

DRAFTED BY:
D.T. SCARBOROUGH III, ATTORNEY AT LAW
PO BOX 370
PINEHURST, NC 28374

BRIEF DESCRIPTION FOR INDEX
Amendment to Declaration and By-Laws

**AMENDMENT TO DECLARATION AND BY-LAWS
OF GOLF TERRACE CONDOMINIUM**

THIS AMENDMENT made and entered into this 8th day of July, 1994, by GOLF TERRACE CONDOMINIUM ASSOCIATION, INC. by and on behalf of the UNIT OWNERS OF GOLF TERRACE CONDOMINIUM shown on the attached Exhibit "A" (hereafter Golf Terrace Condominium);

WITNESSETH:

WHEREAS, Pinehurst, Incorporated submitted the property known as "Golf Terrace Condominium" to the provisions of Chapter 47A of the General Statutes of North Carolina by Declaration and By-Laws filed June 31, 1973 in the Office of the Register of Deeds of Moore County, North Carolina, in Deed Book 361, Page 42 et seq, as amended in Deed Book 361, Page 369 et seq and in Unit Ownership Book 3, Pages 1-26; and

WHEREAS, Golf Terrace Condominium Association, Inc., is the Association of Unit Owners of Golf Terrace; and

WHEREAS, the hereinafter described Amendments were submitted to a Special Meeting of the Unit Owners of Golf Terrace Condominium after being recommended by the Board of the Association, pursuant to written notice and at which a quorum was present by person or proxy for voting throughout; and

WHEREAS, at the Special Meeting of the Unit Owners of Golf Terrace Condominium the hereinafter described Amendments were approved by at least two-thirds in common interest of all Unit Owners;

NOW, THEREFORE, the Declaration and By-Laws governing the administration, operation, holding, conveying, hypothecating, encumbering, and transferring of any Golf Terrace Condominium Unit are amended as follows:

Amendment #1

The principal roof covering shall be changed from cedar shingles to fiberglass asphalt shingles.

Amendment #2

All actions taken by the Board to replace the present cedar shingles with fiberglass asphalt shingles based on the previous vote of the membership prior to the adoption of these amendments are ratified and affirmed.

Amendment #3

Any future change in principal building materials from those presently in use or noted on any filed Plans of the Condominium, shall be upon the recommendation of the Board of Administrators and shall be subject to approval by 66 and 2/3rds in common interest of the unit owners, which approval may be obtained without the necessity of a called meeting for that purpose upon voting forms promulgated and distributed by the Board or the Manager and without further amending the Declaration, Plans or By-Laws.

IN WITNESS WHEREOF, Golf Terrace Condominium Association, Inc. has caused this instrument to be signed in the corporate name by its duly authorized officers and its seal or a reasonable facsimile thereof to be hereunto affixed or impressed by authority of its Board of Directors and the vote of the membership, the day and year first above written.

GOLF TERRACE CONDOMINIUM ASSOCIATION, INC. (SEAL)

By: Frank J. Mandelli
President

ATTEST:

Secretary

=====

NORTH CAROLINA MOORE COUNTY

I, Notary Public of the County and State aforesaid, certify that Frank J. Mandelli, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President of Golf Terrace Condominium Association, Inc., a North Carolina corporation, described in and which executed the foregoing instrument; that he knows the common seal of the corporation; that the seal affixed to the foregoing instrument is the common seal or a reasonable facsimile of same, and the name of the corporation was subscribed thereto by the said president, and that the said president and secretary subscribed their names thereto, and said common seal or reasonable facsimile thereof was affixed, all by order of the Board of Directors of said corporation, and that the said instrument is the act and deed of said corporation.

Witness my hand and official stamp or seal, this 7 day of Oct., 1994.

My commission expires: 3-31-95

Doris B. Anderson
Notary Public

COPY

Recording Time, Book and Page

DRAFTED BY:
D.T. SCARBOROUGH III, ATTORNEY AT LAW
PO BOX 1669
PINEHURST, NC 28370

BRIEF DESCRIPTION FOR INDEX
Amendment to Declaration & By-Laws

AMENDMENT TO DECLARATION AND BY-LAWS OF GOLF TERRACE CONDOMINIUMS

THIS AMENDMENT made and entered into this 13th day of September, 1999, by GOLF TERRACE CONDOMINIUM ASSOCIATION by and on behalf of the UNIT OWNERS OF GOLF TERRACE CONDOMINIUMS shown on the attached Exhibit "A" (hereafter Golf Terrace);

WITNESSETH:

