(7) To insure and keep insured the common areas and facilities against loss from fire and/or other casualty, and the lot owners against public liability, and to purchase such other insurance as the Board may deem advisable including insurance against Director's liability;

(8) To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws, the terms and conditions of the Declaration of Restrictions, and the Rules and Regulations of the Association;

(9) To carry out the obligations of the Association under and restrictions and/or covenants running with the land submitted to ownership of this Association or its members;

(10) To designate, as the Board deems appropriate, assigned parking spaces for each lot, visitors, service vehicles, and other vehicles;

(11) To compensate, employ, designate and remove personnel necessary for the maintenance, repair, management, operation, care, preservation and replacement of the common areas and facilities;

(12) To make, amend, and enforce Rules and Regulations governing the use of the common areas and facilities and lots provided that such Rules and Regulations and amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration of Restrictions, to enforce by legal means or proceedings, the provisions of the Rules and Regulations so promulgated and to establish, levy, and collect fines, assessments, and penalties for violations of such Rules and Regulations;

(13) To impose a special assessment (against any owner), not to exceed $50.00 for each occurrence, or the violation by the owner or his guests of any Rules or Regulations adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration of Restrictions. (Such assessment shall be

in addition to any costs incurred or to be incurred by the Association as a result of the violation of the rule, regulation, By-Law or provision,)

(14) If any lessee, renter or guest fails to comply with the terms of the Declaration of Restrictions, Rules and Regulations, or these By-Laws, any written or oral lease or rental agreement may be terminated and such lessee, renter or guest may be removed from a lot;

(15) To propose and adopt an annual budget for the Association,

(16) To reconstruct any part of the common areas and facilities after casualty and to make further improvement to the common areas and facilities, real or personal, and to make and to enter into any and all contracts, necessary or desirable, to accomplish said purposes;

(17) To acquire, purchase, operate, rent, lease, manage, and otherwise trade and deal with property, real and personal, including lots and improvements (except lots previously sold and deeded to owners) in the property as may be necessary or convenient;

(18) To acquire now or at any time hereafter, and to enter into leases and agreements whereby the Association acquires ownership, leaseholds, memberships, and other possessory or use interest in lands or facilities including, but not limited to, swimming pools, tennis courts, decks and other recreational facilities whether or not contiguous to the lands of the project to provide enjoyment, recreation or other use or benefit to the owners of lots;

(19) To contract for the management of the property and common areas and facilities and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Restrictions to have approval of the Board of Directors or membership of this Association; provided, however, that all such contracts shall be terminable by either party without cause upon ninety (90) days written notice;

(20) To pay all taxes and assessments which are or may become liens against any part of the common areas and facilities, other than lots and the appurtenances thereto, and to assess the same against the members and their respective lots subject to such liens; and

(21) To grant or withhold approval of any action by one or more lot owners or other persons entitled to the occupancy of any lot which would change the exterior appearance of any building thereon or of any other portion of the project, or elect or provide for the appointment of an Architectural Control Committee, the members of which must have the same qualifications as officers to grant or withhold such approval.

L. Liability: The Directors shall not be liable to the members except for their own individual willful misconduct, bad faith or gross negligence.

ARTICLE VI

Meeting of Directors

A. First Meeting: The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the annual meeting at which they were elected, provided a quorum shall be there present, or as soon thereafter as may be practicable.

B. Annual Meetings: An annual meeting of the Board of Directors may be held immediately before the annual meeting of members.

C Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any Director.

D. Place of Meetings: All meetings of the Board of Directors shall be held at the principal office of the Association except that such meetings may be held at such other place, within or without the State of North Carolina, as may be designated in a duly executed Waiver of Notice of such meeting or as may be otherwise agreed upon in advance of the meeting by a majority of the Directors.

