

PINE RIDGE

CONDOS

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STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS AND CONDITIONS FOR
PINE RIDGE CONDOMINIUMS

THIS DECLARATION and the exhibits which are attached hereto and made a part hereof by this reference, are made and executed this _____ day of _____, 19____, by TY-J ENTERPRISES, INC., a North Carolina Corporation, hereinafter called the "Declarant," for itself, its successors, grantees and assigns pursuant to the provisions of the North Carolina Unit Ownership Act. This Declaration is executed on behalf of TY-J ENTERPRISES, INC. by its president, Paul T. Rhodes, Jr.

W I T N E S S E T H :

WHEREAS, the Declarant desires to submit by this Declaration certain portions of the property described on Exhibit A to the provisions of the Unit Ownership Act of North Carolina, Article 1 of Chapter 47A of the North Carolina General Statutes, as amended (hereinafter referred to as the "Act"), thereby creating a condominium know as Pine Ridge Condominiums, thereafter reserving the right to add the balance, or certain portions of the balance, of the property described in Exhibit A to such condominium; and

WHEREAS, the Declarant is the owner of building and other improvements constructed on the property described in Exhibit B (the property described in Exhibit B being a portion of the property described in Exhibit A), and it is the desire and intention of the Declarant to divide the property described in Exhibit B into condominium units as defined under the provisions of the Act, and to sell and to convey the same to various purchasers subject to the covenants, conditions, obligations and restrictions herein reserved to be kept and observed.

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described in the attached Exhibit B, identified as Phase I, and all that property described in Supplementary Declarations hereafter recorded as herein provided and made subject to this Declaration, is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following restrictions, covenants, conditions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of the plan for the improvement of such property and the division thereof into condominium units, and shall be deemed to run with the land and shall be a burden and benefit to the Declarant, its successors

and assigns, and any person acquiring and owning an interest in the real property and improvements, their grantees, successors, heirs, administrators, devisees, and assigns. Every grantee of any interest, whether or not such deed or other conveyance of such interest shall be signed by the grantee or whether or not such person shall otherwise consent in writing, shall take subject to the provisions of the North Carolina Unit Ownership Act, this Declaration and Supplementary Declarations, and shall be deemed to have assented to the same.

ARTICLE I

STATUTORY PROVISIONS AND DEFINITIONS

1. Statutory Provisions: This Declaration is made pursuant to Article 1 of Chapter 47A of the North Carolina General Statutes, as amended, in effect as of the time of recording of this Declaration.

2. Definitions. The following words, when used in this Declaration or any Supplement hereto, unless the context requires otherwise, shall have the following meaning:

A. "Act" means the Unit Ownership Act of North Carolina, Article 1 of Chapter 47A of the General Statutes of North Carolina, as amended.

B. "Assessment" means an owner's share of the common expenses assessed against such owner and his unit from time to time by the Association in the manner hereinafter provided.

C. "Board" or "Board of Directors" means the Board of Directors of Pine Ridge Association, and "Director" or "Directors" means a member or members of the Board.

D. "By-Laws" means the By-Laws for the administration of the condominium association contained in Exhibit C, attached hereto and made a part hereof by this reference.

E. "Common Areas and Facilities" or "Common Area" means all of the condominium property and every part thereof, excluding the units, but including Limited Common Areas and Facilities.

F. "Common expenses" means all or any of:

(1) All expenses incident to the administration,

improvement, operation, maintenance, repair or replacement of the Common Areas and Facilities and property owned or leased by the Association.

(2) Expenses determined by the Association to be common expenses and which are lawfully assessed against the Unit Owners, including payment by the Association of costs and expenses for the improvement, administration, operation, maintenance and repair and replacement of any property owned or leased by the Association.

(3) Expenses declared to be common expenses by the Unit Ownership Act or the Condominium Documents.

(4) All sums lawfully assessed against the Unit Owners by the Association.

G. "Condominium Documents" means and includes this Declaration, the By-Laws attached as Exhibit C, the Survey attached as Exhibit D, the Plans attached as Exhibit E, such Rules and Regulations as may be created pursuant to Article VI, Section 11, hereof, governing the use of the condominium property and the property of the Association, and Supplementary Declarations, all as may be amended from time to time.

H. "Condominium Property" or "Property" means all of the property submitted to the Unit Ownership Act by this Declaration or by Supplementary Declarations, being so much of the property described in Exhibit A of this Declaration as shall be submitted from time to time; the buildings and all other improvements situated thereon whether the same by common areas and facilities or units or any part thereof, and all easements and rights appurtenant thereto, together with any property that may be added from time to time.

I. "Declarant" means Ty-J Enterprises, Inc., a North Carolina Corporation, or its successors or assigns.

J. "Declaration" means this Declaration Creating Unit Ownership and Establishing Restrictions, Covenants and Conditions for Pine Ridge Condominiums.

K. "Limited Common Areas and Facilities" or "Limited Common Area" means those areas so designated on the Plans attached hereto and incorporated herein by this reference or so identified in Sections 5 or 6 of Article III hereof or so identified in any Supplementary Declaration.

L. "Majority" or "Majority of Unit Owners" means the owners of more than 50 percent of the aggregate interest in the Common Areas and Facilities as established by the Declaration Assembled at a duly called meeting of the Unit Owners. All percentage interests stated herein for voting purposes means the owners of that percent of the Common Areas and Facilities as determined by the percentage interest stated in this Declaration.

M. "Member" means a Unit Owner.

N. "Mortgage" means any deed of trust, mortgage, security agreement and financing statement or any and all other similar instruments given to secure the payment of a debt by granting a security interest in a unit, its fixtures or contents.

O. "Mortgagee" means any secured party under a security agreement or mortgage and the beneficiary under or a holder of a deed or trust.

P. "Percentage Interest" means the percentage of undivided interest each owner owns in the Common Areas and Facilities as set forth in Section 2 of Article XIV of this Declaration, and as amended by any Supplementary Declaration.

Q. "Person" means any individual, corporation, partnership, association, trustee, fiduciary or other legal entity and shall mean the plural or combination of the same where applicable.

R. "Phase I" means that part of the property described in Exhibit A which is described in Exhibit B attached hereto identified as "Phase I," which is the land and improvements initially submitted to the Act by this Declaration. Subsequent phases such as "Phase II" and "Phase III" are tracts of land which make up all or a portion of the balance of the lands described as Exhibit A which may hereafter be included within Pine Ridge Condominiums by Supplementary Declaration in the manner hereinafter provided.

S. "Plat" means a site survey depicting the boundary of the property of a phase of Pine Ridge Condominiums which shows the location of the foundations and the units and which is submitted as a separate attachment to this Declaration or Supplementary Declarations.

T. "Plans" means the plans of the buildings and units by a Professional Engineer or architect. The term also includes

the plans of buildings and units contained in Supplementary Declarations.

U. "Condominium Association" means Pine Ridge Association, an association of Unit Owners whose membership is limited to and consists of the Declarant and all owners of condominium units of Pine Ridge Condominiums.

V. "Supplementary Declaration" means the documents filed by Declarant to provide further documentation for existing phases and any additional phases that may be added from time to time and additional Common Areas and Facilities within the area described in Exhibit A, in the manner provided hereinafter, as well as any documents which amend the condominium documents.

W. "Unit" means those parts of the condominium property described in Section 3 of Article III hereof which are subject to this Declaration from time to time and which are shown and designated in the Condominium Documents as units.

X. "Unit Owners" means the record legal fee owner or owners of a unit, excluding any lender, trustee or creditor whose interest in the unit is merely as security for the performance of an obligation or repayment of an indebtedness

ARTICLE II NAMES, ADDRESS AND REGISTERED AGENT

1. Name and Address. The name of the condominium project is Pine Ridge Condominium and it is located on Kanuga Road in Hendersonville, Henderson County, North Carolina.

2. Registered Agent. The initial registered agent is Paul T. Rhodes, Jr. whose address is 280 Tranquility Place, Hendersonville, North Carolina, 28739. The registered agent may be removed at any time and his successors shall be appointed by the Board of Directors, which shall so indicate by recording an instrument to that effect of the Register of Deeds of Henderson County, North Carolina.

ARTICLE III PROPERTY RIGHTS

1. Description of Land. It is the intent of the Declarant to create what is referred to as an "expandable condominium," with the maximum land that may be included in this Declaration

being that tract lying and being in Henderson County, North Carolina, described in Exhibit A, together with rights, easements and appurtenances thereunto belonging. The right of the Declarant to expand the condominium shall be limited to a total of 11 units. The property which is submitted to the Act by this Declaration is the land on which the buildings and improvements are located in Henderson County, North Carolina, more fully described in Exhibit B, identified as Phase I, together with rights, easements and appurtenances. Provided, Declarant by Supplementary Declaration may from time to time add one or more tracts as additional Phases and subject such land and buildings and improvements thereon to this Declaration, and thereafter such land therein described shall be and become subject to the Act and this Declaration as if included from the beginning. By acceptance of a deed to a condominium unit created hereby or by Supplementary Declaration, each unit owner agrees that such additional Phases and the Units and Common Area and Facilities therein described may be added to the condominium property and that the percentage interest of Common Areas and Facilities will be adjusted as set out in Article XIV hereof.

2. Description of Buildings. Phase I shall contain one building, Building No. 1. Building No. 1 contains four condominiums, Unit No. 1 (907), Unit No. 2 (909), Unit No. 3 (911) and Unit No. 4 (913). This building is described graphically in the plans of the building, a copy of which are attached to this Declaration as Exhibit E, which shows the particulars of the building, including the location, layout, number of rooms, dimensions, ceiling and floor elevations, approximate area, unit numbers and locations of the limited common areas and facilities adjacent and the location of the common areas and facilities affording access to the units. Building No. 1 is a wood frame and brick building with a concrete block foundation. The exterior is of brick. The roof is of asphalt shingles on plywood underlayment.

As construction is completed on additional buildings within the condominium development, Supplementary Declarations will be filed which will contain the description and plans for additional buildings and condominium units added to the condominium project.

3. Description of Units.

A. Nature of Ownership. Every condominium unit, together with the corresponding undivided interest in the Common Areas and Facilities, shall for all purposes be, and it hereby is declared to be and to constitute, a separate parcel of real estate and the

unit owner thereof shall be entitled to the exclusive ownership possession of his condominium unit, subject only to the covenants, restrictions and easements contained in the Condominium Documents. The percentage undivided interest in the Common Areas and Facilities of each unit shall not be separated from the unit to which it pertains and shall be deemed to be conveyed or encumbered or released from liens with such unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. A unit owner shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically pass to his successor in interest. By acceptance of a deed to a unit, the unit owner agrees to abide by the Condominium Documents.

B. Nature, Type and Description of Units.

Units No. 907, 909, 911 and 913 of Building No. 1 are one-story units containing a living room and dining area, two bedrooms, two baths, a kitchen and breakfast area, a laundry room, a hallway and various closets. Each unit contains approximately 1,300 square feet. The plans for Unit No. 1 (907) of Building No. 1 are attached as a part of Exhibit F to this Declaration.

C. Unit Dimensions. Unless modified by a Supplementary Declaration, each unit shall include all of the space within the boundaries thereof. Each unit is bounded both as to horizontal and vertical boundaries by the exposed facing of the drywall of its exterior walls and ceiling, and by the unfinished upper surfaces of floors. Where a unit includes attic area, the attic area shall be bounded by the unfinished upper surfaces of the subflooring, the interior surface of all roof sheeting, the unfinished exposed facing of any drywall of any perimeter walls or ceiling. It is the intent hereof that the unit will include all interior lathe, furring, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of any walls, floor or ceiling, but will not include the following: The drywall, wallboard or plasterboard of its exterior wall and ceiling, loadbearing studs and supports, wall insulation, concrete slabs, underflooring, floor or ceiling joists and roof trusses. The drywall, wallboard or plasterboard of its exterior walls and ceiling, loadbearing studs and supports, wall insulation, concrete slabs, underflooring, floor and ceiling joists and roof trusses and the roof underlayment and shingles

shall be deemed a part of the Common Areas and Facilities. Included also as a part of a unit are the following:

(1). The interior and exterior of any and all doors, windows (excluding skylights), sliding glass doors, attic stairs, screens, storm windows and other closures.

(2). All door locks and other security or mechanical devices which control the opening and closing of doors and windows.

(3). Heating and air conditioning systems serving the unit, wherever located.

(4). The electrical wiring and service system, wherever located, from the service meter to the place where it connects with all uses within the unit.

(5). The plumbing for water service from the exterior of the building in which the unit is located to its end use in a unit, together with all plumbing fixtures and water heaters, wherever located.

(6). The drainage or sewer plumbing from all points within the building to the point the drainage or sewage plumbing exits from the building in which the unit is located.

(7). Television and radio antenna or cable systems serving the unit, wherever located.

(8). Any built-in cabinets and appliances.

(9). Any fireplace located within the unit, including the chimney and ash dump.

(10). Any installed burglar alarm system, intercom system, or electric garage door opening system.

(11). Any installed bathroom, kitchen, attic or other fan.

(12). Any interior or exterior light which is controlled from within a unit. The repair and replacement of the same shall be the responsibility of the unit owner; however, the type and style of any exterior light shall be subject to the control of the Board of Directors.

(13). Each unit will have appurtenant thereto as a limited

common area a covered porch. The repair, maintenance and replacement of any screens, if installed as a option, shall be the responsibility of the unit owner.

and In interpreting this Declaration and its Plans, the actual physical boundaries of a unit as originally constructed, or of a unit reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in this Declaration, or its plans, regardless of settling or lateral movement of the building, and regardless of minor variances between boundaries shown on the Plans and those of the unit. Each unit designation, type unit and percentage interest in the Common Areas and Facilities are set out in Article XIV of this Declaration, as modified by Supplemental Declarations.

Article 4. Common Areas and Facilities.

A. Description. The general Common Areas and Facilities consist of the entire property other than the condominium units, including, without limitation, the following:

(1) The land on which the buildings are erected and all of the land surrounding the buildings that lies within the boundaries of the land from time to time subjected to this Declaration, and exterior walls (including drywall), roofs, interior loadbearing studs and supports (except the paneling, molding or other wall coverings), ceiling and floor joists, subflooring, roof trusses, skylights, roof underlayment and shingles, and every part of the building and property other than the condominium units.

