

BY-LAWS OF BRITTANY TOWNE HOUSE CONDOMINIUMS

The following by-laws shall apply to the condominium project known as Brittany Towne House Condominiums, situated in Mineral Springs Township, Village of Pinehurst, Moore County, North Carolina, as described in and created by the Declaration of Intention to Submit Property to the North Carolina Unit Ownership Act - Brittany Towne House Condominiums.

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1: The project located in Moore County, North Carolina, is submitted to the provisions of Chapter 47A of the General Statutes of North Carolina.

Section 2: The provisions of these by-laws are applicable to the project. The term "project" as used herein shall include the land.

Section 3: All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these by-laws and to any rules and regulations adopted pursuant hereto.

Section 4: The mere acquisition or rental of any of the family units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said unit will signify that these by-laws and the provisions of rules and regulations adopted pursuant hereto are accepted, ratified and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1: Voting shall be on a percentage basis and the percentage of the vote on which the owner is entitled is the percentage assigned to the family unit or units in the Declaration of Condominiums.

Section 2: As used in these by-laws, the term "majority of owners" shall mean those owners holding sixty-six and two-thirds per cent (66 2/3%) of the votes in accordance with the percentages assigned in the Declaration of Condominiums.

Section 3: Except as otherwise provided in these by-laws, the presence in person or by proxy of ten owners shall constitute a quorum.

Section 4: Votes may be cast in person or by proxy. All proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1: The owners of the units will constitute an association of owners who will have the right to elect a board of directors who will have the right to prepare the annual budget, and arranging for the removal and compensation of the board of directors. Provided, decisions of the board of directors require the approval of a majority of the owners.

Section 2: Meetings of the Association shall be held on the project or such other suitable place convenient to the owners as may be designated by the Board of Administrators.

Section 3: The first annual meeting of the Association shall be held on March 31, 1976. Thereafter, the annual meetings of the Association shall be held on the day set by the Association in each succeeding year, unless this shall be a Sunday or legal holiday, in which case the meeting shall be held on the next business day. At such meetings, there shall be elected by ballot of the owners a board of administrators in accordance with the requirements of Section 5 of Article IV of these by-laws. The owners may also transact such other business of the association as may properly come before them.

Section 4: It shall be the duty of the president to call a special meeting of the owners as directed by resolution of the board of administrators or upon a petition signed by a majority of the owners and presented to the secretary. The Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice thereof unless by consent of sixty-six and two-thirds per cent all of the owners, and said sixty-six and two-thirds per cent must be present either in person or by proxy.

Section 5: It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held to each owner of record at least ten (10) days, but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served.

Section 6: If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than fortyeight (48) hours from the time the original meeting was called.

Section 7: The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call
- (b) Proof of Notice of Meeting or Waiver of Notice
- (c) Reading of minutes of preceding meeting
- (d) Report of Officers
- (e) Report of Committees
- (f) Election of Inspectors of Election
- (g) Election of Administrators
- (h) Unfinished business
- (i) New business

#### ARTICLE IV

##### BOARD OF ADMINISTRATORS

Section 1: The affairs of the Association shall be governed by a board of administrators composed of not less than three (3) persons not more than five (5) persons, as may be determined from time to time by the Owners. Each member of the board of administrators shall be either the owner of a unit, have an interest therein, or in the event of corporate ownership, be an officer or designated agent of the corporation.

Section 2: The board of administrators shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these by-laws directed to be exercised and done by the owners.

Section 3: In addition to duties imposed by these by-laws, or by resolutions of the Association, the board of administrators shall be responsible for the following:

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- (a) Maintenance, repair, replacement, and surveillance of the common areas and facilities.
- (b) Collection of monthly assessments from the owners.
- (c) Designation and removal of personnel necessary for the maintenance, repair, replacement, and surveillance of the common areas and facilities.

Section 4: The board of administrators may employ for the Association a management agent at a compensation established by the board to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in Section 3 of this Article.

Section 5: At the first annual meeting of the Association the term of office of at least one administrator shall be fixed at one year, the term of office of at least one administrator shall be fixed at two years, and the term of office of at least one administrator shall be fixed at three years. At the expiration of the initial term of office of each respective administrator, his successor shall be elected to serve a term of three years. The administrators shall hold office until their successors have been elected and hold their first meeting.

Section 6: Vacancies on the board of administrators caused by any reason other than the removal of an administrator by a vote of the Association shall be filled by vote of the majority of the then remaining administrators even though they may constitute less than a quorum; and each person so elected shall be an administrator until a successor is elected at the next annual meeting of the Association.

Section 7: At any regular or special meeting duly called, any one or more of the administrators may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any administrator, whose removal has been proposed by the owners, shall be given an opportunity to be heard at the meeting.

Section 8: The first meeting of a newly elected board of administrators shall be held within five (5) days of election at such place as shall be fixed by the administrators at the meeting at which such administrators were elected, and no notice shall be necessary to the newly elected administrators in order to legally constitute such meeting, providing sixty-six and two-thirds of the whole board shall be present.