WHEREAS, Golf Terrace was formed under the provisions of Chapter 47A of the General Statutes of North Carolina by the filing of a Declaration and By-Laws recorded in the Office of the Register of Deeds of Moore County, North Carolina, in Book 361, Page 042 et seq, and in Unit Ownership Book 3, Pages 1-26, as both may have been amended to date; and

WHEREAS, Golf Terrace Condominium Association is the Association of Unit Owners of Golf Terrace as designated under Chapter 47A; and

WHEREAS, the Association and its Unit Owners desire to operate under and be controlled by The North Carolina Condominium Act (Chapter 47C), rather than the provisions of its predecessor statute, The North Carolina Unit Ownership Act (Chapter 47A); and

WHEREAS, it is the desire of the Association and Unit Owners of Golf Terrace Condominiums to take the fullest advantage of The North Carolina Condominium Act (Chapter 47C) so that the Declaration and any amendments thereto are to be controlled and interpreted according to the terms of The North Carolina Condominium Act (Chapter 47C) and to provide for other amendments as set forth herein; and

WHEREAS, the hereinafter described Amendments were submitted to a Special Meeting of the Unit Owners of Golf Terrace after being recommended by the Board of the Association, pursuant to written notice and at which a quorum was present by person or proxy for voting throughout; and

WHEREAS, at the Special Meeting of the Unit Owners of Golf Terrace the hereinafter described Amendments were approved by a two-thirds majority vote of the Unit Owners in person or by proxy;

NOW, THEREFORE, the Declaration and By-Laws governing the administration, operation, holding, conveying, hypothecating, encumbering, and transferring of any Golf Terrace Condominium Unit are amended as follows:

The provisions of §47C-2-102 Unit Boundaries; §47C-2-111 Alteration of Units; §47C-2-112 Relocation of boundaries between adjoining units; §47C-2-117 Amendment of declaration; §47C-2-118 Termination of Condominium; §47C-2-121 Merger or consolidation of condominiums; §47C-3-102 Powers of unit owners' association; §47C-3-103 Executive board members and officers; §47C-3-105 Termination of contracts and leases of declarant; §47C-3-107 Upkeep; damages; assessments for damages, fines, specifically including, but not limited to the right of the executive board to provide for hearings before an adjudicatory panel for claims involving \$500, or less; §47C-3-107A Charges for late payments, fines, specifically including, but not limited to the right of the executive board to authorize adjudicatory panels and the maximum authorized fine of up to \$150 for a violation of the declaration, bylaws or rules and regulations; §47C-3-108 Meetings; §47C-3-109 Quorums; §47C-3-110 Voting; proxies; §47C-3-115 Assessments for common expense, specifically including but limited to the right of the executive board to authorize the imposition of up to eighteen percent (18%) per year interest on any past due assessment or installment are incorporated by reference in their entirety and amend the existing provisions of the Declaration and By-Laws.

The current Rules and Regulations of the Association are attached hereto as Exhibit "B" and amend the existing provisions of the Declaration and By-Laws.

To the extent that any provision of the present Declaration or By-Laws conflict with this Amendment, then the provisions of this Amendment shall control, as it is the intention of the Unit Owners to take the fullest advantage of the expanded powers, privileges, procedures and methods of collection that The North Carolina Condominium Act now provides, or as it may be amended in the future.

IN WITNESS WHEREOF, Golf Terrace Condominium Association has hereunto has caused this instrument to be signed in its name by its duly authorized officers and its seal or a reasonable facsimile thereof to be hereunto affixed or impressed by authority of its Board of Directors, the day and year first above written.

Golf Terrace Condominium Association (SEAL)

By: Frank J. Nardelli
President

ATTEST: T.L. Brown
Secretary



=====

NORTH CAROLINA Mooresville COUNTY

I, Notary Public of the County and State aforesaid, certify that Frank J. Nardelli and T.L. Brown, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President of Golf Terrace Condominium Association, described in and which executed the foregoing instrument; that he knows the common seal of the association; that the seal affixed to the foregoing instrument is the common seal or a reasonable facsimile of same, and the name of the association was subscribed thereto by the said president, and that the said president and secretary subscribed their names thereto, and said common seal or reasonable facsimile thereof was affixed, all by order of the Board of Directors of said association, and that the said instrument is the act and deed of said association.

Witness my hand and official stamp or seal, this 23rd day of November, 1999.