(2) The foundation and structural members, including columns, girders, beams and supports.

(3) All installations designed and intended for common use or to serve more than one unit such as, but not limited to, electrical service, gas and plumbing, telephone, cable or television or radio antenna systems, whether located in Common Areas or in condominium units, excluding from such installations all parts thereof, and all items affixed or connected thereto not designed or intended for common use by more than one unit.

(4) Easements for access, maintenance, improvements, repair, reconstruction or replacement of the abovementioned Common Areas and Facilities or any property owned by the Association and all other services necessary or convenient to the

existence, maintenance, safety and use of the property or any property owned by the Association.

(5) The yards, landscaping, fences, non-public roads and driveways, parking areas, carports, walkways, retaining walls, and all paved areas.

(6) All maintenance and recreational areas.

(7) All sewer lines located outside of a building.

(8) Any portion of the property shown and designated on the Plans as Common Areas or Limited Common Areas.

(9) No structural member or loadbearing wall may be changed without the prior written consent of the Board of Directors.

B. Percentage Interest. The unit owners shall own the Common Areas and Facilities as tenants in common, with each unit having appurtenant thereto the percentage interest in said Common Areas and Facilities as set forth in Article XIV hereof; provided, however, the use of the Limited Common Areas and Facilities shall be restricted as set forth in Section 5 of this Article III. The initial percentage interest appurtenant to each unit has been determined as required by law and is based on estimated fair market value as of the date of this Declaration. As to subsequent additions to this Declaration, the percentage interest shall be recomputed to take into account the estimated fair market value of all units as of the date of the Supplementary Declaration. Such determination shall not restrict the Declarant, or any subsequent owner, in establishing a sales price for any particular unit.

C. Inseparability of Percentage Interest. The percentage interest in the Common Areas and Facilities cannot be separated from the Unit to which it appertains and shall automatically be conveyed or encumbered with the unit, even though such interest is not expressly mentioned or described in the deed or other instrument.

D. No Partition. The Common Areas and Facilities shall remain undivided and no right to partition the same or any part thereof shall exist except as provided in the Act, Declaration and the By-Laws. Nothing contained herein, however, shall be deemed to prevent ownership of a condominium unit by more than one person, either as tenants by the entireties or as tenants in

common or in any other form by law permitted. Nothing contained herein, however, shall prevent the Board from creating additional Limited Common Areas and Facilities for a unit as provided in Section 6 of this Article III.

E. Use of Common Areas and Facilities. Each unit owner shall have the right to use the Common Areas and Facilities in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other unit owners. The Board shall, if any question arises, determine the purpose for which a part of Common Areas and Facilities is intended for use. The Board shall have the right to promulgate rules and regulations limiting the use of Common Areas and Facilities to unit owners and their guests as well as provide for the exclusive use of a part of the Common Areas and Facilities by a unit owner and his guests for special occasions, which exclusive use may be conditioned upon, among other things, payment of a fee. Any unit owner may delegate, in accordance with the provisions of this Declaration and the By-Laws and Reasonable Rules and Regulations of the Board, his right to use Common Areas and Facilities to the immediate members of his family living in the Unit, to a limited number of guests or to tenants who reside in his condominium unit.

5. Limited Common Areas and Facilities. Ownership of a unit shall entitle the owner thereof to the exclusive use or use with others necessarily served thereby of the Limited Common Areas and Facilities appurtenant to such unit and so designated in the Condominium Documents. Limited Common Areas and Facilities shall not be construed or interpreted to be separate and apart from the Common Areas and Facilities in general, being limited only with respect to the reserved use thereof by the unit or units served. Limited Common Areas and Facilities shall include all balconies, decks, terraces, patios, porches, outside stairways and entrances areas, doorsteps, carports, parking spaces, driveways, and any other areas designated in the Condominium Documents as a Limited Common Area or designated by the Board of Directors as Limited Common Area for a Unit. In addition, any shutters, awnings window boxes and other like items designed to serve a single Unit, but located outside the Unit's boundaries, are limited common areas and facilities allocated exclusively to that Unit.

Exclusive use of the Limited Common Area may be delegated by an owner to the immediate members of his family, his guests or tenants who reside in his Unit. An Owner may place plants, furniture or other items within the Limited Common Areas and

Facilities adjacent or appurtenant to his unit, subject to reasonable rules and regulations duly adopted by the Board with respect thereto. No owner shall build or construct any type of storage or workshop facility or other similar type of structure within the Limited Common Areas and Facilities unless prior written approval is obtained from the Board of Directors.

6. Additional Limited Common Areas and Facilities. The Board shall have the right to approve, from time to time, changes in existing Limited Common Areas and Facilities and to approve additional or new Limited Common Areas and Facilities for the exclusive use of the unit to which such Limited Common Areas and Facilities shall appertain.

ARTICLE IV

RESTRICTIVE COVENANTS

1. Residential. Each of the units now constructed or to be constructed on the property shall be, and the same hereby are, restricted exclusively to single-family residential use and shall be occupied only by a single family, its nurses, aides, servants or caretakers and guests. The provisions of this paragraph do not apply to property being used by the Association as incidental to the operations and organization of the Association, or to property owned by the Association.

2. Construction and Sale. Anything contained herein to the contrary notwithstanding, it shall be permissible for the Declarant to maintain during the period of construction and sale of units upon such portion of the property as Declarant may deem necessary, such facilities as in the sole discretion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of units, including, but not limited to, a business office, storage area, construction yard, signs, model units and sales offices.

3. Business Activities. No business activities shall be conducted on any portion of the property; provided, however, the foregoing restrictions shall not apply to the Declarant as provided above; provided further, private offices may be maintained in a unit so long as such use is incidental to the primary residential use of the unit and is approved by the Board of Directors.

4. Alterations and Attachments by Unit Owner. No unit owner shall make structural alterations or modifications to his

unit or to any of the Common Areas and Facilities or Limited Common Areas or Facilities without the written approval of the Board of Directors. The Board of Directors shall not approve of any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or overall appearance of the Condominium Property. The Board of Directors shall determine what portion, if any, of the cost of such structural alterations or modification or decorations shall be borne by the Association as a common expense. Any such cost which is not determined to be a common expense shall be borne by the unit owner requesting such alteration or modification, together with the upkeep thereof after the completion of such alteration or modification.

5. Motor Vehicles. No motor vehicles (other than private passenger vehicles containing two axles and at least four wheels), boat, boat trailer, mobile home, trailer or any similar items shall be stored in or upon the Common Areas and Facilities or any roadway within Pine Ridge Condominiums, unless placed upon a portion of the Common Areas and Facilities which may be designated from time to time by the Board for the storage of such items.

6. Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of any unit or on the Common Areas and Facilities, including "For Sale" signs, without written permission from the Board. The Declarant is exempt from this provision.

The Declarant and/or the Board of Directors may approve a standard sign designating unit numbers and ownership and occupancy. In addition, the Board of Directors may post such signs as it deems appropriate in the Common Areas and Facilities.

7. Prohibitions in Use of Common Areas and Facilities. Except where indicated in the Condominium Documents or on specific approval of the Board or in the Rules and Regulations as adopted by the Board, the Common Areas and Facilities, including Limited Common Areas, shall not be used for temporary or permanent storage of supplies, personal property, trash or refuse of any kind, except in trash receptacles placed in designated areas, nor shall they be used in any way for the drying or airing of clothing, rugs or other fabrics. Entrances, sidewalks, yards, driveways, parking areas and stairways shall not be obstructed in any way. In general, no activity shall be carried on nor condition maintained by any unit owner either in his unit or upon the Common Areas and Facilities or Limited Common Areas and

Facilities, if such activity will despoil, or tend to despoil, the appearance of the Condominium Property. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all owners of the condominium property and is necessary for the protection of the unit owners and is enforceable by the Board or any one or more unit owners.

8. Animals. No animal shall be kept on the Condominium Property, except normal household pets ordinarily kept in homes. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint as is necessary to prevent them from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions or other nuisance. No savage or dangerous animal shall be kept or permitted on the Condominium Property. No more than one household pet may be housed within a unit without written permission of the Board. No pets may be permitted to run loose upon the Common Areas and Facilities and any unit owner who causes or permits any animal to be brought or kept on the Condominium Property shall indemnify and hold the Association harmless for and from any loss, damage or liability which it sustains as a result of the presence of such animal on the Condominium Property, regardless of whether the Association or the Board has given it permission therefor. Whenever such pet is allowed outside the living unit, then the pet must be on a leash and any animal droppings which occur during such time as the pet is outside the living unit must be immediately collected by the owner.

9. Access to Units. The Association and its agents shall have such access to each unit from time to time during reasonable working hours, upon oral or written notice to its owner, as may be necessary for the maintenance, repair or replacement of any of the Common Areas and Facilities. The Association or its agent shall also have such access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to Common Areas and Facilities or to another unit. To facilitate entry into a unit for the purpose of making emergency repairs or to prevent damage to Common Areas and Facilities or to another unit, each unit owner shall deposit with the Board of Directors a key to his unit which will permit immediate access to his unit. Such keys shall be safeguarded by the Board of Directors and utilized only for access as provided by the terms of this section.

10. Subdividing. No unit may be divided or subdivided into smaller units, nor any portion thereof sold or otherwise

transferred.

11. Nuisances. No nuisances shall be allowed upon the Condominium Property and no person shall engage in any use, practice or activity upon such property which is obnoxious, offensive or a source of annoyance to unit owners or which reasonably interferes with the peaceful and proper use of the property by any unit owner. All parts of the property shall be kept in a clean and sanitary condition. No rubbish, refuse or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. Any unit owner (or his family, tenants, guests or agents) who shall dump or place any trash or debris upon any portion of the property shall be liable to the Association for the actual cost of removal thereof and the same shall be added to and become a part of the assessment next coming due to which the unit owner is subject. No unit owner shall permit any use of his unit or make any use of the Common Areas and Facilities which will increase the rate of insurance upon the Condominium Property.

12. Antenna. There shall be no exterior antenna (including satellite discs) for television, radio, citizen band or ham radio, nor any other exterior fixture or appliance for electronic devices or for transmission or receipt of communication signals except with the express written permission of the Board of Directors. Receiving antenna may, however, be placed within public areas. Transmitting antenna are expressly prohibited, whether interior or exterior.

13. Lawful Use. No immoral, improper or unlawful use shall be made of any unit or the Condominium Property nor any part thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof shall be observed. At all times a unit owner shall maintain sufficient heat in his unit to prevent the freezing of any water pipes.

14. Restriction on Transfer of Common Areas. The Association shall not seek to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Areas and Facilities without the approval of owners and mortgagees of units totaling 75 percent of the percentage interest in the Common Areas and Facilities and all of those having use of Limited Common Areas thereby affected. The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas and Facilities shall not be deemed a transfer within the meaning of this paragraph. This paragraph shall not apply to property owned in fee simple by the Association. Upon any such authorized transfer, the property or

property interest shall be conveyed by the Association.

15. Rules and Regulations. The Board may from time to time promulgate reasonable rules and regulations respecting the restrictive covenants set out in this Article IV, but such rules and regulations shall be consistent with these restrictions and not in derogation of or intended as an amendment thereof.

16. Leasing of Units. With the exception of the Declarant or of a lender in possession of a condominium unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit or for periods of less than six months. Notwithstanding this, temporary occupancy of units shall be permitted by purchasers or sellers of units to facilitate the transfer of a unit from a seller to a purchaser (by way of example, by agreement between a seller and a purchaser, a seller may continue to occupy after sale of a unit or a purchaser may occupy prior to closing on the purchase of a unit). Any lease agreement shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Condominium Documents and that any failure by the lessee to comply with the terms of such documents shall be in default under the lease.

17. Conveyance of Interest in Unit. Each unit owner shall immediately report to the Board of Directors any conveyance by a unit owner of any interest in the property, including any mortgage placed upon the property. The unit owner shall report to the Board of Directors the name and address of the mortgagee or the transferee of the property. The Board of Directors shall maintain a current list of all unit owners and mortgagees for the purpose of facilitating notification to unit owners and mortgagees.

18. Occupancy. No unit may be occupied as a residence by any person under 21 years of age. Notwithstanding this provision, the Board of Directors may, in its discretion, adopt such rules and regulations as it deems appropriate to permit the temporary occupancy by persons under the age of 21 for periods up to 90 days but not exceeding, the following time periods:

A. For persons at least 17 years of age but under the age of 21, the Board of Directors may provide for temporary occupancy for up to 120 days during any calendar year provided that such person under the age of 21 is related by blood or marriage to

unit owner and provided further the occupancy by the person whose age or disability corresponds to a school or business vacation period for the underage occupant. It is the purpose of this provision to allow the children and grandchildren of unit owners to be on vacation with school or work to occupy units with their relatives during such periods of vacation.

B. Any person under the age of 21 years may occupy a unit with the permission of the unit owner for a period not exceeding 30 days during any calendar year in accordance with applicable and regulation as may be adopted by the Board of Directors.

ARTICLE V

EASEMENTS

1. Use and Enjoyment. Every unit owner, his family living in his unit, his tenants and permitted guests shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities, except Limited Common Areas and Facilities not allocated to his unit (including the right of access, ingress and egress and from his unit over those portions of the property designated for such purpose) and such easement shall be appurtenant to and shall pass with the title to every unit, subject to the following provisions:

A. The right of the Board of Directors to control the use and enjoyment thereof as provided in the Condominium Documents shall include, but not be limited to, the right of the Board to limit use and enjoyment thereof to the unit owners and their respective families living in the unit, tenants and guests, as well as to provide for the exclusive use and enjoyment of specific portions thereof, at certain designated times by a unit owner, his family, tenants and guests.

B. The right of the Board to suspend the voting rights and right to use of the recreational facilities by a unit owner, his tenants and guests for any period of time during which an assessment against his unit remains unpaid or any separate charge incurred by such unit owner for use of the recreational facilities remains unpaid or for infraction of its published Rules and Regulations.

2. Maintenance and Repair. There shall be an easement through the units and the Common Areas and Facilities for the installation, maintenance, repair and replacement of units and

the Common Areas and Facilities. Use of this easement shall be only during normal business hours, except that access may be had at any time in the case of emergency.

3. Structural Support. Every portion of a unit or the Common Areas and Facilities which contributes to the structural support of any other unit shall be burdened with an easement of structural support.