E. Notice of Meetings: The first meeting of the new Board of Directors may be held without notice. Other meetings shall be called on not less than seven days prior notice. Notice of a special meeting need not state the purpose thereof and such notice shall be directed to each Director at his residence or usual place of business by mail, cable, telegram or may be delivered personally. The presence of a Director at a meeting shall constitute Waiver of Notice of that meeting except only when such Director attends the meeting solely for the purpose of objecting to the transaction of any business thereat, on the grounds that the meeting has not been lawfully called, and does not otherwise participate in such meeting.

F. Quorum and Manner of Acting: A majority of the number of Directors fixed by these By-Laws as the number of Directors of the Association shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors. Except as otherwise expressly provided in this Article, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

G Informal Action of Directors Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

H. Order of Business: The order of business at all meetings of the Board shall if practical be as follows:

1. Roll call;
2. Proof of Notice of Meeting or Waiver of Notice;
3. Reading of Minutes of last meeting;
4. Consideration of communications;
5. Election of necessary Directors and Officers;
6 Reports of Officers and Employees;
7. Report of Committees;
8. Unfinished business,
9. Original resolutions and new business, and
10. Adjournment

ARTICLE VII

Officers

A Election· The Board of Directors shall elect the following officers of the Association: President, Secretary and Treasurer. The election of officers shall take place at the first meeting of the Board of Directors following the annual meeting of the members.

B. Term: Each Officer, except such officers as may be appointed in accordance with the provisions of this Article, shall hold office until the first meeting of the Board of Directors held after the annual meeting held next after his election or until his successor shall have been duly chosen and qualified or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.

C. Removal and Resignation: Any Officer elected or appointed may be removed by the person or persons authorized to elect or appoint such Officer whenever in their judgment the best interests of the Association will be served thereby. 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.

D. Subordinate Officers and Agents: The Board of Directors, from time to time, may appoint other officers or agents, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties.

E. 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.

F Duties: The duties of the officers are as follows:

(1) President: The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and the Board of Directors; he shall sign, with the Secretary, or any other proper officer of

the Association thereunto authorized by the Board of Directors any deeds of trust, mortgages, bonds, contracts, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; he shall see that all orders and resolutions of the Board are carried out; he shall have general supervision and direction of the other officers and agents of the Association and shall see that their duties are properly performed; he shall submit a report of the operations of the Association for the fiscal year to the Directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association shall require to be brought to their notice; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

(2) Secretary: The Secretary shall: keep the minutes of the meetings of the members and the Board of Directors; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; keep a register of the post office addresses of each member which shall be furnished to the Secretary by such member; have general charge of he membership list of the Association; keep or cause to be kept in the State of North Carolina at the Association's registered office or principal place of business a record of the Associations's members, giving the names and addresses of all members and prepare and cause to be prepared voting lists prior to each meeting of members as required by law; and in general perform all duties incident to the office of Secretary and such other duties as form time to time may be assigned to him by the President or by the Board of Directors.

(3) Treasurer: The Treasurer shall: keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board; shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President

and Directors, at the meetings of the Board, or whenever they may require it, and account of all his transactions as Treasurer and of the financial condition of the Association, such records to be open to inspection by members at reasonable times; may, at the election of the Board, be required to give the Association, at the Association's cost, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from whatever kind in his possession belonging to the Association; shall, with approval of the Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated to, and the condition of performance imposed upon, such personnel, but, in such event, the Treasurer shall retain supervisory responsibilities; shall co-sign all promissory notes with the President; shall prepare the annual budget and statement of income and expenditures which shall be approved by the Board before all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or President.

G. Compensation: No compensation shall be paid to any officer for his services. However, any officer may be reimbursed for his actual expense in the performance of his duties, as long as such expense receives approval of the Board and is within the approved budget.

H. Duties of Officers May be Delegated· In case of the absence of any officer of the Association or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or a Director for the time being, provided a majority of the entire Board of Directors concurs therein.