My commission expires: 2-2-2002 Janet A. Dodds
Notary Public

GOLF TERRACE CONDOMINIUM
DECLARATION
AND
BY-LAWS

DECLARATION PAGE 1 - 9
BY-LAWS PAGE 10 - 23

DECLARATION OF INTENTION TO SUBMIT PROPERTY
TO THE PROVISIONS OF CHAPTER 47
OF THE NORTH CAROLINA GENERAL STATUTES
GOLF TERRACE CONDOMINIUM

THIS DECLARATION, made this _____ day of _____, 1972, by PINEHURST, INCORPORATED, a North Carolina corporation, hereinafter called the "Declarant", pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, entitled the "Unit Ownership Act",

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property in Moore County, State of North Carolina, and more particularly described in Exhibit A attached hereto; and

WHEREAS, the Declarant is the owner of certain condominium-type multi-unit buildings and certain other improvements heretofore constructed or hereafter to be constructed upon the aforesaid property and it is the desire and the intention of the Declarant to divide the project into "condominium units" or "units" as those terms are defined under the provisions of the North Carolina Unit Ownership Act, and to sell and convey the same to the various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant desires and intends, by the filing of this Declaration, to submit the above described property and the multi-unit buildings located thereon and all other improvements constructed or to be constructed thereon, together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A, North Carolina General Statutes);

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above and as described in Paragraph 1 below is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Description of Property. All that certain parcel of land with the buildings and improvements thereon erected or to be erected lying and being in Mineral Springs Township, County of Moore, State of North Carolina, and more particularly described in Exhibit "A" attached hereto and made a part hereof.
2. Description of Buildings. The Declarant has constructed upon the above described property, six (6) multi-unit buildings to be used for residential purposes only. A plat of survey of the property dated _____ by C. H.

Blue, Registered Land Surveyor, showing the location of said buildings thereon is attached hereto and made a part hereof as Exhibit "A". Said multi-unit buildings are more particularly described in the plans and specifications of said buildings, a copy of which plans and specifications are attached hereto and made a part hereof as Exhibit "B", showing all particulars of the buildings, including the lay-out, locations, ceiling and floor elevations, unit numbers and dimensions of the units, and location of the common areas and facilities affording access to each unit. Such plans bear the verified statement of E. J. Austin, A. I. A., certifying that said plans are an accurate copy of the plans of said multi-unit buildings.

The foundations of the buildings are constructed of brick and block or concrete footings. The buildings are principally wood frame construction with gypsum dry walls, cedar shingle roofs and exterior walls which are stained wood siding. Floors are constructed of wood and concrete and carpets. For a more particular description of the principal materials of which said buildings are to be constructed, reference is hereby made to the plans and specifications filed herewith as Exhibit "B".

3. Unit Designations. The unit designation of such condominium unit, approximate area, number of rooms and other data concerning its proper identification are set forth in Exhibit "C" attached hereto and made a part hereof. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls and ceiling and floor or crawl space and decks or porches which are shown on said plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the building, or by permissible repairs, construction or alteration.

4. Common Areas and Facilities. The common areas and facilities consist of all parts of the multi-unit buildings situated on the property described hereinabove, other than the individual dwelling units therein and described in Paragraph 3 above, including, without limitation, the following (except such portions of the following as may be included within an individual unit):

- (a) The land on which the buildings are erected and all lands surrounding the buildings as is more fully described in Paragraph 1 above.
- (b) All foundations, columns, girders, beams, supports, and other structural members.
- (c) The yards, roads, driveways and parking areas.
- (d) All roofs, exterior walls and interior walls except those partitioned walls wholly owned within a unit.
- (e) All central and appurtenant installations for services such as power, light, water, TV antenna and cables, laundry facilities, tanks, pumps, motors, fans, conduits, and compressors in connection therewith, whether located in common areas or in units.
- (f) All sewer pipes.
- (g) All Exterior walkways.
- (h) All other parts of the property and all apparatus and installations existing in the buildings or upon the property for common use or necessary or convenient to the existence, maintenance, or safety of the property.

The undivided interest of each unit owner in such common areas and facilities is set forth in Exhibit "C" and attached hereto and made a part hereof.

5. Use. The buildings and each of the units shall be used for residential purposes only.

6. Person to Receive Service of Process. Donald C. Collett is hereby designated to receive service of process in any action which may be brought against or in relation to the condominium. Said person's residence or place of business is Pinehurst, Incorporated, Moore County, North Carolina, which is located within the county in which the buildings are located.

7. Easements. Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Administrators shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere in the buildings.

The Board of Administrators may hereafter grant easements for utility purposes for the benefit of the property including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits, and wires over, under, along, and on any portion of the common areas; and each unit owner hereby grants the Board of Administrators an irrevocable power of attorney to execute, acknowledge and record any and all in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.