4. Encroachment. If any portion of the Common Areas and Facilities encroaches upon any unit or any unit encroaches upon any other unit or upon any portion of the Common Areas and Facilities as a result of settling or shifting of a building or as the result of survey error or error in description, an easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. If any building, any unit, any adjoining unit or any adjoining part of the Common Areas and Facilities shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings and then rebuilt upon the original site and upon the same Plans as the original building, encroachments of parts of the Common Areas and Facilities due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the subject building shall stand.

5. Utilities. There shall be a general easement upon, across, above and under all of the property for ingress, egress, installation, replacing, repairing and maintaining all utilities including, but not limited to, water, sewer or septic or sewage treatment system, telephone, gas and electricity or other community service (i.e., master television antenna system or cable television or security system, if installed) which the Declarant or the Association has installed or might determine to install to serve the property. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain wires, conduits, cables and like on, above, across, under and through the roofs and exterior walls of the units. Should any party furnishing any service covered by this general easement request a specific easement by separate recordable document, Declarant or the Association, as the case may be, shall have the right to grant such easement of ingress and egress for the installation, replacement, repair and maintenance of any utility system existing for the benefit of any other unit. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then,

whenever practicable, only with advance notice to the unit owner directly affected thereby.

6. Other. There shall be a general easement to the Association, its directors, officers, agents and employees (including, but not limited to, any manager employed by the Association) to enter upon the property or any portion thereof in the performance of their duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the unit owner directly affected thereby.

ARTICLE VI

ADMINISTRATION

1. General Provisions. The administration of the Condominium Property, including, but not limited to, the acts required of the Association, shall be performed by the Association, by and through its Board, or as otherwise provided by law or in the Condominium Documents. The membership of the Association shall be limited to and consist of the Declarant and all of the condominium unit owners.

2. By-Laws. The initial By-Laws of the Association are attached as Exhibit "C" hereto and by reference made a part hereof, subject however to Amendment as herein provided.

3. Duties and Powers. The duties and powers of the Association shall be those and shall be exercised as set forth in the Act and the Condominium Documents, together with those implied as reasonably necessary to effect the purposes of the Association.

4. Agreements. All agreements and determinations lawfully authorized by the Board shall be binding upon all unit owners, their heirs, legal representatives, successors, assigns or others having an interest in the property or the privilege of the possession and enjoyment of any part of the property. In furtherance of the foregoing and not in limitation thereof, the Board shall have the authority to authorize such management agreements as the Board of Directors shall deem necessary or desirable for the administration and operation of the Condominium Property and any property owned by the Association. Any such management agreement shall provide that the same may be terminated by the Board of Directors for cause at any time upon 30 days notice to the manager. No such management contract

shall bind the Association, unless terminated for cause, in excess of one year from the date of its inception. All costs and expenses incident to the employment of a manager shall be common expenses payable from the common expense fund. During his tenure, the manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers and duties specifically and exclusively reserved to the Directors, officers or members of the Association by the Act or the Condominium Documents. The manager may be an individual, corporation or other legal entity as the Board of Directors shall determine and shall be bonded in such amount as the Board of Directors may require. The cost acquiring any such bond shall be an expense of administration, payable from the common expense fund.

5. Restrictions on Contracts. Neither the Association nor the Declarant shall enter into any contract, lease or other agreement, except contracts for the furnishing of utilities or the management contract, which shall bind the unit owners or the Association for more than one year after the date of the first annual meeting. After the first annual meeting the Board of Directors shall not enter into any contract, lease or other agreement which shall bind the unit owners or Association for a period of more than three years unless approved by a majority of the unit owners.

6. Execution of Documents. When any agreement, contract, conveyance or other document is executed by the President or Vice President and Secretary or Assistant Secretary of the Association, a third party without knowledge or reason to know to the contrary, may rely on such document as being what it purports to be.

7. Property. All funds received and title of all properties acquired by the Association and the proceeds thereon after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the unit owners as herein provided and for the purposes herein stated. The Board of Directors may acquire and hold, for the benefit of the owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise. The Board shall not deposit, invest or reinvest any funds of the Association unless such funds are invested in government securities, or deposited in banks which are members of the Federal Deposit Insurance Corporation or savings and loan associations which are members of the Federal Savings and Loan

Insurance Corporation.

8. Notices. Notices or demands for any purpose shall be given by the Association and other unit owners in the manner provided for notices to members of the Association by the By-Laws of the Association.

9. Enforcement. The failure of the Association or any unit owner to enforce any covenant or provision of the Act or the Condominium Documents affecting the Condominium Property shall not constitute a waiver of the right to do so thereafter.

10. Rules and Regulations. Reasonable regulations governing the use of the units, appurtenances thereto, and common Areas and Facilities, and property owned or leased by the Association not in derogation of this Declaration may be made and amended from time to time by the Board; provided, that copies of such regulations and amendments thereto shall be furnished by the Association to all unit owners. Such rules and regulations shall be binding upon the owners, their families, tenants, guests, invitees, and agents until and unless such regulation, rule or requirement is specifically overruled and cancelled in a regular or special meeting by the vote of a majority of the unit owners.

11. Violation of Rules and Regulations. Failure to abide by any such regulations, rule or requirement shall be grounds for an action to recover damages or obtain injunctive and equitable relief, or both. In addition to these remedies, in the event of violation by an owner of any rules or regulations, such owner's voting and use rights may be suspended by the Board after a hearing at which the general requirements of due process shall be observed. Such hearing shall only be held by the Board after notifying the owner ten days' prior written notice, specifying each alleged violation and setting the time, place and date of the hearing. A determination of the violation and the time of suspension or other sanction shall be made by a majority vote of the Board. The owner shall have the right to appeal any adverse ruling of the Board and shall be entitled to a hearing de novo before the membership of the Association, at which the general requirements of due process shall be observed. Upon an appeal by the owner of a decision by the Board, a special meeting shall be held within 60 days from the decision by the Board, but the decision of the Board shall remain in effect unless overruled by a majority vote of the members present at the special meeting.

12. Liability. Each Director and each Officer of the Association shall be held harmless from expense, loss or

liability by reason of having served as such Director or as such Officer and shall be indemnified by all the unit owners (as common expense) against all expenses and liability, including reasonable attorney's fees, incurred by or imposed upon him in connection with any proceeding to which he may be party, or have become involved by reason of being such Director or Officer at the time such expenses are incurred, except in such cases wherein the expenses and liability arise from a proceeding in which such Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties.

ARTICLE VII

MAINTENANCE, ORDINARY REPAIRS AND ALTERATIONS TO COMMON AREAS

1. By the Association. The Association shall maintain, repair and replace at its expense all parts of the Common Areas and Facilities, whether located within the perimeter walls of a unit or not, the cost of which shall be charged to the unit owners as a common expense. Notwithstanding this, each unit owner shall be responsible for the general upkeep and maintenance (but not repair and replacement) of the Limited Common Areas and Facilities allocated to his unit.

2. By the Unit Owner. Each unit owner shall maintain, repair and replace at his expense all portions of his unit which become in need thereof, including all molding or panelling, bathroom and kitchen fixtures, light fixtures, wall and ceiling covering materials, matting, carpeting, drapes and other items or systems within the unit and such external systems serving only that unit. Each unit owner shall maintain, repair and replace, when necessary, all damage to windows, screens (including the screening on any porches) and doors a part of his unit or a part of any limited common area allocated to his unit; except however, damages to such caused by agents, employees or subcontractors employed by the Association shall be repaired by the Association. All damages to the Common Areas and Facilities and Limited Common Areas and Facilities intentionally or negligently caused by the unit owner, his family, guests, invitees, agents, servants, lessees, employees or contractors shall be repaired promptly by such unit owner, except to the extent such damage is covered by hazard insurance required to be maintained by the Association in which case the Association waives its right of indemnity to the extent of funds received paid pursuant to said insurance policy. If the unit owner defaults in his obligations herein and such default is not cured by him within 15 days from written demand by the Association, the same may be cured by the Association and the

cost thereof shall be assessed against the unit owner by the Association.

3. Restrictions on Unit Owners. No unit owner shall perform or cause to be performed any maintenance, repair or replacement work upon his unit which disturbs the rights of the other unit owners or jeopardizes the soundness or the safety of the Condominium Property. If the unit owner shall cause any work to be performed on the unit, which in the sole opinion of the Board violates the terms of this paragraph, it shall be immediately discontinued and he shall refrain from recommencing or continuing any such work without written consent of the Board. A unit owner shall not repair, alter, replace or move any of the Common Areas and Facilities located within his unit without the prior written consent of the Board.

A unit owner shall not paint or otherwise decorate or change the outside appearance of the building in which his unit is located, including doors or windows or any appurtenance thereto, or Limited Common Areas serving his unit, without the written consent of the Board.

4. Duty to Report. Each unit owner promptly shall report to the Board or its agent any defect or need for repairs, the responsibility for which is that of the Association.

5. Alterations to Common Areas and Facilities. The Association is authorized to make minor improvements to and alterations to the structures located on the Common Areas and Facilities as a common expense; however, no major or structural improvements to or alterations of the Common Areas and Facilities or improvements or alterations in excess of \$1,000.00 shall be made by the Association without first obtaining the prior approval of the Membership by at least a majority vote of those members present in person or by proxy at a duly constituted meeting of the membership of the Association, except when such improvements are made pursuant to Article IX hereof. Any major alterations of improvements made prior to five years from the date of this Declaration or at such time as the Declarant no longer is the owner of an incomplete or a completed unit, whichever first occurs, shall also require the prior written approval of the Declarant.

6. Approval of Payment Vouchers. All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration and replacement of the Common Areas and Facilities or the Association's property shall be approved in

jointly by the President and the Treasurer. In the absence or disability of the President, the Vice President may perform the duties herein of the President. The Assistant Manager may perform the duties of the Treasurer herein in the absence or disability of the Treasurer. Notwithstanding the foregoing, the board may authorize any officer, member, committee or independent manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration or replacement of the Common Areas and Facilities or of the Association's property so long as the resolution granting such authority specifically limits the maximum amount which may be authorized on each occasion and so long as the subject resolution describes the items which may be authorized.

ARTICLE VIII

ASSESSMENTS

Initial Assessment; Maximum Amount. The Declarant shall fix the initial assessment which shall remain in effect until voted upon otherwise by the Board of Directors. The initial assessment shall be \$50.00 per month for each unit. Thereafter, the annual assessment shall be as follows:

A. The annual assessment may be increased by the Board each year, without a vote of the membership, to an amount not more than 25 percent in excess of the annual assessment for the previous year, or a percentage increase equal to the percentage increase in the consumer price index during the previous year, whichever is greater.

B. The annual assessment may be increased above the increase allowed in paragraph A of this section by a vote of majority of the members who are voting in person or by proxy at any regular or called meeting of the Association. Quorum requirements for such meeting will be those required at a Special Meeting of the membership, as set out in the By-Laws.

C. The Board of Directors may fix the annual assessment at any amount not in excess of the maximum stated above.

2. Fixing of Assessment. Not later than February, 1989, and the same date of each year thereafter, the Board shall have determined and shall have given written notice to the unit owners of the annual assessment affixed against each unit for the immediately succeeding calendar year. In determining the annual

assessment for each calendar year, the Board shall estimate the Common Expenses. In determining the cash requirement, the Board shall include a reasonable reserve for contingencies, assessments and maintenance items to be performed annually (including specifically, without limitation, reserves for painting, for roof and gutter replacement and for street and parking area maintenance) and shall deduct any expected income and any surplus from the prior year's fund. The portion of the estimated cash requirement assessed against each unit shall not alter or invalidate any obligation of a unit owner, any lien of the Association against such unit owner, or any lien against a unit fixed by the Board and shall commence for all units subject hereto on the day of the recording of this Declaration or with respect to additional units, on the day a Declaration shall be filed affecting such units.

Monthly Installments. The annual assessments shall be paid to the Association in equal monthly installments on or before the 1st day of each month during any assessment period. In the event of a unit owner's default for 30 days, the Association shall have the right to accelerate the entire unpaid balance of the annual assessment and to declare the same immediately due and payable.

Special Assessments. In addition to the annual assessments, the Association may levy special assessments in any calendar year for the purpose of supplementing the annual assessments if the same are inadequate to pay the Common Expenses and of defraying, in whole or in part, the cost of any construction of reconstruction, repair or replacement of the Association's property, the Limited Common Areas and Facilities, the Common Areas and Facilities, including the necessary fixtures and personal property related thereto; provided, however, that any such special assessments shall have the assent of a majority of the votes represented, in person or by proxy, at a meeting at which a quorum is present, duly called for the express purpose of approving such expenditure, written notice of which shall be sent to all owners not less than ten days nor more than 60 days in advance of the meeting, which notice shall set forth the purpose of the meeting. Special Assessments shall be assessed against the units according to their Percentage Interests. The period of the assessments and manner of payment shall be determined by the Board.

Purpose of Assessments, Common Expenses. The annual and special assessment fixed and collected pursuant to this section shall be used to pay the Common Expenses including, but not limited to, all expenses, costs and charges incurred by the

Association in connection with the administration, management and operation of the Condominium Property and the Association property; the costs of maintenance, repair, replacement and restoration of the Association property and the Common Areas and facilities, or any part thereof, and reasonable reserves for items not expensed on at least an annual basis; the cost of all insurance obtained by the Board pursuant to Article IX of this Association; and any and all expenses, costs or charges agreed upon as Common Expenses by the Association or declared Common Expenses by the provisions of the Act or the Condominium Documents. All easements, replacement funds, accumulated income, insurance and other escrows in excess of that needed for the purposes herein stated, determined yearly, either shall be applied to reduce the succeeding year's assessments or shall be distributed to the unit owners, as determined by the Board; except, however, the Board shall have the right to create and to maintain an escrow or trust fund or such reserves as it deems fit.