ARTICLE VIII

Finances and Fiscal Management

A Fiscal Year: The fiscal year of the Association shall be from May 1st through April 30th

B. Assessments:

(1) The Board shall determine from time to time the sum or

sums necessary and adequate for the costs of performing the functions, objects and purposes of the Association and the common expense of the Association properties and shall adopt a budget for each calendar year. At the annual meeting of the members, such budget shall be submitted to the members for approval provided that a summary of the budget shall be mailed to the lot owners at such addresses as will be provided by said owners no more than thirty (30) days prior to nor less than fourteen (14) days prior to the annual meeting. As approved, the budget shall constitute the basis for all regular assessments against lot owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include, but are not limited to, expenses for the operation, care, preservation, management, maintenance, repair or replacement of the common areas and facilities and Association property, costs of carrying out the purposes, powers and duties of the Association, insurance premiums and expenses, office expense, utility services, management fees, costs of maintaining, repair, replacing, operating managing and caring for properties owned or available for use by the Association and all other rights, privileges, and other possessory or use interests in lands or facilities whether or not contiguous to the lands of the project which are owned, held available for use by the Association, and an other expenses designated as common expenses form time to time by the Board of Directors of the Association. Provided, however, the annual assessment may not be increased more than five percent (5%) above the maximum assessment for the previous year without an affirmative vote of a majority of the membership.

(2) The Board is specifically empowered on behalf of the Association to make and collect assessments and to care for, preserve, manage, operate, maintain, repair and replace the common areas and facilities and Association property. Funds for the payment of common expenses shall be assessed against the lot owners in the proportions or percentages of sharing common expenses provided in the Declaration. Assessments shall be payable periodically as determined by the Board

(3) Special assessments for common expenses not adequately funded through the regular assessments may be required by the Board and shall be levied and paid in the same manner as hereinbefore provided for regular assessments. Notwithstanding any of the foregoing, no special assessment of any nature may be levied by the Board without the assent of two-thirds (2/3) of the Association members who are voting in person or by proxy, at a meeting duly called for the purpose of voting on any such assessment.

(4) Special assessments against any owner for any purpose authorized by the Declaration, shall be levied at such time as is determined by the Board.

(5) When the Board has determined the amount of any assessment, the President or Treasurer of the Association (or the personnel to whom such authority has been delegated) shall mail or present a statement of assessment to each of the assessed owners. All assessments shall be payable to the Association, and upon request, the President or Treasurer or their designated agent shall give a receipt for each payment made.

(6) The Board may enter into a management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the Declaration of Restrictions.

(7) All assessments not paid within thirty (30) days after the same shall be due shall bear interest at the rate of eight percent (8%) per annum until paid.

C. Expenses of Assessments: In any year in which there is an excess of assessments received over amounts actually used or payable for the purposes described in these By-Laws and in the Declaration, such excess shall, unless otherwise determined by the Board of Directors of the Association, be deposited in a capital reserve account for use in replacement, repair or maintenance of the common areas and facilities of the Association or Association property.

ARTICLE IX

Committees

A. Committees: The Board may establish by resolution adopted by a majority of Directors, such committees which it deems necessary or desirable to carry out the purposes of the Association.

B. Committee Chairman and Members: The Chairman of all committees shall be appointed by and serve at the pleasure of the Board. Each committee shall contain one or more members of the Board.

C. Committee Reports: The Chairman of each committee shall

make a report to the President in writing of committee meetings and activities.

D. Authority: Unless specifically authorized in writing by the Board of Directors or the President, a committee Chairman or a committee shall have no authority to legally obligate the Association or incur any expenditure on behalf of the Association

ARTICLE X

Easements

In the event that any part of the buildings or improvements as presently constructed which are intended to be a part of the project shall encroach upon any common property, common areas or facilities, or property owned, held or used by the Association, then an easement appurtenant to such lot, building or improvement shall exist for the continuation of such encroachment for so long as such encroachment shall naturally exist.