8. Partitioning. The common areas and facilities shall not be divided nor shall any right to partition any thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a condominium unit by the entireties, jointly, or in common or in any other form by law permitted.

9. Liens. While the property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all of the condominium unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interest under the provisions of the North Carolina Unit Ownership Act. Every agreement for the performance of labor, or the furnishing of materials to the common areas and facilities, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and the right to file a mechanics' lien or other similar lien by reason of labor performed or materials furnished is waived.

10. Nature of Interest in Units. Every condominium unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his condominium unit subject only to the covenants, re-

strictions, easements, by-laws, rules, regulations, resolutions and decisions adopted pursuant hereto and as may be contained herein and in the accompanying by-laws and in the minutes of the Board of Administrators.

11. Assessments.

(a) Taxes. Every condominium unit, together with its undivided common interest in the common areas and facilities, shall constitute a separate parcel of real property and shall be separately assessed and taxed by each assessing unit for all types of taxes authorized by law. Each unit owner shall be liable solely for the amount taxed against his individual unit.

(b) Assessment by Declarant.

(1) Each unit owner shall by acceptance of a deed to such unit or by signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner or purchaser of such unit, covenants, agrees and binds himself, his heirs, successors and assigns to pay Declarant, its successors or assigns an annual assessment in an amount not to exceed, in the absolute and sole discretion of Declarant, a sum equal to one and one-half percent (1½%) of the taxable value of the unit as determined from time to time by the constituted authorities for County and State taxation in Moore County, North Carolina, for the maintenance and care of roads, streets, sidewalks, parks, common areas and common facilities in and around Pinehurst, North Carolina, to which unit owners have a right of use or access, and for fire and police protection, and for such other services as may be made available to unit owners or purchasers by Declarant.

(2) The one and one-half percent (1½%) limitation shall be subject to increase in increments of one-fourth (¼) of one percent (1%) for every five percent (5%) percentage increase, if any, of the Consumer's Price Index, U. S. New Series, U. S. Average for All Items for Urban Wage Earners and Clerical Workers, Revised 1953, or any successor index thereto, as published by the Bureau of Labor Statistics of the U. S. Department of Labor.

(3) The statement or bill for the aforesaid assessment shall be rendered by Declarant in September of each year and is payable at any time thereafter and shall be due by January 31 of the following year. The obligation to pay the aforesaid assessment shall constitute a lien on such unit in the same manner as provided for unpaid common expenses under the provisions of the North Carolina Unit Ownership Act.

(c) Common Expenses. Each unit owner shall contribute pro rata, in proportion to their undivided interest as set forth in Exhibit "C" hereto, toward the expenses and administration and of maintenance and repair of the common areas and facilities, in accordance with the By-Laws of the Condominium and under the provisions of the North Carolina Unit Ownership Act.

12. Insurance. Insurance coverage on the property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies upon the condominium property shall be purchased by the Board of Administrators for the benefit of the Board and the unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endor-

ments to the mortgagees of unit owners. Unit owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.

(b) Coverage. All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Administrators with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

- (1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

- (2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land.

- (3) Said policies shall contain clauses providing for waiver of subrogation. Public liability insurance shall be secured by the Board of Administrators in such amount and with such coverage as shall be deemed necessary by the Board of Administrators, including, but not limited to, an endorsement to cover liability of the unit owners as a group to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Administrators shall determine from time to time to be desirable and necessary.

(c) Premiums. Premiums upon insurance policies purchased by the Board of Administrators shall be paid by the Board of Administrators as a common expense.

(2) Proceeds. All insurance policies purchased by the Board of Administrators shall be for the benefit of the Board of Administrators and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Board as insurance trustees under this Declaration. The sole duty of the Board of Administrators as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the by-laws and for the benefit of the unit owners and their mortgagees in the following shares:

- (1) Proceeds on account of damage to common areas and facilities — an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities (as set forth in Exhibit "C" attached hereto).

- (2) Proceeds on account of damage to units shall be held in the following undivided shares:

- A. When a building is to be restored — for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Administrators.

- B. When a building is not to be restored — an undivided share for each unit owner's proportionate interest in the building, based upon the total fair market value of the building.

- (3) In the event a mortgage endorsement has been issued to a unit,

the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interest may appear.

13. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Board of Administrators as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (a) Expense of the Trust. All expenses of the insurance trustee shall be first paid or provisions made therefor.