6. Lien and Personal Obligation. Each assessment provided for in this Article, together with interest from the date of delinquency at a rate of dollar figure set by the Board not to exceed the amounts provided in Section 7 hereafter or the maximum allowed by law and collection costs including reasonable attorney's fees, shall be a charge on and continuing lien upon the unit against which the assessment is made when a notice of lien has been filed of record in the office of the Clerk of Superior Court for Henderson County, North Carolina, in the manner provided in the North Carolina General Statutes, provided such notice of lien shall not be filed until such sums assessed remain unpaid for a period of 30 days after the same shall become due. Such notice of lien shall secure also all assessments against the unit which become due thereafter until the lien has been satisfied. In addition, each unit owner shall be liable personally for any assessment against his unit coming due or payable while he is the owner of such unit. A grantee of a unit shall be liable, jointly and severally, with the grantor for all unpaid assessments against such unit due and owing at the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any unit owner or grantee of a unit owner shall be required to a statement from the Board setting forth an account of the unpaid assessments against the unit owner and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth.

7. Effect of Non-Payment of Assessment, Remedies of Association. In the event that any assessment installment is not

within 30 days after the due date, the Board of the Association may, at its option, declare the entire unpaid annual assessment immediately due and payable, and such unpaid assessment shall bear interest from the date of acceleration, which shall be effective upon the sending of notice to the owner of the unit concerned regardless of the receipt thereof, such interest to be at a rate determined by the Board of Directors, but not in excess of the maximum allowed by law. In any event, any assessment installment not paid within 30 days after its due date shall bear interest from the due date at a rate determined by the Board of Directors, but in no event shall the interest exceed the maximum allowed by law. The Association by its managers or the Board may bring an action at law against the owner who is obligated to pay the assessment, and interest, reasonable attorney's fees and costs of such action or enforcement shall be added to the amount of such assessment.

Notwithstanding anything to the contrary stated in this section, during any period in which an owner shall be in default of payment of any installment of an annual, special or other assessment levied by the Association, the voting rights and the right to the use and enjoyment of the Common Areas and facilities or any services, including without limitation, facilities which the Association provides, may be suspended by the Board of Directors until such assessment is paid. Prior to the termination of services, voting rights or use of the facilities for failure to pay assessments, the procedure outlined in section 11, Article VI, shall be followed.

3. Priority of Assessment Lien. The lien of the assessment provided for in this section shall be prior and superior to all other liens except (a) ad valorem taxes, (b) all sums unpaid on mortgages recorded prior to the docketing of the assessment lien, and (c) materialmen's and mechanic's liens. The sale or transfer of any unit shall not affect the assessment against such unit. Provided, however, the sale of a unit pursuant to the foreclosure sale or execution sale instituted by a superior lien shall extinguish the inferior assessment lien against the unit, but no such sale or transfer shall relieve such unit of liability of any assessments thereafter becoming due or any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any unit pursuant to a foreclosure or action instituted by a superior lien holder. Provided, however, that a mortgagee or other holder of a unit at a foreclosure sale of such unit who acquires title to such unit by deed in lieu of foreclosure of such unit or by any other proceeding in lieu of foreclosure, shall

liable for and such unit shall not be subjected to a lien for the payment of such assessment which accrued prior to the acquisition of title of such unit by the mortgagee or other purchaser, providing further that such unpaid assessments shall be deemed to be Common Expenses collectible from all the unit owners including the mortgagee or other purchaser.

Owner's Non-Use. No unit owner may exempt himself from liability for his contributions toward Common Expenses and his other obligations to the Association by waiver of the use or enjoyment of any portion of the Common Areas and Facilities or by the abandonment or sale of his unit.

Liability of Declarant for Assessments. Notwithstanding anything in this Declaration to the contrary, no assessments shall be made as against any unit owned by the Declarant until the 1st day of the twelfth calendar month following the day the unit is subjected to this Declaration of Condominium by the Architect or the Architect's or Professional Engineer's certificate issued by General Statute 47A-15. If the unit is conveyed by the Declarant between the time the unit is subjected to this Declaration of Condominium and the 1st day of the twelfth calendar month following the day the unit is subjected to this Declaration, then the assessments shall be valid and enforceable against the unit commencing with the 1st day of the first month following the day of transfer by the Declarant.

ARTICLE IX

INSURANCE

Authority to Purchase. The Board shall have the authority to and shall obtain a master insurance policy upon the Condominium Property and the Association's property for the benefit of the Association, the unit owners and their mortgagees whose interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of the unit owners. The original of such policy and endorsements thereto shall be deposited with the Association, as Insurance Trustee, and unit owners may inspect such policy at any time during reasonable working hours and after reasonable notice to the Board. Unit owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expense.

2. Coverage.

A. Casualty. The building and all other improvements upon the land and all personal property included in the Common Areas and Facilities and originally installed fixtures, cabinets and wall and floor coverings of the units shall be insured in an amount equal to the full replacement value (i.e., 100 percent of the replacement costs) exclusive of foundations and excavation. Such coverage shall afford protection against (i) loss or damage by fire with extended coverage endorsement; and (ii) such other risks as from time to time shall customarily be covered with respect to building similar in construction, location and use as the building, including, but not limited to, vandalism and malicious mischief.

B. Public Liability. The liabilities of the Association shall be insured in such amounts as shall be required by the Board and each unit owner shall be named as an additional insured but only with respect to his liability arising out of the ownership, maintenance or repair of the Common Areas and Facilities. Such insurance shall include endorsements covering the liability claims of one insured against another, including the liability of the unit owners as a group to a single unit owner. The Board of Directors shall review such insurance and its terms annually. Such public liability insurance shall be in amounts not less than \$500,000/\$1,000,000 for claims for bodily injury and \$50,000 for claims for property damage.

C. Other. The Association may obtain such other insurance coverages as the Board determines from time to time to be desirable, including liability insurance to protect the directors and members of the Board for any negligence while acting in their official capacity, and including casualty and public liability insurance covering property owned by the Association.

Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

Policies' Content. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

A. The master policy on the property cannot be voided, invalidated or suspended on the account of the conduct of any one or more individual owners.

B. The master policy on the property cannot be invalidated, invalidated or suspended on account of the conduct of any officer or employee of the Board or manager without prior written consent in writing that the Board of Directors or manager cure the defect.

C. That any "no other insurance" clause in the master policy on the property exclude individual owners policies from consideration.

Receipt of Proceeds, Insurance Trustee. All insurance proceeds purchased by the Board shall be for the benefit of the Association, the unit owners and their mortgagees as their interests may appear and shall provide that all proceeds covering property losses shall be paid to the Association, as Insurance Trustee. The duty of the insurance Trustee shall be to receive all proceeds as are paid and to hold the same in trust for the purposes hereinafter stated and for the benefit of the unit owners and their mortgagees in the following shares:

A. Common Areas and Facilities. An undivided share of the proceeds received by the Association on account of damage to the Common Areas and Facilities shall be held for each unit owner and such share shall be determined by the subject owner's percentage interest in the Common Areas Facilities.

B. Units. Proceeds received by the Association on account of damage to units shall be held for the unit owners of the damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Board.

C. Mortgages. In the event a mortgage endorsement has been issued for a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided that no mortgagee shall have the right to demand or participate in the determination as to whether any damaged property shall be reconstructed or repaired.

Distribution of Proceeds. Proceeds of insurance received by the Insurance Trustee shall be distributed for the benefit of the beneficial owners in the following manner:

A. Reconstruction or Repair. The damage for which the proceeds are paid must be repaired or reconstructed. The proceeds shall be paid to defray the cost thereof as provided

All proceeds remaining after defraying such costs shall be distributed to the Association. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

B. Trust. Subject to prior rights of mortgage holders of any unit, all insurance proceeds shall be held and used in trust for the repair and restoration of the damaged or destroyed property.

Association as Agent. The Association hereby is appointed Agent for each unit owner and for each holder of a lien upon a unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of such claims.

Waivers. All policies of physical damage insurance purchased by the Board pursuant to this Article shall contain a waiver of subrogation against unit owners, their tenants, invitees, the Association and others having an interest in the Condominium Property. Such policies shall not be cancelled or substantially modified without at least 30 days' written notice to the Association.

Duty to Repair. In the event of damage to or destruction of a building as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the building (including any damaged unit, but not including any equipment in the unit, unless the subject insurance policy covers a portion of all such loss to the unit, in which case the Association shall repair or replace such damage), and the Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in the form of progress payments. Any cost of such repairs and restoration in excess of the insurance proceeds shall constitute a common expense.

Determination Not to Repair. If the damage to or destruction of the condominium property as a result of fire or other casualty is so extensive that it becomes unfeasible to restore the damaged property, and the owners of 75 percent of the percentage interest in the condominium duly resolve not to proceed with repair or restoration, then and in

A. The property shall be deemed to be owned as tenants in common by the unit owners.

B. The undivided interest in the property owned by the unit owners as tenants in common which shall appertain to each unit owner shall be the percentage interest previously owned by the unit owner in the Common Areas and Facilities.

C. Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing liens as to the percentage of the undivided interest of the unit owner and the property as provided herein.

D. The property shall be subject to an action for sale by the unit owners at the suit of any unit owner, in which event the proceeds of sale, together with the net proceeds of insurance if any, shall be considered as one fund and shall be divided among all the unit owners in proportion to their respective undivided ownership of the Common Areas and Facilities, after first paying off, out of the respective shares of the unit owners, to the extent sufficient for the purpose, all liens on the unit of each unit owner.

ARTICLE X

ARCHITECTURAL CONTROL

Approval Required for Changes. To preserve the original architectural appearance of Pine Ridge Condominiums after the sale of a condominium unit from Declarant, its successors or assigns, no exterior construction of any nature whatsoever, as specified in the Act or the condominium Documents, shall be commenced or maintained upon any of the Condominium Common Areas, including, without limitation, the Limited Common Areas and Facilities, nor shall there be any change, modification or alteration of any nature whatsoever of the design and appearance of the exterior surfaces of facades, nor shall any owner appropriate or change the color of any exterior surface, fence or roof, nor shall any owner change the design or appearance of the exterior addition or change, including, without limitation, the erection or construction of any fence or wall, be made, and until the plans and specifications showing the kind, shape, height, materials, color and location of the exterior design, color and location in relation to the existing structures by the Board. The Declarant shall be bound by the provisions of this Article.

ARTICLE XI

CONDEMNATION

General. Whenever all or any part of the property shall be taken by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association. Unless otherwise required by the time of such taking, any award made therefor shall be managed by the Association as hereinafter provided in this

Common Areas. If the taking is confined to the Common Areas and Facilities on which improvements shall have been constructed and if at least 75 percent of the total Vote of the Association shall decide within 60 days after such taking to replace such improvements, or any part thereof, on the remaining improvements included in the Common Areas and Facilities (or upon improvements owned by the Association) and according to plans to be approved by the Association, then the Board shall provide for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are authorized to disburse insurance proceeds where damage or destruction of the property is to be repaired or reconstructed as provided for in Article IX hereof; subject, however, to the right reserved to the Association which may be exercised by a majority of the total vote thereof to provide for the replacement by the Association of the remaining proceeds held by the Association (after payment of all costs incident to such replacement) to one or more of them in amounts disproportionate to their percentage interest appurtenant to their units established in the Association, which disproportionate amounts shall correspond with the disproportionate damages sustained by the owners or any one or more of them as the Association shall determine. If at least 75 percent of the total vote of the Association shall not decide within 60 days after such taking to replace such improvements or if the taking is confined to the Common Areas and Facilities on which improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the same manner as hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to the replacement of improvements taken, including the right reserved to the Association to provide for the disbursement of the remaining proceeds held by it to the owners in disproportionate

3. Units. If the taking includes one or more units, any part of parts thereof or the Limited Common Areas and Facilities, or parts thereof, to which a unit has exclusive use, then the award shall be disbursed and all related matters, including, without limitation, alteration of the Percentage Interest appurtenant to each unit shall be handled pursuant to and in accordance with the consent of all owners expressed in a duly recorded amendment to this Declaration. Such amendments, if any, shall realign the Percentage Interest, establish the method of allocating the condemnation award and include such other provisions as all of the unit owners deem reasonable and appropriate. Further provided, such amendment shall be executed by the mortgagee of such units and shall not prejudice the interests of other third parties who have an interest in the condemnation award with respect to their rights, if any, in such award. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Section 10 of Article IX herein, whereupon the development will be conducted in the manner therein prescribed.

ARTICLE XII

TERMINATION OF UNIT OWNERSHIP

1. Agreement.

A. The property may be removed from the provisions of this Declaration and the Unit Ownership Act by an instrument to that effect, duly recorded, approved by all unit owners, provided that the holders of all liens affecting any of the units consent thereto or agree, in either case by instrument duly recorded, and their liens be transferred to the percentage of the undivided interest of the unit owner in the property.

B. Upon removal of the property from the provisions of this Declaration, and this Declaration, the property shall be deemed to be owned as tenants in common by the unit owners. The undivided interest in the property owned as tenants in common which shall appertain to each unit owner shall be the percentage of the undivided interest previously owned by such unit owner in the Limited Common Areas and Facilities.

C. Notwithstanding anything to the contrary in this

XII, if the Unit Ownership Act is amended to allow
of Unit Ownership by less than all of the unit owners
of the holders of liens, then said amendment of the
shall control this Declaration; provided that in no event
the property be removed from Unit Ownership unless approved
the unit owners owning at least 90 percent of the percentage
in the Common Areas and Facilities and the holders of 90
of the indebtedness of mortgage liens affecting the

condemnation. In the event that one or more units or
thereof shall be taken in condemnation or by eminent
and the consent of all owners shall not be expressed in
to this Declaration, and the By-Laws, duly recorded
30 days after such taking as provided in Article XI of
Declaration, the condominium shall be terminated and the
documents revoked. Such taking shall be evidenced by
of the Association certifying as to the facts
the termination, which certificates shall become
50 days following the taking upon the certificate being
recorded in the Henderson County Registry.