ARTICLE XI

Notices

A. Definition: Whenever by statutory law, the Declaration or these By-Laws, notice is required to be given to any officer, director, or member, it shall be given in writing by mail, by depositing the same in a post office or letter box in a post-paid, sealed envelope, addressed as appears on the books of the Association, unless otherwise specifically stated herein.

B. Service of Notice-Waiver: Whenever any notice is required to be given by statutory law, the Declaration of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

C. Address: The address for notice to the Association shall be that of the Registered Agent for service of process of the Association.

ARTICLE XII

Suspension of Rights

The Board may suspend, by a majority vote of the Board, the voting rights and right to hold office of a member during any period in which the member shall be in default in the payment of any dues, assessments, penalties or fines, imposed by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for a violation of the Association's Rules and Regulations, these By-Laws or the Declaration.

ARTICLE XIII

Books and Records

The books, records and papers of the Association shall, at any reasonable time, be subject to inspection by any member, or his agent or attorney, for any purpose.

ARTICLE XIV

Rules of Order

All meetings of the members and Board of Directors shall be governed procedurally by Roberts Rules of Order, Revised, unless suspended by two-third vote of the members present and entitled to vote.

ARTICLE XV

Assets of the Association

The Association shall hold, own, maintain, manage, control, repair, preserve, replace, care for and operate any and all real property, together with appurtenances, fixtures, all rights and privileges, and other possessory or use interest in land, facilities, and roads and streets which may be conveyed to, or made available for use by the Association, the Declarant of the project, or by any other person, firm, corporation or entity, or belonging to, or made available for, the Association, for the use, enjoyment, health, safety and welfare of the owners of said lots and the residents within said project.

All such real property together with appurtenances, fixtures and improvements thereto, personal property, fixtures, rights and privileges, including riparian rights, and other possessory or use interests in land or facilities owned by, belonging to, or made

available for, the Association shall be treated, except as otherwise specifically in the By-Laws provided, as common areas and facilities of Bridgers Creek Subdivision project for purposes of managing, controlling, repairing, replacing, preserving, caring for, operating and otherwise dealing with for the use, health, safety, and welfare of the owners of those lots and the residents within the project as herein provided.

The costs and expenses of holding, owning, maintaining, managing, controlling, repairing, replacing, preserving, caring for and operating all common areas of Bridgers Creek Subdivision shall be "common expenses" and included in the budget for each fiscal year for the Association and all provisions of these By-Laws shall apply thereto.

ARTICLE XVI

Qualifications for Tax Exemption

No part of the net income, if any, or earnings of this Association shall inure to the benefit of any officer, member or director of the Association, or any other private individual either during the Association's existence or in the event of its dissolution In the event of the dissolution of the Association for any cause or reason, any assets remaining after the payment of creditors, debts and other costs and expenses incident to the dissolution, shall be distributed, transferred, and paid over to such qualified association or organizations having purposes similar to those set forth in Article V of the Articles of Incorporation as shall be selected by the Board of Directors of the Association.

ARTICLE XVII

Contracts, Loans, Checks, Drafts and Deposits

A. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

B. Loans: No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

C. Checks and Drafts: All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President, and Secretary or Treasurer of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

D. Deposits· All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select

ARTICLE XVIII

Default

A Enforcement of Lien for Assessments: In the event an owner does not pay any sums, charges, or assessments required to be paid to the Association by the due date, the Association, acting on its own behalf or through the Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled, in accordance with the Declaration and the statutes made and provided or both.

B. Governmental Liens and Assessments: In the event that an owner fails to pay any tax or assessment lawfully assessed by any governmental subdivision within which the property is situated, by the date such tax or assessment is due, the Board may pay the same from the funds of the Association and specifically assess such owner for the amount paid.

C. Foreclosure: If the Association becomes the owner of a lot by reason of foreclosure, it shall offer said lot for sale and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, funds necessary to discharge any liens or mortgages of record, and any and all expenses incurred in the resale of the lot, which shall include, but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the lot in question. All monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of the lot.