- (b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided by Paragraph 3 hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners

- (c) Failure to Reconstruct or Repair. If it is determined, as provided in Paragraph 13 hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof.

14. Damage and Destruction. Except as hereinafter provided, damage to or destruction of a building shall be promptly repaired and restored by the Board of Administrators using the proceeds of insurance on the building for that purpose and unit owners shall be liable for assessment of any deficiency; provided, however, if a building be so damaged or destroyed by fire or other casualty that the same is unreconstructable, the building shall be reconstructed.

Any reconstruction or repair shall be in accordance with the plans and specifications of the original building, portions of which are attached hereto as exhibits; and if not, then according to plans and specifications approved by the Board of Administrators and Pinhurst, Incorporated, a North Carolina Corporation with offices in Pinhurst, North Carolina.

15. Transfer of Units. In the event that any person, firm, or corporation who owns a unit shall desire to sell such unit, then the said unit which such owner shall desire to sell shall first be offered for sale to the Board of Administrators at the same price and on the same terms under which the highest acceptable bona fide offer has been made to the owner for the said unit. The owner desiring to sell a unit shall give the Board of Administrators written notice by registered mail, return receipt requested, of the owner's desire to sell such unit and shall further advise the Board in said offer of the name and address of the person, firm or corporation making said highest acceptable bona fide offer as well as the amount and terms of said offer. The Board of Administrators shall have a period of thirty days after receipt of said written notice within which to exercise its option to purchase such unit at the same price and on the same terms as the highest acceptable bona fide offer and shall have an additional period of not less than thirty days within which to close the said transaction. The Board of Administrators may elect to purchase such unit on behalf of all of the remaining unit owners as a group or, if the remaining unit owners as a group do not wish to purchase such unit, then on behalf of any one or more individual unit owners. In the event the Board of Administrators shall elect to purchase a unit offered for sale on behalf of the remaining unit owners, the cost thereof shall be shared by the remaining unit owners in the same proportion as

common area expenses, adjusted, however, to reflect the exclusion of the unit purchased, and any profit or loss realized upon the sale by the Board of a unit so acquired shall likewise be shared by the remaining unit owners. In the event that the Board of Administrators shall elect to purchase a unit offered for sale on behalf of any one or more individual unit owners, then the cost thereof shall be shared by such purchasing unit owners in such proportion as they shall agree upon.

A unit owner may lease or rent his unit subject to such rules and regulations as may be adopted from time to time by the Board of Administrators.

The Board of Administrators, upon the request of a selling unit owner, shall execute in recordable form an instrument indicating compliance with the terms and provisions of this Declaration by the selling owner.

No unit owner may mortgage his unit or any interest therein without the prior written approval of the Board of Administrators, except as to a first mortgage lien made to a bank, life insurance company or savings and loan association. The Board may, and it is hereby authorized to impose reasonable conditions upon which approval as to any other mortgage shall be given. No unit owner may mortgage or otherwise encumber his unit or any interest therein unless such mortgage or encumbrance shall provide for written notice to the Board of Administrators in the event of a default under such mortgage or other encumbrance and shall further provide for not less than ten days written notice to the Board of Administrators prior to any foreclosure under any such mortgage or other encumbrance. Each unit owner who shall mortgage or otherwise encumber his unit or any interest therein shall furnish to the Board of Administrators a copy of all such mortgages, deeds of trust or other instruments creating such encumbrances.

Any sale, voluntary transfer, conveyance, lease or mortgage which is not authorized by the terms of this Declaration or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided by certificates of the Board of Administrators duly recorded in the recording office where this Declaration is recorded.

16. Units Subject to Declaration, By-Laws, Rules and Regulations. All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the By-Laws and any rules and regulations as may be adopted in accordance with the By-Laws, as said Declaration, By-Laws, Rules and Regulations may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, By-Laws and any rules and regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed or conveyance or lease.

17. Amendment to Declaration. This Declaration may be amended by the vote of at least 66-2/3% in common interest of all unit owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws; provided, however, that such amendment shall have been approved in

writing by Declarant. No such amendment shall be effective until recorded in the Office of the Register of Deeds, Moore County, North Carolina.

18. Invalidity. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity and enforceability or effect of the remainder of this Declaration, and in such event, all the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

19. Waiver. No provisions contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

20. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

21. Law Controlling. This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

IN WITNESS WHEREOF, Pinehurst, Incorporated has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this _____ day of _____, 19____.