ARTICLE XIII
AMENDMENTS

By Owners. This Declaration may be amended by the vote
the unit owners owning at least a majority of the interest in
Common Areas and Facilities, provided that no such amendment
be effective until placed in writing, executed and
acknowledged by the duly elected President (or Vice President)
attested to by the Secretary (or Assistant Secretary) of the
Association who shall certify that approval has been given by the
number of unit owners at a duly called and constituted
meeting of the Association, and filed for registration in the
Henderson County Registry; provided, however, if a larger vote is
taken to take or refrain from taking a specific action as set
forth in the Act or this Declaration, no amendment shall be made
until the unit owners holding such larger percentage
in the Common Areas and Facilities approve such
amendment. All persons or entities who own or hereafter acquire
an interest in the condominium property shall be bound to abide
by amendment to this Declaration, upon the same being passed
as provided herein and duly set forth in an amended Declaration
duly recorded as provided herein. Notwithstanding anything
to the contrary contained in this Declaration or By-Laws attached
hereto, no change or amendment to this Declaration or By-Laws

...or change the percentages of the undivided interest in the Common Areas and Facilities, except the percentage interest resulting from expansion of the condominium as set out in Article XIV hereof; nor provide for the partitioning of any unit, unless all unit owners, and all holders of mortgages upon individual units, shall have given their approval thereof. Except as provided in Section 10 of the Act, no amendment to this Declaration or By-Laws shall provide for the partitioning of the Common Areas and Facilities unless all unit owners and all first mortgage lien holders upon the individual units shall have given their written approval thereof. Any amendments made by the unit owners shall be effective without the consent of the Declarant so long as the Declarant owns any part of the property described in Exhibit "A".

By Declarant. This Declaration may be amended or amended at any time by the Declarant so long as the Declarant owns any of the property described in Exhibit "A".

Restriction on Amendments. No amendment to the Declaration or to the By-Laws shall be adopted or passed which impairs or prejudice the rights and priorities of a mortgage holder or owner of a mortgage or deed of trust or other form of security agreement encumbering any of the units in the Condominium Property.

ARTICLE XIV

ADDITION OF LAND AND UNITS - PERCENTAGE INTEREST OF COMMON

Supplementary Declaration to Add Additional Land and
Any property which is within the property described in Exhibit "A" may be added to the condominium property by the Declarant by the filing of a Supplementary Declaration or Declarations, which Declaration or Declarations shall describe or identify the property to be added, specifically incorporate the terms and conditions of this Declaration and make the property to be added subject to this Declaration. In addition, the Supplementary Declaration which adds property to the condominium property shall have attached thereto site surveys of the property and certificates required by the Act, together with any other provisions as deemed necessary or appropriate by the Declarant. Upon such recording, the property described in the Supplementary Declaration shall become part of the condominium property as if such property had been included in this

and by accepting a deed subject to this Declaration and any applicable Supplementary Declaration, the unit owners grant to the Declarant an irrevocable right to perform such acts as may be necessary to effectuate the expansion, and expressly designate the Declarant as their lawful agent and attorney in fact to execute and file such Supplementary Declaration or Declarations. Such Declarations shall not require the consent or the joinder of the unit owners. Only property which is a part of the property described in Exhibit "A" may be added to the condominium property. Such parcels may be added from time to time as the Declarant may determine. Only such portions shall be added as the Declarant may select. The Declarant may construct upon the property such improvements as the Declarant may determine, including additional buildings and condominium units. All such improvements constructed shall be generally compatible with the units of the First Phase. The maximum number of condominium units which may be constructed upon the property described in Exhibit "A" shall be 4 units.

Percentage Interests. As the result of the recording of this Declaration, the percentage interest of each unit owner in the First Phase is established in the percentages for the First Phase set out in the chart made a part of this Section 2 of Article XIV. If and as each one or more Phases are added to the condominium by Supplementary Declarations adding additional property to the condominium property, the percentage interest of each unit owner in the Common Areas and Facilities of the condominium project shall be reduced, depending on the phase or phases added and the total combination of phases subject to this Declaration. The total number of condominium units which may be constructed upon the property described in Exhibit "B" is 4 units. As additional phases are added, the relative value of the units shall be recomputed to take into account the estimated fair market value of all units included within the condominium project as of the date of the recordation of the Supplementary Declaration. To determine the applicable percentage interest of each unit that is a part of the condominium, reference should be made to the chart made a part of Section 2 of Article XIV of this Declaration. As Supplementary Declarations are filed from time to time, reference should be made to an amended chart which may be prepared by the Declarant upon the filing of the Supplementary Declaration to determine the percentage interest of each unit. By acceptance of a condominium unit in Pine Ridge, each owner, for himself, his heirs, successors and assigns, agrees and consents to the terms of this Declaration, without the need of further consent or approval of the Declarant.

any unit owner, may add additional properties to the Declaration, and upon the recording by the Declarant of a Supplementary Declaration, the percentage interests shall be modified to the appropriate percentage interest shown on the chart for the number of phases then subject to the Declaration. The Declarant is designated and appointed as the lawful attorney in fact for each and every unit owner to make such modifications of the percentage interests as may be required arising from the inclusion of additional units in the Declaration. No Supplementary Declaration may change the percentage interest other than as shown on the amended chart or unless the Supplementary Declaration is joined by 100% of the unit owners and all persons holding liens upon the property in the manner required for amendment of the Declaration to the percentage interest of ownership in Common Areas and

<u>PHASE I</u>	<u>PERCENTAGE INTEREST IN COMMON AREAS AND FACILITIES</u>
Building 1, Unit 1 (907)	25%
Building 1, Unit 2 (909)	25%
Building 1, Unit 3 (911)	25%
Building 1, Unit 4 (913)	25%

ARTICLE XV

ASSOCIATION PROPERTY

Recreational facilities are a part of Phase I of Pine Valley. The Declarant hereby warrants that it will construct such facilities, including a covered recreational area. After such facilities are constructed by the Declarant, the Declarant shall convey such property upon which the amenities are located to the Association. Improvements thereon to the Association. Similarly, the Declarant reserves the right to convey a part or all of the easements, rights of way, sidewalks and walkways located within the property described as Exhibit "A" to the Association. After such improvements, the cost and expense of the improvement, maintenance and repair of any such property conveyed to the Association shall be the responsibility of the Association.

the Association and are hereby declared to be a common expense of the Association. The conveyance of any such property to the Association may be subject to such liens as may then be existing in respect to the property conveyed, but in no event shall the grantant be relieved of such liability for liens as may be then existing.

ARTICLE XVI

GENERAL PROVISIONS

Covenants Running with the Land. All provisions of this Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein including, but not limited to, every unit and the appurtenances thereto; and every provision of the Declaration shall bind and insure to the benefit of all unit owners and claimants of the land or interest thereof or interest therein and their heirs, executors, administrators, successors and assigns.

Duration. So long as North Carolina law limits the duration during which covenants restricting lands to certain uses may run, it shall be the duty of the Board of Directors to cause the covenants contained herein, as amended from time to time, to be extended when necessary by filing a document bearing the signatures of a majority of the then owners reaffirming and newly adopting the Declaration and covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a majority shall be binding on all, and each owner of any unit, by acceptance of a deed therefor, is deemed to have adopted the Declaration and covenants may be extended as provided in this Section 2.

By-Laws. A true copy of the initial By-Laws of the Association, which together with this Declaration shall govern the administration of the Condominium are attached hereto as Appendix A, and, by reference, made a part hereof.

Enforcement. Each owner shall comply strictly with the Declaration and with the administrative rules and regulations adopted by the Association thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration or in the deed to his unit. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both maintainable by the Board of Directors on behalf of the Association or by an aggrieved owner. Failure by the

or by any owner to enforce any of the foregoing shall be deemed a waiver of the right to do so thereafter.

Severability. Invalidation of any covenant, condition, or other provision of this Declaration or the By-Laws shall not affect the validity of the remaining portions thereof, which shall remain in full force and effect.

Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions apply to corporations or individuals, men or women, shall be assumed as though in each case fully expressed.

Interpretation. The provisions of this Declaration and the By-Laws shall be liberally construed to effectuate its purpose in creating a uniform plan for the development and maintenance of the Condominium Property.

Voting and Percentages. Unless expressly stated to the contrary, all percentages for voting purposes means the owners of the percentage of the interest in the Common Areas and the By-Laws, by adding the percentage interests as set forth in the Declaration, as may be amended.

Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, describe the scope of this Declaration or the intent of the provisions hereof.

Law Controlling. This Declaration and the By-Laws hereto shall be construed and controlled by and under the laws of the State of North Carolina. Provided, however, that in the event of conflicts or inconsistencies between the Act, this Declaration or the By-Laws, the terms and provisions of the Act shall prevail and the unit owners shall be bound to vote in favor of such amendments as will resolve such conflict or inconsistencies, except that where the Declaration, or the By-Laws conflict and the provisions of the Act are merely enabling and not mandatory, the provisions of the Declaration and By-Laws shall control.

ARTICLE XVII

SPECIAL PROVISIONS CONCERNING VETERAN'S ADMINISTRATION AND INSTITUTIONAL LENDERS

Veteran's Administration Approval. Wherever in this

... or in the By-Laws consents or approvals of mortgagees
... first mortgage are required for any action, change or
... this Declaration or By-Laws and any loan on a unit
... property is guaranteed by the Veteran's Administration,
... or approval of the Veteran's Administration shall
... required before such action, change or amendment shall be

Lender's Rights. Any mortgagee having a first mortgage
... in the Property and any holder, insurer or guarantor of
... mortgage will, upon written request, be entitled, free of
... (i) inspect the books and records of the Association
... business hours; (ii) receive an audited financial
... of the Association; and (iii) receive written notice of
... of the Association and be permitted to designate a
... to attend all such meetings.

Self Management. Before the Association shall be
... to assume self-management of the Property and terminate
... contract with professional management, the Association
... have received the written consent of self-management of a
... of the mortgagees having first mortgages of units in
... Property.

ARTICLE XVIII

The following Exhibits are attached hereto and made a part
... Declaration by reference:

EXHIBIT "A". Perimeter description of the property owned by
... certain portions or all of which may be subjected to
... provisions of the Unit Ownership Act of North Carolina by
... Declaration or by a Supplementary Declaration.

EXHIBIT "B". Perimeter descriptions of Phase I of Pine
... Condominiums made subject to the Unit Ownership Act of
... Carolina by this Declaration.

EXHIBIT "C". Initial By-Laws of the Pine Ridge
... Condominiums.

EXHIBIT "D". Survey for Phase I of Pine Ridge Condominiums
... shall be removed by the Register of Deeds of
... County and filed independently in the Unit Ownership
... Act.

EXHIBIT "E". Plans for Phase I of Pine Ridge Condominiums,

including the site plan and building plans and Architects's
plans (this Exhibit "E" shall be removed by the Register of
of Henderson County and filed independently in the Unit
to file).

Exhibit "F". Subordination of deed of trust to Declaration.

IN WITNESS WHEREOF, the Declarant has caused this
instrument to be signed and sealed by the President of TY-J
ENTERPRISES, Inc., its duly authorized officer, the day and year
above written.

TY-J ENTERPRISES, INC.
A North Carolina Corporation

By: _____
PAUL T. RHODES, JR.

Corporate Seal

Secretary

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, _____, the undersigned Notary Public in and for the
State of North Carolina, personally came PAUL T. RHODES, JR.,
by me duly sworn, says that he is the President of TY-J
ENTERPRISES, INC., a North Carolina Corporation, and that the
writing to the foregoing instrument in writing is the
corporate seal of TY-J ENTERPRISES, INC., and that said writing
was signed and sworn to, signed and sealed by him on behalf of
TY-J ENTERPRISES, INC. by its authority duly given as the President of
TY-J ENTERPRISES, INC. The said PAUL T. RHODES, JR. further certified
that the facts set forth in said writing are true and correct,
and he acknowledged said instrument to be the act and deed of said
TY-J ENTERPRISES, INC.

IN WITNESS my hand and seal this _____ day of _____, 198_____.

Expires:

NOTARY PUBLIC

No. _____

Y. _____

ORE _____

THESE _____

WERE _____

READ _____

AND _____

SEAL _____

AND _____

2 _____

IN _____

THE _____

STATE _____

OF _____

ON _____

AT _____

BY _____

AS _____

DE _____

DUM _____

RI _____

ON _____

S. _____

Att. _____

EXHIBIT "C" TO DECLARATION CREATING UNIT OWNERSHIP AND
ESTABLISHING RESTRICTIONS, COVENANTS AND CONDITIONS FOR PINE
RIDGE CONDOMINIUMS

BY-LAWS
OF
PINE RIDGE CONDOMINIUMS

ARTICLE I

NAME, PURPOSE AND APPLICABILITY

1.1 Name. The name of this association shall be Pine Ridge
Association, hereinafter called the Association.

1.2 Purpose. The purpose of the Association shall be to
administer, manage and operate the condominium property and
property owned or leased by the Association in accordance with
the Unit Ownership Act, the Declaration, and these By-Laws, as
they may be amended from time to time. The Association shall not
engage in any activities other than those directly related to
administration of the condominium property and the Association
property and the unit owners' responsibilities with respect to
the same.

1.3 Applicability. These By-Laws are applicable to so much
of the condominium project known as Pine Ridge Condominiums as
such property is described on Schedule "A" attached to that
Declaration Creating Unit Ownership and Establishing
Restrictions, Covenants and Conditions for Pine Ridge
Condominiums (the "Declaration") as shall be submitted to such
Declaration from time to time and to any property owned or leased
by the Association. The By-Laws are binding on all present and
future owners, tenants, guests, residents or other persons
occupying or using the facilities of such condominium property.
The mere acquisition, rental or act of occupancy of any part of
the condominium property will signify that these By-Laws are
accepted, ratified and will be complied with. The provisions of
the Declaration regarding the governing and administration of the
Association are incorporated herein by reference.

ARTICLE II

DEFINITIONS

The definition of words contained in the Declaration,

Article I, shall apply to those words and terms as used in these laws.

ARTICLE III

OFFICES, REGISTERED AGENT, SEAL, FISCAL YEAR

3.1 Principal Office, Registered Office. The initial principal office of the Association shall be located at 280 Popularity Place, Hendersonville, Henderson County, North Carolina 28739.

3.2 Registered Agent. The initial Registered Agent for the unit owners for matters incident to the Condominium Property and the initial Registered Agent for the Association is Paul T. [Name], Jr. The individual serving as Registered Agent may be removed from office and replaced at any time by vote of the Board of Directors of the Association.

3.3 Other Offices. The Association may have other offices in such places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

3.4 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31.

ARTICLE IV

MEMBERSHIP

4.1 Classes of Membership. Initially there shall be two classes of membership:

A. Unit Owners shall be members of Class One. To the extent the Declarant owns individual units which are subject to the Declaration, the Declarant shall be a member of Class One. Membership shall be appurtenant to and inseparable from unit ownership. No unit owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to unit owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more units. The date of registration of the conveyance in the Henderson County Registry of the unit in question shall govern the date of ownership of each particular

The period of membership in the Association shall be for the term in which such member remains a unit owner and shall terminate automatically when the status of unit owner terminates. The termination of a mortgage or deed of trust on a unit shall not terminate the membership of the owner of membership.