Section 9: Regular meetings of the board of administrators may be held at such time and place as shall be determined, from time to time by sixty-six and two-thirds of the administrators, but at least two such meetings shall be held during each fiscal year. Notice of regular meeting of the board of administrators shall be given to each administrator, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10: Special meetings of the board of administrators may be called by the president on ten days' notice to each administrator given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the board of administrators shall be called by the president or secretary in like manner and on like notice on the written request of at least sixty-six and two-thirds per cent (6 2/3%) of the administrators.

Section 11: Before or at any meeting of the board of administrators any administrator may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an administrator at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all administrators are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 12: At all meetings of the board of administrators sixty-six and two-thirds of the administrators shall constitute a quorum for the transaction of business and the acts of the majority of the administrators present at a meeting at which a quorum is present shall be acts of the board of administrators. If at any meeting of the board of administrators there be less than a quorum present, the majority of those present may adjourn the meeting from time to time, until such time as a majority is present.

Section 13: The board of administrators shall require that all officers and employees of the Association handling or responsible for association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

#### ARTICLE V

##### OFFICERS

Section 1: The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer, all of whom shall be elected by and from the board of administrators. The administrators may appoint an assistant treasurer and an assistant secretary and such other officers as in their judgment may be necessary. Any two offices may be combined into one office with the exception of President and Vice-President.

Section 2: The officers of the Association shall be elected annually by the board of administrators at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3: Upon an affirmative vote of a majority of the members of the board of administrators, any officer may be removed either with or without cause and his successor elected at any regular meeting of the board of administrators, or at any special meeting of the board called for such purpose.

Section 4: The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the board of administrators. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5: The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the board of administrators shall appoint some other member of the board to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the board of administrators.

Section 6: The secretary shall keep the minutes of the meetings of the board of administrators and the minutes of all meetings of the Association; he shall have charge of such books and papers as the board of administrators may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7: The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name of the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of administrators.

#### ARTICLE VI

##### OBLIGATIONS OF OWNERS

Section 1: All owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses, which in any event shall include insurance premiums for liability coverage for the common areas and insurance premiums for a policy to cover repairs and construction work in case of hurricane, fire, earthquake or other hazards on the common areas, real estate taxes on the common areas and facilities, outside lighting in the common areas, water and sewerage charges for each condominium unit, watering of common areas and facilities, grounds care including handling of garbage, normal exterior maintenance and supplies for the common areas, pest control and termite protection, and exterior window washing. The assessments shall be made pro-rata according to the value of the unit owned, as stipulated in the Declaration of Condominiums. Such assessments may also include monthly payments to the following reserve funds:

(a) A reserve fund for the purpose of effecting replacements of structural elements and mechanical equipment of the condominiums, and for such other purposes as may from time to time appear to be necessary or appropriate.

(b) A general operating reserve for the purpose of providing a measure of financial stability during periods of special stress, which may be used to meet deficiencies from time to time as a result of delinquent payment of assessments by owners of family units in the condominiums and other contingencies. (Any accumulated and unspent reserves whether annual or special assessments shall not be deemed to be retained earnings for income tax purposes. Any accumulated and unspent reserves may be refunded to the owners according to their percentages of interest prior to the end of any fiscal year or credited against the next year's assessments.)

Section 2: The obligations of the owners as to maintenance and repair are as follows:

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to the other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, air conditioning (including exterior unit), furnace underneath the unit, sanitary installations, doors, windows, lamps and other accessories belonging to the unit area shall be at the owner's expenses.

(c) An owner shall reimburse the association for any expenditures incurred in repairing or replacing any common area and facility damaged, by owner or his agents, employees, business invitees, family members, or lessees.

Section 3: All units shall be utilized for residential purposes only.

Section 4: An owner shall not make structural modifications or alterations within his unit without previously notifying the Association in writing, through the management agent, if any, or through the president of the board of administrators, if no management agent is employed. The Association shall have the obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 5: An owner shall not place or cause to be placed in the walkways, driveways, parking areas, and other project areas and facilities of a similar nature which are common areas and facilities,

any furniture, package, or objects of a like nature. Such areas shall be used for no other purpose than for normal transit through them, or other normal use as hereinafter permitted.

Section 6: No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept or encouraged to stay in any part of the project except that dogs, cats, and other household pets in reasonable numbers may be kept by the unit owners and occupants in their respective units but shall not be kept, bred, or used therein for any commercial purposes nor allowed on any common area and facilities except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the project shall be permanently removed therefrom promptly upon notice given by the board of administrators or management agent.

Section 7: No boats, campers, mobile homes, motorcycles, motor bikes or related types of vehicles shall be permanently kept or stored in the common areas of the condominiums project. Bicycles and golf carts shall be permitted to be parked in the common areas to the rear of any unit, provided, they do not interfere with the transit through the said common areas by other unit owners.