DECLARANT:

PINEHURST, INCORPORATED

(CORPORATE SEAL)

ATTEST:

BY:

President

Secretary

STATE OF NORTH CAROLINA

COUNTY OF MOORE

This _____ day of _____, A.D., 19____, personally came before me _____, who being by me duly sworn says that he is the President of PINEHURST, INCORPORATED and that the seal affixed to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him, in behalf of said Corporation, by its authority duly given. And the said _____ acknowledged the said writing to be the act and deed of said corporation. WITNESS my hand and notarial seal as of the _____ day of _____, 19____.

Notary Public

My Commission Expires: _____

(SEAL)

EXHIBIT C
DECLARATION OF CONDOMINIUM
GOLF TERRACE
PINEHURST, NORTH CAROLINA

BY-LAWS
OF
GOLF TERRACE CONDOMINIUM

UNIT DESIGNATIONS AND UNDIVIDED INTEREST

UNIT TYPE	APPROXIMATE AREA	NUMBER OF ROOMS	UNDIVIDED COMMON INTEREST (%)
101 1 E "D"	1500	6	5.32
201 2 U "D"	1500	6	5.32
102 3 L "C"	943	5	4.32
202 4 U "C"	943	5	4.32
3 5 L "B"	635	4	2.86
4 6 U "B"	635	4	2.86
5 7 L "D"	1500	6	5.32
6 8 U "D"	1500	6	5.32
7 9 L "C"	943	5	4.32
8 10 U "C"	943	5	4.32
9 11 L "D"	1500	6	5.32
10 12 U "D"	1500	6	5.32
11 13 L "B"	635	4	2.86
12 14 U "B"	635	4	2.86
13 15 L "C"	943	5	4.32
14 16 U "C"	943	5	4.32
15 17 L "C"	943	5	4.32
16 18 U "C"	943	5	4.32
17 19 L "B"	635	4	2.86
18 20 U "B"	635	4	2.86
19 21 L "B"	635	4	2.86
20 22 U "B"	635	4	2.86
21 23 L "D"	1500	6	5.32
22 24 U "D"	1500	6	5.32

ARTICLE I - PLAN OF UNIT OWNERSHIP
SECTION 1.

Unit Ownership. The Property located in Moore County, State of North Carolina, and more particularly described in the Declaration to which these By-Laws are attached has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration recorded in the Office of the Register of Deeds of Moore County, State of North Carolina, simultaneously herewith, and shall hereinafter be known as "GOLF TERRACE CONDOMINIUM" (hereinafter called the "Condominium").

SECTION 2.

Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the building and all other improvements thereon (including the units, the common areas and facilities and the limited common areas and facilities), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Chapter 47A of the North Carolina General Statutes, entitled "Unit Ownership Act."

SECTION 3.

Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and duly set forth in an amended declaration, duly recorded.

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

ARTICLE II - UNIT OWNERS

SECTION 1.

Place of Meetings. All meetings of the association of Unit Owners (hereinafter referred to as "Unit Owners") of the Condominium shall be held at the Property

at such other place either within or without the State of North Carolina, as shall be designated in a notice of the meeting.

SECTION 2.

Annual Meetings. An annual meeting of the Unit Owners shall be held at 2:30 P.M. on the second Saturday of March of each year if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday for the purpose of electing members of the Board of Administrators and for the transaction of such other business as may be properly brought before the meeting.

SECTION 3.

Substitute Annual Meetings. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

SECTION 4.

Special Meetings. Special meetings of the Unit Owners may be called at any time by the Board of Administrators or upon the written request of not less than 25% in common interest, in the aggregate, of the Unit Owners.

SECTION 5.

Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail at the direction of the Board of Administrators or Unit Owners calling the meeting, to each person entitled to vote at such meetings. In case of an annual or substitute meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Administrators on which the vote of Unit Owners is expressly required by the provisions of the North Carolina Unit Ownership Act. In the case of a special meeting the notice of meeting shall specifically state the purpose or purposes for which the meeting is called. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

SECTION 6.

Quorum. The presence in person or by proxy at any meeting of the voting members (as defined in Section 7 of this Article) having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Unit Owners at which a quorum is present upon the affirmative vote of the meeting. If there is no quorum at the

opening of the meeting of Unit Owners, such meeting may be adjourned from time to time by the vote of a majority of the voting members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

The voting members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum.

SECTION 7.

Voting Rights. There shall be one person with respect of each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of the group composed of all of the owners of a unit ownership, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be a owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the owner or owners. The total number of votes of all voting members shall be 100, and each owner or group of owners (including the Board of Administrators, if the Board of Administrators, or its designee, shall then hold title to one or more units) shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or their unit ownership as set forth in Exhibit "C" of the Declaration.