B. The Declarant shall be the only member of Class Two membership and its rights as a member shall terminate when the Declarant surrenders its membership in writing to the Association at the time as Declarant has completed and sold six units. The Declarant may assign its membership as a Class Two member to any corporation, association, trust or other entity, and such assignee and any future assignee of such membership, may make like assigns.

Place of Meetings. All meetings of the membership shall be held in the County of Henderson, North Carolina, at such place as is convenient to the members as may be designated by the Board of Directors.

Annual Meetings. The first Annual Meeting of the unit shall be held either (a) at the date and hour designated by the Declarant, or (b) at 7:00 p.m. on March, 1989, whichever occurs first. Thereafter, the Annual Meetings shall be held on the 13th day of March of each year at such time and place as is convenient to the members as may be designated by the Board of Directors.

Substitute Annual Meetings. If any Annual Meeting is not held on the day designated by these By-Laws, a substitute Annual Meeting may be called in accordance with the provisions of Sections 4.5 and 4.6 immediately below. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Special Meetings. After the first Annual Meeting of the unit, Special Meetings of the Members may be called at any time by the President, Board of Directors or pursuant to the request of the owners of not less than 20 percent of the units of the Membership, by written notice to all unit owners. The business to be acted upon at all Special Meetings shall be limited to the objects stated in the notice of such meeting.

Notices of Meetings, Waiver. Written or printed notice of the time and place of the meeting shall be delivered not less than ten nor more than 60 days before the date of any meeting.

Membership meeting, either personally or by mail, by or at the direction of the President, the Secretary or other person calling the meeting, to each Member entitled to vote at such meeting. Notice shall be deemed given upon deposit in an official post office of the United States Postal Service in an envelope properly addressed to each unit owner at the address of such unit or any other address supplied to the Association by the owner, with sufficient postage affixed thereto. Notice given to any one owner in common or tenant by entirety of a unit shall be deemed given to all co-owners of the subject unit. In the case of a Special Meeting, the notice of the meeting shall state specifically the purpose or purposes for which the meeting is called; however, in the case of an Annual or Substitute Annual Meeting, the notice of meeting need not state specifically the business to be transacted thereat. Any member may waive the necessity of formal notice to him by attending the meeting without objection or by signing a written waiver either before or after the meeting, and upon such attendance or execution of such waiver the Member shall not be entitled thereafter to object to the meeting being held or matters being passed at the meeting on the basis of lack of notice thereof.

7. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members holding 51 percent of the total vote of the Membership shall constitute a quorum at meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented. The Members at any meeting at which a quorum is present may continue to do business after adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

8. Voting Rights.

A. The Declarant shall have no voting rights or any other rights as a Class Two member, except as long as the Declarant is a Class Two member, the Declarant shall designate the directors of the Association and there shall be no amendment to these By-Laws without the consent of the Declarant.

B. Except for those rights specifically reserved to the Declarant as set forth in subparagraph A above, all other voting rights of membership shall be in the unit owners as Class One members. The total number of votes of all unit owners shall be equal and the owner or owners of each unit shall be entitled to

number of votes equal to the percentage interest in the unit, such as being set forth in Article XIV, Section 2 of the Declaration (and as amended in Supplementary Declarations). If a unit is owned by two or more persons (whether individually or in their capacity), the votes allocated to the unit may be exercised by any one of the co-owners, in person or by proxy. If more than one of the co-owners vote, the unanimous action of all co-owners shall be necessary to effectively cast the votes allocated to the subject unit.

Proxies. Members may vote either in person or by proxy authorized by written proxy executed by the subject member or by his duly authorized attorney in fact. A proxy is valid for the expiration of 11 months from the date of its execution unless the person executing it specifies therein the particular meeting for which it is to continue in force or limits its validity from the date of its execution. Unless a proxy holder provides, any proxy holder may appoint in writing a person to act in his place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary during or prior to the meeting in question. All of the provisions concerning the voting by co-owners shall apply to proxies for any one unit by two or more proxy holders.

Majority Votes. The casting of a majority of the votes cast at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a percentage vote is required by the Declaration, these By-Laws or by law.

Actions Without Meeting. Any action which may be taken by the Membership may be taken without a meeting if approved or ratified, in writing, setting forth the action to be taken shall be signed by persons who would be entitled to vote 100 votes upon such action at a meeting and such action shall be filed with the Secretary of the Association and entered in the minute book of the Association.

ARTICLE V

BOARD OF DIRECTORS

General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such

as the Board may establish pursuant to Article VI of the By-Laws.

5.2 Number, Term and Qualification. The initial Board of Directors shall consist of the three individuals named by the Declarant. From and after the date of the second Annual Membership Meeting, there shall be five Directors. The Declarant shall appoint all Directors until the Declarant's Class Two membership rights are terminated. The initial Board shall serve until their successors are appointed or elected at the second Annual Membership Meeting. Except for the initial Directors, and thereafter except for up to three Directors designated by the Declarant, all of the Directors at all times while in office shall be members of the Association. Each Director shall be at least 21 years of age. Any qualified Director may be re-elected to office. Each Director shall hold office until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified.

5.3 Nominations. Nominations for election to the Board of Directors shall be by a Nominating Committee consisting of a Chairman who shall be a Member of the Board, and at least two other Members of the Association. The Nominating Committee shall be appointed by the Board prior to each Annual Meeting of the Association to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion, determine; however, in no event shall the nominations be less than the number of vacancies. Nominations may also be made from the floor at the Annual Meeting. This section shall not be applicable so long as the Declarant's rights as Class Two member empower the Declarant to appoint the Board of Directors.

5.4 Election of Directors. At the first Annual Membership Meeting which occurs after the termination of the Declarant's Class Two membership rights, the Members shall elect five Directors. Two of such Directors shall serve for a term of one year and two of such Directors for two years and the remaining Director shall serve for a term of three years.

Thereafter, at the next Annual Meeting and each Annual Meeting thereafter, Directors whose terms expire shall be elected to serve for a term of three years. All Directors shall serve until their death or their disqualification or their successors are elected and qualified. If any Member so demands or if the

presiding officer so directs, the election of Directors shall be by ballot. Otherwise, the election shall be by voice vote. Persons receiving the highest number of votes shall be elected.

5.5 Removal. After the termination of the Declarant's Class Two membership rights, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any Annual or Special Meeting of the Membership, provided that the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Directors are so removed, their successors as Directors may be elected by the Membership at the same meeting to fill the unexpired terms of the Directors so removed.

5.6 Vacancies. After the termination of the Declarant's Class Two membership rights, a vacancy occurring in the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; however, a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an Annual or substitute Annual Meeting, or at a Special Meeting of Members called for that purpose, or by unanimous consent of the Members without meeting. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

5.7 Chairman. There may be a Chairman of the Board elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. In the absence of the Chairman, the President shall preside at all meetings of the Board.

5.8 Compensation. No Member of the Board shall receive any compensation from the Association for acting as such; provided, however, each Director, upon approval of the Board, shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association and nothing herein shall prohibit the Board from compensating a Director for unusual and extraordinary services rendered; further provided, each Director, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation.

5.9 Loans to Directors and Officers. No loans shall be made by the Association to its Directors or Officers.

5.10 Liability of Directors. To the extent permitted by

law, each Director shall be indemnified by the Association with respect to any liability and expenses of litigation arising out of his lawful activities within the scope of his duties as a Director.

5.11 Meetings of Directors.

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

B. Special Meetings. Special Meetings shall be held when called by the President of the Association or by any two Directors after not less than one nor more than 10 days' notice to each Director.

C. Notices of Special Meetings. The notice provided for herein may be waived by attendance without objection to lack of notice or by written instrument signed by those Directors who do not receive such notice. Except to the extent otherwise required by law, the purpose of a Directors' Special Meeting need not be stated in the notice. Attendance by a Director at a meeting shall constitute a waiver of a notice of such meeting unless the Director gives a written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is not called lawfully.

D. Approved Meeting Place. All Directors' meetings shall be held in the County of Henderson, State of North Carolina, unless a majority of the Directors then in office agree in writing to hold a meeting or meetings at another location.

E. Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

5.12 Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Such written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

5.13 Presumption of Assent. A Director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

5.14 Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of Pine Ridge Condominiums except such powers and duties as by law or by the Condominium Documents may not be delegated by the unit owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

A. Operation, improvement, care, upkeep, maintenance and management of the Common Areas and Facilities and property owned or leased by the Association.

B. Determination of the funds required for operation, administration, maintenance, management and other affairs of the Pine Ridge Condominiums and collection of the Common Expenses from the unit owners as provided in the Declaration.

C. Employment and dismissal of personnel necessary for the efficient operation and maintenance of Pine Ridge Condominium.

D. Adoption of Rules and Regulations covering the details of the operation and use of the Condominium Property and the property owned or leased by the Association.

E. Opening of bank accounts on behalf of the Association and designating the signatures required therefor.

F. Purchasing units at foreclosure or other judicial sales in the name of the Association, or its designee.

G. Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of Directors) or otherwise dealing with units acquired by the Association or its designee.

H. Obtaining insurance for Pine Ridge Condominiums pursuant to the Declaration.

I. Keeping detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities and corporate property, specifying and identifying the maintenance and repair expenses and any other expenses incurred. Such records and the vouchers accrediting the entries thereupon shall be available for examination by all of the unit owners or their duly authorized agents or attorneys at convenient hours on working days. All books and records shall be kept in accordance with good and accepted accounting practices and an outside audit shall be made at least once a year.

J. Keeping a complete record of the minutes of all meetings of the Directors and Membership in a minute book in which shall be inserted written records of actions taken by the Directors and Members by consent without meeting.

K. Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed.

5.15 Independent Manager. The Board may employ or enter into a management contract with any individual or firm it deems appropriate and in the best interest of the Association concerning the routine management of the Condominium Property and the Association's property. The Board may delegate to such person or firm (referred to in these By-Laws as "Independent Manager") such duties and responsibilities in the management of the Condominium Property and the Association's property as the Board deems appropriate. Nevertheless, the Board may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the Act. The Independent Manager's contract always shall be subject to the conditions set out in Article VI, Section 5, of the Declaration. The Board shall have authority to fix reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Board and subject to its direction.

ARTICLE VI

COMMITTEES

6.1 Creation. The Board, by resolutions adopted by a

majority of the number of Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium Property and the Association's property. Each committee so created shall have such authorities and responsibilities as the Board deems appropriate and as set forth in the resolutions creating such committee. The Board shall elect the members of such committee. Each committee shall have in its membership at least one member of the Board.

6.2 Vacancy. Any vacancy occurring on a committee shall be filled by a majority of the number of Directors then holding office at a regular or special meeting of the Board.

6.3 Removal. Any member of a committee may be removed at any time with or without cause by a majority of the number of Directors then holding office.

6.4 Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

6.5 Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility or liability imposed upon it or him by law. If action taken by a committee is not considered formally thereafter by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

ARTICLE VII

OFFICERS

7.1 Enumeration of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice President, Assistant Secretaries, Assistant Treasurers and other officers as the Board may from time to time elect. Except for the President, no officer need be a member of the Board.

7.2 Election and Term. The officers of the Association shall be elected annually by the Board. Such elections shall be held at the first meeting of the Board next following the Second Annual or Substitute Annual Meeting of the Members. Each officer shall hold office until death, resignation, removal or until his

successor is elected and qualified.

7.3 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever, in its judgment, the best interest of the Association will be served thereby.

7.4 Vacancy. A vacancy in any office may be filled by the election by the Board of a successor to such office. Such election may be held at any meeting of the Board. The officer elected to such vacancy shall serve for the remaining term of the officer he replaced.

7.5 Multiple Offices. The person holding the office of President shall not also hold the offices of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person.

7.6 President. The President shall be the chief executive officer of the Association and shall be the Chairman of the Board of Directors, if no other member of the Board be so designated, and shall preside at all meetings of the Members. In the absence of an elected Chairman, he shall preside also at all meetings of the Board. He shall see that the orders and resolutions of the Board are carried out; shall sign on behalf of the Association all written instruments regarding the Condominium Property and Association property (including Supplementary Declarations or Amendments to the Declaration), where appropriate, and all promissory notes of the Association, if any. He shall have all powers necessary as the person responsible to carry out and perform actions of the Board or to execute authority given him by the Board.

7.7 Vice President. The Vice President, in the absence or disability of the President, shall perform the duties and exercise the powers of that office. In addition, he shall perform such other duties and have such other powers as the Board shall prescribe.

7.8 Secretary. The Secretary shall keep the minutes of all meetings of Members and of the Board, shall have charge of such books and papers as the Board may direct and shall perform all duties and have such powers as the Board shall prescribe. The Secretary shall attest to all of the official acts of the Association as may be required, including any Supplementary Declarations or Amendments to the Declaration as may be appropriate.

7.9 Treasurer. The Treasurer shall have the responsibility for keeping full and accurate financial records in books of account showing all receipts, disbursements and the preparation of all required financial statements. He shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year, shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the Membership at its Annual Meeting and shall deliver a copy of each to the Members. He shall perform all duties and have such powers as the Board shall prescribe.

7.10 Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or by the Board.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Parliamentary Rules. "Robert's Rules of Order" (latest edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Declaration or these By-Laws.

8.2 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association as a common expense.

8.3 Conflicts. If there are conflicts or inconsistencies between the provisions of North Carolina law or the Declaration and these By-Laws, the provisions of North Carolina law and the Declaration (in that order) shall prevail.

8.4 Amendments. These By-Laws may be amended by the vote of the Class One Members owning at least a majority of the interest in the Common Areas and Facilities, provided that no such amendment shall be effective until a corporate resolution is duly adopted, placed in writing, executed and acknowledged by the duly elected President (or Vice-President) and attested to by the Secretary (or Assistant Secretary) of the Association, and filed

for registration in the Henderson County Registry; provided, however, if a larger vote is required to take or refrain from taking a specific action, as set forth in these By-Laws or the Declaration, no amendment shall be made unless and until the Members holding such larger percentage interest in the Common Areas and Facilities approve of such amendment. No amendment to these By-Laws shall be effective prior to Declarant's sale of six units, without the consent of the Declarant. All persons or entities who own or hereafter acquire any interest in the condominium property shall be bound to abide by any amendment to these By-Laws, upon the same being passed as provided herein and duly set forth in an amended Declaration and By-Laws and duly recorded as provided herein.