Section 8: All family units shall be subject to the following rights of entry:

(a) An owner shall grant the right of entry to the management agent or to any other person authorized by the board of administrators or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 9: Every resident of the project shall observe, as rules of conduct, the rules and regulations which shall be hereafter adopted by the owners pursuant to and in compliance with the Declaration and these By-Laws. Either the Board of Administrators or the owners, at a regular meeting or duly called special meeting, may modify, alter, amend, add to or revoke said rules and regulations in whole or in part.

#### ARTICLE VII

#### CONVEYANCES

Section 1: Every unit owner shall promptly cause to be duly recorded and filed of record the deed to him of such unit or other evidence of his title thereto, and shall file a copy of the deed and any other documents evidencing his title or interest in and to a particular unit with the board of administrators, and the secretary shall maintain all such information in the record of ownership of the Association.

Section 2: Any unit owner who mortgages his unit or any interest therein shall notify the board of administrators of the name and address of the mortgagee, and also of the release of such mortgage, and the secretary shall maintain all such information in the record of ownership of the Association. The board of administrators at the request of any mortgagee or prospective purchaser of any unit or interest therein shall report to such person the amount of any assessments against such unit then due and unpaid.

Section 3: No unit owner may lease his said unit except with the prior written consent of the board of administrators which shall not

be unreasonably withheld. Upon the leasing of a unit, the unit owner shall furnish the board of administrators a copy of said lease agreement, and the secretary shall maintain all such information in the record of ownership of the Association. Any lease which is not authorized pursuant hereto shall be voidable at the election of the board of administrators of the Association.

#### ARTICLE VIII

##### AMENDMENTS TO PLAN OF UNIT OWNERSHIP

Section 1: These by-laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least sixty-six and two-thirds per cent (66 2/3%) of the total value of all units in the project as shown in the Declaration of Condominiums. All unit owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amended Declaration of Condominiums, duly recorded. No such amendment shall become operative unless set forth in an amended Declaration of Condominiums and duly recorded.

Section 2: No future amendment to the by-laws of this Association shall be retroactive to the extent that any mortgage or deed of trust executed on any condominium unit shall be in any way affected thereby unless the lending institution, or the holder of the note secured by said mortgage or deed of trust, agrees in writing to the terms of such amendment.

#### ARTICLE IX

##### AGENT FOR SERVICE OF PROCESS

The board of administrators shall at all times maintain a duly appointed process agent within Moore County, North Carolina, as required by G. S. 47A-26. The board of administrators by majority action may at any time revoke the appointment of any such agent, and appoint a successor, by an instrument duly recorded in the Office of the Register of Deeds for Moore County.

#### ARTICLE X

##### COMPLIANCE

These by-laws are set forth to comply with the requirements of Chapter 47A of the General Statutes of North Carolina. In case any of these by-laws conflict with the provisions of said chapter, it is hereby agreed and accepted that the provisions of the chapter will apply.

#### ARTICLE XI

##### DECLARANTS

Until the Declarants have completed and sold all of the condominium units in this project, neither the Unit Owners nor the Association nor the use of the condominium property shall interfere with the sale of additional units. The Declarants may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to the rental of same, the showing of the property, and the display of signs.

#### ARTICLE XII

##### WATER AND ELECTRICITY CHARGES

Water and electricity shall be supplied to all of the units and the common areas and facilities through one or more meters and the board shall pay, as a common expense, all charges for water consumed on the property, including the units, promptly after the bills for the same shall have been rendered. Separate electric meters are provided for each unit, and each unit owner shall pay his own electricity charges and

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shall not be liable for other electricity charges except those attributable to electricity consumed in the common areas and facilities. In the event of a proposed sale of a unit by the owner thereof, the board on request of the selling unit owner shall execute and deliver to the purchaser of such unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and electricity affecting the property as of the date of closing of title to such unit.

ARTICLE XIII

PAYMENT VOUCHERS

The board of administrators shall have the power and duty to approve payment vouchers for expenses of the common areas and facilities, and this shall be done by written resolution of the board pursuant to Section 12 of ARTICLE IV as hereinbefore set out.

ARTICLE XIV

MISCELLANEOUS

Section 1: Pursuant to Article H.(13) of the Declaration, every unit owner shall have an exclusive perpetual easement for two parking spaces in the "Parking Area" as shown on the said Exhibit A, which said easement shall run with the title to each condominium unit, and which said parking spaces shall be marked by Declarants with the same number as the condominium of the unit owner bears, and which parking spaces shall be located as conveniently near any condominium unit to which they are applicable as is reasonably possible, and which shall be used for the permanent and temporary parking of passenger type automobiles by unit owner, and his guests, family members, tenants, invitees, employees, and agents.

Section 2: There shall be no permanent occupation of any condominium unit by any person under the age of twenty-one years. For the purposes of this section, "permanent occupation" shall include owners and tenants of any unit as well as their guests, family members, invitees, employees, and agents.