SECTION 8.

Cumulative Voting. In all elections for members of the Board of Administrators, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be declared to be elected.

SECTION 9.

Waiver of Notice. Any Unit Owner may, at any time waive notice of any meeting of the Unit Owners in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Unit Owners shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. All the Unit Owners are present at any meeting of the Unit Owners, no notice shall be required and any business may be transacted at such meeting.

SECTION 10.

Informal Action by Unit Owners. Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would

be entitled to vote upon such action at a meeting, (that is, the voting members) and filed with the Secretary of the Condominium to be kept in the Condominium Minute Book.

ARTICLE III - BOARD OF ADMINISTRATORS

SECTION 1.

General Powers. The business and property of the Condominium shall be managed and directed by the Board of Administrators or by such Executive Committees as the Board may establish pursuant to these By-Laws.

SECTION 2.

Number, Term and Qualification. The number of Administrators of the Condominium shall be five (5), to be elected by the Unit Owners at their initial meeting. The size of the Board of Administrators may be increased or decreased from time to time upon the affirmative vote of 2/3rds of the total of the Unit Owners provided that said Board shall not be less than three in number. Each Administrator shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Each member of the Board shall be one of the owners or co-owners or a spouse of an owner or co-owner; provided, however, that in the event an owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board.

SECTION 3.

Election of Administrators. Except as provided in Section 5 of this Article, the Administrators shall be elected at the annual meeting of Unit Owners; and those persons who receive the highest number of votes shall be deemed to have been elected.

SECTION 4.

Removal. Administrators may be removed from office with or without cause by affirmative vote of the Unit Owners having a majority of the total votes entitled to vote at an election of administrators. However, unless the entire Board is removed an individual administrator may not be removed if the number of Unit Owners voting against the removal would be sufficient to elect an administrator if such Unit Owners voted cumulatively at an annual election. If any administrators are so removed, new administrators may be elected at the same meeting.

SECTION 5.

Vacancies. A vacancy occurring in the Board of Administrators, including administratorships not filled by the Unit Owners, may be filled by a majority of the remaining Administrators, though less than a quorum, or by the sole remaining Administrator, but a vacancy created by an increase in the authorized number of Administrators shall be filled only by election at an annual meeting

or a special meeting of Unit Owners called for that purpose. Voting members may elect an Administrator at any time to fill any vacancy not filled by the Administrators.

SECTION 6.

Compensation. The Board of Administrators shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners having two-third (2/3) of the total votes.

SECTION 7.

Executive Committees. The Board of Administrators may, by resolution adopted by a majority of the number of Administrators fixed by these By-Laws, designate two or more Administrators to constitute an Executive Committee, which committee to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Administrators in the management of the Condominium.

SECTION 8.

Powers and Duties. The Board of Administrators shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Administrators. Such powers and duties of the Board of Administrators shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of the common expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- (e) The adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations.
- (f) Opening of bank accounts on behalf of the Condominium and designating to the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners, units offered for sale or lease or surrendered by their owners to the Board as provided by the Declaration.
- (h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(g) Selling, mortgaging, voting the votes appertenant to or otherwise dealing with units acquired by the Board of Administrators or its designee, corporate or otherwise, on behalf of all Unit Owners, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to units on behalf of all Unit Owners.

(j) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common areas and facilities or any other portion of the building and an Owner of any unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said Owner, provided that the Board shall levy a special assessment against such owner for the costs of said maintenance or repair.

(k) Timmering any unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as a common expense.

(l) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the Chairman of the Board.

(m) Obtaining of insurance for the Property, including the units, pursuant to the applicable provisions of the Declaration.

(n) Making of repairs, additions, and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

SECTION 9.

Managing Agent. The Board of Administrators for the Condominium may engage the services of any person, firm or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as The Board of Administrators shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (j), (k), (m), and (n) of Section 8 of this Article III. The Board may delegate to the managing agent, all of the powers granted to the Board of Administrators by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i) of Section 8 of this Article III.

ARTICLE IV - MEETINGS OF ADMINISTRATORS

SECTION 1.

Organization Meeting. The first meeting of the members of the Board of Administrators shall immediately follow the initial meeting of the Unit Owners. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, providing a quorum shall be present.

SECTION 2.

Regular Meetings. A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Administrators may provide by resolution the time and place either within or without the State of North Carolina, for the holding of a regular meeting of the Board.

SECTION 3.

Special Meetings. Special meetings of the Board of Administrators may be called by or with the request of the Chairman or by any two Administrators. Such meetings may be held either within or without the State of North Carolina.