The foregoing are certified to be the initial By-Laws of Pine Ridge Association duly adopted by the initial Board of Directors at a meeting duly constituted on _____, 198____.

PINE RIDGE ASSOCIATION

ATTEST: Corporate Seal

By: _____
PRESIDENT

SECRETARY

FILED IN HENDERSON COUNTY REGISTER OF DEEDS
OFFICE. NEDRA W. MOLES, REGISTER

PBH
DATE: 5-24-10 TIME: 3:50 P.M.

EXCISE TAX STAMP: _____

BOOK: 1430 PAGE: 292



Return to: J. Michael Edney, 1509 Haywood Road, Suite C, Hendersonville, North Carolina
28791

References: Book 725, Page 632
Book 747, Page 843
Book 1407, Page 432

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

AMENDMENT TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISH
RESTRICTIONS, COVENANTS AND CONDITIONS FOR PINE RIDGE CONDOMINIUMS

THIS AMENDMENT made this 24th day of May, 2010, by Pine Ridge Association, a North
Carolina non-profit corporation;

WHEREAS, Pine Ridge Association ("Association") is the association of unit owners at Pine
Ridge, a condominium located in Henderson County, North Carolina; and

WHEREAS, the Association is subject to the Amendment to Declaration Creating Unit
Ownership and Establish Restrictions, Covenants and Conditions for Pine Ridge Condominiums,
("Declaration of Condominium" or "Declaration"), as amended, recorded in the Henderson
County Registry of Deeds in Deed Book 725 at Page 632; and

WHEREAS, the owners of units to which more than seventy-five percent (75%) of the votes are
allocated signed a written agreement in favor of the adoption of this amendment in accordance
with N.C.G.S. 47C-2-117; and

NOW THEREFORE, the Declaration of Condominium for Pine Ridge Association is hereby
amended as follows:

The Declaration is hereby amended by striking Article IV, Section 17 entitled "Conveyance of
Interest in Unit."

Declaration, Article IV, Section 16 titled "Leasing of Units" shall be amended by deleting the
article in its entirety and substituting the following:

Renting or Leasing of Units.

In order (i) to protect the equity of the individual unit owners in the Association, (ii) to carry out the purpose for which the Condominium was formed by preserving the character of the Condominium as a residential community of owner-occupied units and by preventing the Condominium from assuming the character of a renter-occupied apartment complex, and (iii) to comply with the eligibility requirements for financing in the secondary mortgage market in so far as such criteria provide that the Condominium shall be primarily owner-occupied, Units may be leased only in their entirety; no fraction or portion may be leased. No transient tenants shall be permitted. All leases must be for a term of not less than twelve (12) months, unless permitted in writing by the Board of Directors which permission is in the sole discretion of the Board. No units may be subleased.

“Leasing” for purposes of this Declaration is defined as regular occupancy of a Unit by any person other than the Owner for which the Owner receives any consideration or benefit, including a fee, service, gratuity or emolument.

All leases and lessees are subject to the provisions of the Declaration, Bylaws, and Rules and Regulations. The Unit Owner shall make available to the tenant copies of the Declaration, Bylaws, and Rules and Regulations.

Any lease of a Unit in the Condominium shall be deemed to contain the provisions of the form lease attached to this Amendment as Exhibit “B”, whether or not expressly therein stated, and each Owner covenants and agrees that if such language is not incorporated into a lease document it shall be deemed to be so incorporated by the existence of this covenant on the Unit.

Any lessee, by occupancy in a Unit, agrees to the applicability of this covenant and incorporation of those provisions into the lease.

With limited exceptions, no more than two (2) units at Pine Ridge Condominium may be leased at any time. All Unit Owners must follow the following procedures prior to leasing their unit (except “Investor-Owner” as explained below):

1. Before entering into a lease of any units at Pine Ridge Condominium, Unit Owners shall present the lease to the Board of Directors, or their designated representative, for approval at least fifteen (15) days before the effective date of such proposed lease.

2. Upon presentation of a proposed lease for approval, the Board of Directors shall determine the number of units leased at that time and shall not approve any lease which causes the number of units leased to exceed the maximum. The Board shall approve or disapprove the lease pursuant to the terms of the Declaration as amended, and shall give notice of its action to the Owner within seven (7) days after receiving the proposed lease.

3. If a Unit Owner is interested in leasing a unit but the maximum two (2) units are already leased and the Unit Owner does not qualify for an undue hardship exemption as explained below, the Unit Owner can request that Board of Directors place the unit on the Lease

Waiting List. A request to be placed on the Waiting List must be in writing and delivered or mailed to the Board of Directors, or their designated representative. The Waiting List shall be developed on a "first come, first serve" basis, to be determined by the postmark on the envelope in which the request has been mailed or, if hand delivered, the date it is received the Board of Directors, or their designated representative.

4. If a lessee's occupancy of the leased unit ends, the Unit Owner of said unit may replace the lessee within ninety (90) days. If the Unit Owner fails to replace the lessee of said unit within ninety (90) days, the Unit Owner shall lose its leasing privileges for said unit. After a Unit Owner loses its leasing privileges for a unit, the Board shall promptly notify the Unit Owner at the beginning of the Lease Waiting List of the availability.

Although it is the Association's objective to have no more than two (2) units leased at any time, the Association recognizes that two (2) units are leased at the time of recording this Amendment.

For the purposes of this Amendment, "Investor-Owners" shall be Unit Owners that are currently leasing one of the two (2) units at the time of recording this Amendment and are listed on Exhibit "A." Until the current number of Investor-Owners decreases, other Unit Owners interested in leasing their unit will be placed on the Lease Waiting List unless the Board determines that the Unit Owner qualifies for a hardship exemption.

Hardship Exemption. The Board shall have the option in its sole discretion to allow leasing of more than two (2) units at any time to avoid undue hardship. The Owner of a unit who believes that leasing is necessary to avoid undue hardship shall make written application to the Board for approval at least fifteen (15) days before the effective date of such proposed lease setting forth the pertinent circumstances and giving other notice as required herein. Circumstances which the Board may determine to impose undue hardship may include, by way of example but not limitation, (i) where a Unit Owner must relocate and cannot, within ninety (90) days from the date the unit was placed on the market, sell the unit for the current appraised market value, having made reasonable efforts to do so; (ii) the death of the Owner when the Estate's representative makes a request to lease; and (iii) where the Owner is required by his or her employer to relocate temporarily, and intends to return to reside in the unit. The Board shall approve or disapprove the lease pursuant to the terms of the Declaration as amended, and shall give notice of its action to the Owner within ten (10) business days of the Board of Directors meeting at which it was considered.

Unit Occupied by Family Member. If a Unit Owner's family member but not the Unit Owner intends to occupy a unit, the unit might not be considered "leased" under this Declaration. The Unit Owner shall present the Board with proof that a family member intends to occupy the unit. The Board will designate a party to confirm family status and promptly report their findings to the Board. If the Board determines that there is sufficient evidence of family status, the unit will not be considered "leased" for purposes of this Declaration. If the Board determines that there is not sufficient evidence of familial status, the Unit Owner will have to present the lease to the Board of Directors for approval and if two (2) units are already leased and the Unit Owner does not qualify for a hardship exemption, the Unit Owner can request that the unit be added to the Lease Waiting List.

If an approved family member's occupancy of the unit ends and the Unit Owner intends to lease the unit, the Unit Owner is required to present the lease to the Board of Directors, or their designated representative, for approval.

If a Unit Owner qualifies for a hardship exemption, the Unit Owner shall register any and all changes in the status of the unit with the Association, within fourteen (14) days by completing the Rental Registration Form (Exhibit "C").

Investor-Owner. The Investor-Owners' units are considered "grandfathered in" and the current Investor-Owners may continue to lease the two (2) units provided that each of the Investor-Owners of the two (2) leased units abide by this Amendment to the Declaration and properly register their Unit with the Association (Exhibit "C"); Exhibit "A" lists the name and address of the Investor-Owners, the address(s) of their units and the name of their current lessee(s). Investor-Owners are not required to present the Board of Directors with a proposed lease prior to leasing their unit. Investor-Owners will not lose leasing privileges if more than two (2) units are leased and Investor-Owners will not lose leasing privileges if the tenant is not replaced within ninety (90) days. However, if there is any change in the current record owner(s) in the Henderson County Registry of Deeds of the two (2) units or if the Unit Owners identified in Exhibit "A"'s interest in the unit passes through an Estate or Trust, the Investor-Owners' right to lease that particular unit shall immediately terminate. The new record owner(s) of that particular unit will not have these Investor-Owners' rights and will have to present the lease to the Board of Directors, or their designated representative, for approval prior to entering into a lease of the unit as previously explained. If the unit is leased when the change in the record owner occurs, the Board of Directors can allow the current lessee to remain in the leased unit through the duration of the lease but the lease cannot be renewed without written approval from the Board of Directors.

The Investor-Owners shall register rental/leased units with the Association within fourteen (14) days of the recording of this Amendment with the Henderson County Registry of Deeds. In order to properly register a rental/leased unit with the Association, the Investor-Owners of a rental/leased unit must provide the Association, through the Board of Directors, or their designated representative, the name(s) of the tenants in the rental/leased unit, a telephone number by which the tenant(s) may be contacted by the Association if the need arises and the term (duration) of the lease. The Investor-Owners shall register any and all changes in the status of a rental/leased unit, including vacancies and new tenants, with the Association within fourteen (14) days. (Exhibit "C")

All Unit Owners shall register any and all changes in the status of a rental/leased unit, including vacancies and the renewal of leases, with the Association, within fourteen (14) days. (Exhibit "C")

All Unit Owners shall require an Orientation for new tenants at the office of designated representative to acknowledge receipt and understanding of the covenants and rules and regulations for Pine Ridge Condominium. An Orientation fee of \$25.00 shall be imposed and is payable by Unit Owner.

The failure of any Unit Owner to comply with this section shall be considered a violation of the Declaration. The Association may, after providing the Unit Owner with notice and opportunity to be heard, impose fines up to one hundred dollars (\$100.00) a day pursuant to N.C.G.S. 47C-3-107.1 for such a violation.

IN WITNESS WHEREOF, the undersigned officers of Pine Ridge Association hereby certify that the above amendments to the Declaration of Condominium for Pine Ridge Association are duly adopted by the Association and its membership in accordance with and pursuant to the Declaration of Condominium.

This day 24th of ~~June~~^{May}, 2010.

Pine Ridge Association

By: Shirley B. Buecks
President

Attest: Shirley M. Erlenbach
Secretary

NORTH CAROLINA
HENDERSON COUNTY

I J. Michael Edney, Notary Public for said County and State, certify that Shirley M. Erlenbach personally came before me this day and acknowledged that she is Secretary of Pine Ridge Association, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and official seal, this the 24 day of ~~June~~^{May}, 2010.

(Seal)



J. Michael Edney
Notary Public

My Commission Expires 6-11-2010

EXHIBIT "A"
TO AMENDMENT

LIST OF INVESTOR-OWNERS, UNIT ADDRESSES AND LESSEE(S)

Owner(s) of Record	Unit Address	Lessee
Johanna Erlenbach PO Box 1043 Flat Rock, NC 28731	919 Kanuga Road	
Jacqueline and Richard Sharkey 119 Bobby Jones Dr Hendersonville, NC 28739	911 Kanuga Road	

EXHIBIT "B"

STATE OF NORTH CAROLINA
 COUNTY OF HENDERSON

LEASE AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 20____, by and between ____ Pine Ridge Association (hereinafter called "Lessor"), and _____, hereinafter called "Lessee");

WITNESSETH

That in consideration of the mutual covenants hereinafter set forth, the parties do hereby covenant and agree as follows:

1. **PREMISES LEASED, TERM OF LEASE, AND OCCUPANCY.** Lessor does hereby rent and lease to Lessee condominium unit # _____ at _____ in Pine Ridge Association (hereinafter the "Premises"), for a term of _____ month(s) commencing on _____, 20____, and ending on _____, 20____, midnight. Either Lessor or Lessee may terminate the tenancy at the expiration of the Initial Term by giving written notice to the other at least _____ days prior to the expiration date of the Initial Term. In the event such written notice is not given or if the Lessee holds over beyond the Initial Term, the tenancy shall automatically become a _____ to _____ tenancy _____ period _____ period upon the same terms and conditions contained herein and may thereafter be terminated by either Lessor or Lessee by giving the other _____ days written notice prior to the last day of the then current period of the tenancy.

2. **RENT.** Lessee covenants and agrees to pay to Lessor at Pine Ridge Association a monthly rent equal to \$ _____ promptly on the first day of each rental month in advance during the term of this Lease. The first rental payment, which shall be prorated if the Initial Term commences on a day other than the first day of the applicable rental payment period, shall be due on _____ and shall constitute payment for the period ending _____ in the amount of \$ _____.
 date

3. **LATE PAYMENTS AND RETURNED CHECKS.** Time is of the essence in this Agreement, and if Lessor elects to accept rent after the _____ day of the month, a late charge, upon request of Lessor, of \$ _____ may be charged as additional rent. In the event Lessee's rent check is dishonored by the bank, Lessee agrees to pay Lessor \$ _____ as a handling charge and, if appropriate, the late charge. Returned checks shall be redeemed by cash, a cashier's check, certified check, or money order. If more than two checks are returned, Lessee agrees to pay all future rents and charges in the form of cash, a cashier's check, a certified check, or money order.

4. **SECURITY DEPOSIT.** The Lessee shall deposit with the Lessor the sum of \$ _____ to secure the faithful performance of the Tenant's promises and duties contained herein (the "Security Deposit"). The Lessor will deposit the Security Deposit in a Trust Account with _____ having an address of _____ to secure the performance of the Lessor's obligation to refund the Security Deposit as herein provided.

The Security Deposit shall be held, and upon the termination of the tenancy be returned to Lessee within thirty (30) days after the unit is vacated if:

- (i) The lease term has expired or this Agreement has been terminated by both parties;
- (ii) All monies due Lessor by Lessee have been paid; and
- (iii) The Premises are not damaged and are left in the same condition as exists at the execution of this Lease, normal wear and tear excepted.