D. Other Remedies: In the event of violation of the

provisions of the Declaration, as the same are defined in the Declaration, for thirty (30) days after notice from the Association to the lot owner to correct such violation, the Association, on its own behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of the Declaration, or may sue for damages, or take such other course of action, or other legal remedy as it or they may deem appropriate.

E. Legal Costs: In the event any legal action is brought against an owner and results in a judgment for the Association, the owner shall pay the Association's reasonable attorney fees, costs of collection, and court costs.

F. Intent: Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and other violations regardless of the harshness of the remedy available to the Association and regardless of the availability of the other equally adequate legal procedures. It is the intent of all owners of lots to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect these monies due and owning it, and to preserve each owner's right to enjoy his lot, free from unreasonable restraint and nuisance.

ARTICLE XIX

Rules and Regulations

In addition to the other provisions of these By-Laws, any Rules and Regulations adopted by the Board, together with any subsequent changes, shall govern, to the extent not inconsistent with these By-Laws and the Declaration, the use of the lots and the common areas and facilities and the conduct of all owners, residents and guests. Such Rules and Regulations shall be subject to such changes, additions, or amendments as may be deemed appropriate by the Board.

ARTICLE XX

Joint Ownership

Membership may be held in the name of more than one owner. In the event ownership is in more than one person, all of the joint owners shall be entitled collectively to only one vote, voice or

ballot in the management of the affairs of the Association, and the vote may not be divided between plural owners. The manner of determining who shall cast such vote shall be as set forth in Article III, Section I.

ARTICLE XXI

Indemnification

The Association may indemnify any person made a party to an action, by or in the right of the Association to procure a judgment in its favor by reason of his being or having been a director or officer of the Association, against the reasonable expenses including attorney's fees actually and necessarily incurred by him in connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association.

ARTICLE XXII

Amendments

These By-Laws may be amended in the following manner: An amendment or amendments may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the directors or by a majority of the members of the Association entitled to vote, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than fourteen (14) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereupon prepaid. Any

member may by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote, in person or by proxy, of a majority of the members having voting rights in order for such amendment or amendments to become adopted. Any such amendment or amendments so passed shall not become operative unless set forth in an Amended Declaration duly recorded in the Office of the Registry of Deeds for New Hanover County. All owners shall be bound to abide by any such amendment or amendments when the adopted amendment or amendments are duly recorded in the form of an Amended Declaration

Notwithstanding any other provision of this Article XXII, no amendment or amendments may be adopted which would in any way alter, amend or effect Articles XV and X of these By-Laws without unanimous approval and vote of all members entitled to vote, and no amendment or amendments shall be adopted which would operate to impair or prejudice the rights and/or liabilities of any mortgagee or lender secured by an lot.

ARTICLE XXIII

Construction

Should any of the covenants or provisions herein contained or imposed be void or be in conflict with the requirements of the General Statutes of the State of North Carolina, or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

Wherever the masculine, singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the text so require.

The foregoing were adopted as the By-Laws of Bridgers Creek Owners Association at an annual meeting of the membership held on May 10, 2001.

REBECCA T CHRISTIAN
REGISTER OF DEEDS, NEW HANOVER
JUDICIAL BUILDING
316 PRINCESS STREET
WILMINGTON, NC 28401

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Filed For Registration: 05/10/2001 03:55:25 PM

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Document No : 2001020256

DECL 49 PGS $102 00

Recorder: MARVIS ANN STORER

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State of North Carolina, County of New Hanover

The foregoing certificate of ALAN M SOLANA Notary is certified to be correct. This 10TH of May 2001

REBECCA T. CHRISTIAN , REGISTER OF DEEDS By: Marvis Ann Storer

Deputy/~~Assistant~~ Register of Deeds

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