The deposit may be applied by Lessor to satisfy all or part of Lessee's obligations, and such application shall not prevent Lessor from claiming damages in excess of the deposit. Lessee agrees not to apply the deposit to any rent payment and also agrees to pay \$_____ for re-keying locks if all keys are not returned. Lessee acknowledges receipt of _____ keys.

In the event that any part of the deposit has been used by Lessor in accordance with the terms of this Agreement or applicable law, Lessee shall upon demand immediately deposit with Lessor a sum equal to the amount so applied by Lessor so that Lessor shall have the full deposit on hand at all times during the lease term including any extension, renewal or holdover term. In the event of any permitted assignment or sublease of this Agreement by Lessee, the deposit shall be deemed to be held by Lessor as a deposit made by Lessee's assignee and Lessor shall have no further liability to return such deposit to the assignor.

THE SECURITY DEPOSIT MAY, IN THE DISCRETION OF EITHER THE LESSOR OR THE AGENT, BE DEPOSITED IN AN INTEREST-BEARING ACCOUNT WITH THE BANK OR SAVINGS INSTITUTION IDENTIFIED ABOVE. ANY INTEREST EARNED UPON THE SECURITY DEPOSIT, WHETHER THE SECURITY DEPOSIT IS DEPOSITED IN A TRUST ACCOUNT OR HELD OTHERWISE, SHALL ACCRUE FOR THE BENEFIT OF, AND SHALL BE PAID TO, THE LESSOR, OR AS THE LESSOR DIRECTS. SUCH INTEREST, IF ANY, MAY BE WITHDRAWN BY LESSOR OR AGENT FROM SUCH ACCOUNT AS IT ACCRUES AS OFTEN AS IS PERMITTED BY THE TERMS OF THE ACCOUNT.

5. **ASSOCIATION IS THIRD PARTY BENEFICIARY.** Lessee and Lessor acknowledge that Pine Ridge Association, a North Carolina non-profit corporation, (hereinafter called the "Association") is a third-party beneficiary of the promises made in this Lease Agreement.

6. **COMPLIANCE AND ENFORCEMENT BY ASSOCIATION.** Lessee shall comply strictly with the Declaration of Condominium (hereinafter the "Declaration"), the By-Laws of the Association (hereinafter the "By-Laws"), and with the Rules and Regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold Lessor and the Association harmless for any such person's failure to comply. Lessee acknowledges that the violation by Lessee or any occupant or person living with Lessee of any provision of the Declaration, By-Laws, or the Rules and Regulations adopted thereunder shall constitute a default under this Lease.

In order to enforce the provisions of this Lease Agreement, the Association may bring an action against the Lessor or Lessee for damages or injunctive relief or may impose any other sanction authorized by the Declaration or By-Laws or available at law or in equity including, without limitation, all remedies

available to a landlord upon breach or default of a lease (including eviction). Failure by the Association to enforce any of its rights shall not be deemed a waiver of the right to do so thereafter.

Lessor hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the Lessee for breaches resulting from the violation of the Declaration, By-Laws, and the Rules and Regulations adopted pursuant thereto, including the power and authority to evict the Lessee on behalf and for the benefit of the Lessor, in accordance with the terms thereof. In the event the Association proceeds to evict the Lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the unit and the Lessor, such being deemed hereby as an expense which benefits the Lessor.

Lessor hereby represents that Lessee has been given a copy of Declaration, By-laws and the Rules and Regulations of Pine Ridge Association, that Lessee has read them, and that Lessee is bound by them.

If a Lessee or a person living with the Lessee, violates the Declaration, By-Laws or a Rule or Regulation for which a fine is imposed, such fine may be assessed against the Lessee; provided, however, if the fine is not paid by the Lessee within the time period set by the Board of Directors of the Association, Lessor shall pay the fine upon notice from the Association of Lessee's failure to pay the fine. Unpaid fines shall constitute a lien against Lessor's unit.

7. **PAYMENT OF ASSESSMENTS.** Upon written request by the Association, Lessee shall pay to the Association all unpaid annual assessments and special assessments, as lawfully determined and made payable during and prior to the term of this Agreement and any other period of occupancy by Lessee; provided that Lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Association's request. All payments made under this Paragraph shall reduce, by the same amount, Lessee's obligation to make monthly rental payments. If Lessee fails to comply with the Association's request to pay assessments, Lessee shall pay to the Association all late or delinquent charges, interest, and costs of collection including, but not limited to, reasonable attorney's fees actually incurred, to the same extent Lessee would be required to make such payments to the Association if Lessee were the owner of the Premises during the term of this Agreement and any other period of occupancy by the Lessee.

8. **POSSESSION.** Lessor shall not be liable for damages to Lessee for failure to deliver possession of the Premises to Lessee at the commencement of the term if such failure is due to no fault of the Lessor. Lessor shall use his or her best efforts to give possession of the Premises to the Lessee at the beginning of Lessee's term.

9. **MAINTENANCE AND INDEMNIFICATION.** Lessee accepts Premises in the condition in which they are now and as suited for the use intended by Lessee. Lessor shall not be required to make any repairs or improvements on the Premises, except that on written notice from the Lessee of any defect rendering the Premises unsafe or untenable, Lessor shall remedy such defective condition. Lessee shall comply with all notices and other requirements, including the Declaration, By-Laws and Rules and Regulations of the Association concerning maintenance and repair. Lessee shall be liable for and shall indemnify and hold Lessor harmless from any damage or injury to the person or property of Lessee or any other person if such damage or injury be due to the act or neglect of the Lessee or any other person in his control or employ, or if such damage or injury be due to any failure of Lessee to report in writing to Lessor any defective condition which Lessor would be required to repair under the terms hereof on notice from Lessee. Lessee releases Lessor from liability for and agrees to indemnify Lessor against all losses incurred by Lessor as a result of (a) Lessee's failure to fulfill any condition of this Agreement; (b) any damage or injury happening in or about the Premises to Lessee's invitees or licensees or such person's property; (c) Lessee's failure to comply with any requirements imposed by any governmental authority and as provided in

Paragraph 6 hereof; and (d) any judgment, lien, or other encumbrance filed against the Premises as a result of Lessee's action. Lessor shall not be liable for damage to Lessee's property of any type for any reason except where such is due to Lessor's negligence.

10. **USE.** Lessee shall not use or allow the Premises to be used for any disorderly or unlawful purposes or in any manner offensive to others, and Lessee shall comply with all applicable laws and ordinances. Lessee shall not remodel or make any structural changes to the Premises, nor shall Lessee remove any fixture therefrom.

Lessor transfers and assigns to Lessee for the term of the lease any and all rights and privileges that Lessor has to use the common elements of the Development, to include, but not be limited to, the use of any and all recreational facilities or other amenities.

11. **UTILITIES.** All utility bills for services separately metered or billed to the Premises during the lease term shall be paid by _____. To avoid any freeze damage, heat must be maintained at not lower than 55 degrees F during the winter.

12. **PETS.** To the extent that Lessor permits Lessee to keep any pets, Lessee shall be permitted to keep only those common household pets which are permitted by the Declaration, By-Laws, and Rules and Regulations of the Association.

13. **VEHICLES; PARKING.** The Lessee agrees to park motor vehicles in the areas designated by the Board of Directors of the Association. Only passenger vehicles shall be parked on common areas, unless placed upon a portion of the Common Elements or Limited Common which is designated for such purpose, or which may be designated from time to time for the storage of such items. No more than two vehicles per Unit may be parked on Association property. "Passenger vehicles" specifically exclude commercial trucks, recreational vehicles, boats, boat trailers, trailers, motor homes and commercial vans.

14. **ASSIGNMENT AND SUBLEASING.** Lessee shall not assign this Lease or sublet.

15. **CASUALTY.** If the Premises are rendered untenable by fire, storm, earthquake or other casualty, this Lease shall terminate as of the date of such destruction or damage, and rental shall be accounted as of that date.

16. **ACCESS.** Lessor, his or her agents, and the agents of the Association shall have the right of access to the Premises, upon notice to Lessee, between the hours of 8:00 a.m. and 8:00 p.m., for inspection and maintenance. In case of emergency, such parties may enter at any time to prevent property damage or personal injury.

17. **DISCLOSURE.** The owner of record of the Premises or person authorized to act for and on behalf of the owner for the purpose of service of process and receiving and receipting for demands and notice is:

_____ (owner) (agent)

_____ (address)

The person authorized to manage the Premises is:

_____ (agent)

_____ (address)

18. **HOLDOVER**. Lessee shall not remain in possession of the within-leased Premises after the expiration of this Lease. Any holding over of the within-leased Premises by Lessee after the expiration of this Lease without a written renewal thereof or written consent from Lessor or Lessor's agents and the Board of Directors of the Association, shall not constitute a tenant-at-will interest on behalf of Lessee, but Lessee shall become a tenant at sufferance. There shall be no renewal whatsoever of this Lease by operation of law.

19. **SURRENDER**. Whenever under the terms hereof Lessor is entitled to possession of Premises, Lessee shall at once surrender same to Lessor in as good condition as at present, natural wear and tear excepted, and Lessee shall remove all of Lessee's effects therefrom. Lessor may forthwith re-enter Premises and repossess himself or herself thereof and remove all persons and effects therefrom, using such force as may be necessary without being guilty of forcible entry or detainer, trespass, or other tort.

20. **ABANDONMENT**. If Lessee removes or attempts to remove property from the Premises other than in the usual course of continuing occupancy without first having paid Lessor all monies due, the Premises may be considered abandoned, and Lessor shall have the right without notice, to store or dispose of any property left on the Premises by Lessee. Lessor shall also have the right to store or dispose of any of Lessee's property remaining on the Premises after termination of this Agreement. Any such property shall be considered Lessor's property, and title thereto shall rest in Lessor. Lessor shall have the right to re-rent the Premises after Lessee abandons same.

21. **DEFAULT**. Any breach or violation of any provision of this Agreement by Lessee shall give Lessor the right to terminate this Agreement or to take possession and hold Lessee liable for the remainder of the term. Should possession be obtained, Lessor, at Lessor's option, may re-rent the Premises as Lessee's agent at the risk and cost of the defaulting Lessee, whose default shall not relieve him or her of liability for the difference between the rent herein reserved and the rent actually received by Lessor during the term remaining after such default occurs.

22. **CONDEMNATION**. In the event that the Premises or any part thereof (other than common elements, the taking of which does not prevent continued occupancy of the Premises) is taken by any authority exercising the power of eminent domain, this Lease shall terminate as of the date possession shall be taken by the condemnor. Lessee waives all claims against Lessor or any condemning authority by reason of the complete or partial taking of the Premises, and shall not be entitled to receive any part of any award which Lessor may receive, hereby quitclaiming all interest therein to Lessor.

23. **SUBORDINATION OF RIGHTS**. Lessee's and Lessor's rights shall be subject to all rights of the Association and any bona fide mortgage or deed of trust which is now or may hereafter be placed upon the Premises by Lessor.

24. **ENTIRE AGREEMENT AND WAIVER**. This Agreement contains the entire agreement of the parties, and no representation, inducement, promises or agreements not contained herein shall be of any force or effect. No failure of Lessor to exercise any power given Lessor hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof.

25. **REMEDIES CUMULATIVE**. All remedies under this Agreement or by law or equity shall be cumulative. If suit for any breach of this Agreement establishes a breach by either Lessor or Lessee, the party found in breach shall pay to the other party all expenses incurred in connection therewith, including, but not limited to, attorney's fees.

26. **APPROVAL OF BOARD OF DIRECTORS**. This Agreement is subject to the approval of the Board of Directors of the Association and shall become effective only upon such written approval.

27. **ILLEGAL ACTIVITIES.** The conduct of any unlawful activities on the Premises shall constitute a breach of this Agreement.

28. **SUCCESSORS.** This Agreement shall inure to the benefit of and shall bind the heirs, successors, personal representatives and assigns of all parties to this Agreement.

29. **SPECIAL STIPULATIONS.**

a. Lessee is obligated to abide by the winterization procedures as established by the Board from time to time (reference Article _____, Section _____).

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LESSOR: _____ (signature)

Name: _____ (please print)

LESSEE: _____ (signature)

Name: _____ (please print)

LESSEE: _____ (signature)

Name: _____ (please print)

Approved

Not Approved

This _____ day of _____, 20_____.

By _____
For the Board of Directors

EXHIBIT "C"

PINE RIDGE ASSOCIATION

REGISTRATION OR CHANGE IN STATUS OF LEASED UNIT

Pursuant to the Declaration of Covenants and Rules and Regulations for Pine Ridge Association, all lease arrangements (including a copy of the lease) must be presented to the board of directors of the association and lessees must present to the management company for an orientation prior to occupancy of a unit. An orientation fee of \$25.00 is payable to management company by the Owner of the unit to be leased. Please register your leased unit with the management company by completing the information below and returning this form to the management company within 14 days of any changes to the lease status of your unit. A unit shall be leased on an annual basis.

Property Address	Lessee Contact Information <i>(Tenants names, phone numbers, email addresses)</i>	Tenant Employment Information <i>(Name of Employers and Work Telephone #)</i>
Kanuga Road Hendersonville, NC 28739	Tenant 1	Employer/Work #
	Tenant 2	Employer/Work #
Vehicles to be parked at Pine Ridge		
Make	Model	Tag Number
Other Occupants <i>(If children, please list ages)</i>		
Pets <i>(Type/Breed/Weight)</i>		
<i>All Adult Occupants Must Sign Lease</i>		
Terms of Lease: Date signed		Duration
Owner(s) Address		Owner(s) Phone Numbers/Email Addresses

By signing below I/we acknowledge that tenant(s) are aware of the covenants, rules and regulations for Pine Ridge Association and have agreed to abide by them.

Owner(s) Signature(s) _____ Date _____ Owner(s) Signature(s) _____ Date _____

The failure of any Condominium Owner to comply with this section shall be considered a violation of the Rules and Regulations. The Association may, after providing the Condominium Owner with notice and opportunity to be heard, impose fines up to one hundred dollars (\$100.00) a day pursuant to N.C.G.S. 47C-3-107.1 for such a violation.

Please return to:

ParaMount Property Management, LLC, PO Box 59, Hendersonville, NC 28793-0059