SECTION 4.

Notice of Meetings. Regular meetings of the Board of Administrators may be held without notice. The person or persons who called a special meeting of Administrators shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by an Administrator at a meeting shall constitute a waiver of notice of such meeting except where an Administrator attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

SECTION 5.

Waiver of Notice. Any member of the Board of Administrators may at any time waive notice of any meeting of the Board of Administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Administrators are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 6.

Quorum. A majority of the number of Administrators fixed by these By-Laws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Administrators.

SECTION 7.

Manner of Acting. Except as otherwise provided in this section, the act of the majority of the Administrators present at a meeting at which a quorum is present shall be the act of the Board of Administrators.

A vote of a majority of the number of Administrators fixed by the By-Laws shall be required to adopt a resolution constituting a Executive Committee. The vote of a majority of the Administrators then holding office shall be required to adopt, amend, or repeal a By-Law. Vacancies in the Board of Administrators may be filled as provided in Article III, Section 5, of these By-Laws.

SECTION 8.

Organization. Each meeting of the Board of Administrators shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any Person selected to preside by vote of the majority of the Administrators present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and Assistant Secretary any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.

SECTION 9.

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

SECTION 10.

Minutes. The Board shall keep minutes of its proceedings.

SECTION 11.

Fidelity Bonds. The Board of Administrators may require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premiums on such bonds shall constitute a common expense.

SECTION 12.

Liability of the Board. The members of the Board of Administrators shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Unit owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Administrators shall have a personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent that they are Unit Owner(s). It is also intended that the liability of any Unit Owner arising out of any contract made

by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interests of all the Unit Owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Administrators, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability as his interest in the common areas and facilities bear to the interest of all Unit Owners in the common areas and facilities.

ARTICLE V -- OFFICERS

SECTION 1.

Number. The principal officers of the Condominium shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairmen, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Administrators may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary.

SECTION 2.

Election and Term. The officers of the Condominium shall be elected by and from among the Board of Administrators. Such elections may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

SECTION 3.

Removal. Any officer or agent elected or appointed by the Board of Administrators may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4.

Compensation. No officer shall receive any compensation from the Condominium for acting as such.

SECTION 5.

Chairman of the Board. The Chairman of the Board shall be the principal executive officer of the Condominium and, subject to the control of the Board of Administrators, shall supervise and control the management of the Condominium. The Chairman shall when present, preside at all meetings of the Board and of the Unit Owners and, in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.

SECTION 6.

Vice-Chairman. The Vice-Chairman, and if there be more than one, the Vice-Chairman designated by the Board of Administrators shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board.

SECTION 7.

Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Administrators. He shall give, or cause to be given, all notices required by law and by these By-Laws. He shall have general charge of the minute books and records of both the Unit Owners and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board of Administrators.

SECTION 8.

Treasurer. The Treasurer shall have custody of all Condominium funds and securities and shall receive, deposit or disburse the same under the direction of the Board of Administrators. He shall keep full and accurate accounts of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to each Unit Owner annually on or before March 15 covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local law and shall generally perform all other duties as may be assigned to him from time to time by the Chairman of the Board or the Board of Administrators.

SECTION 9.

Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and Treasurer, respectively, have all the powers and perform all of the duties of those officers, 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 Chairman of the Board or the Board of Administrators.

ARTICLE VI - OPERATION OF THE PROPERTY
SECTION 1.

Determination of Common Expenses and Fixing of the Common Charges. The Board of Administrators shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Administrators pursuant to the provisions of the Declaration. The common expenses may also include such amounts as the Board of Administrators may deem proper for the operation and maintenance of the property, including without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Administrators or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Administrators shall advise all Unit Owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Administrators, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all Unit Owners and to their mortgagees.

SECTION 2.

Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Administrators pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such unit, together with his interest in the common areas and facilities (and Limited Common Areas, if any) as defined in the Declaration. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such unit prior to the acquisition by purchaser of such unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the Unit Owners including such purchaser, his successor and assigns.

SECTION 3.

Collection of Assessments. The Board of Administrators shall assess common charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

SECTION 4.

Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Administrators the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees (if permitted by law), incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceedings, including attorney's fees (if permitted by law), in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such unit in like manner as a deed of trust or mortgage of real property.

SECTION 5.

Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 6.

Statement of Common Charges. The Board of Administrators shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid charges due from such Unit Owner.

SECTION 7.

Abatement and Enjoyment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board or the breach of any By-Law contained therein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which or as to which, such violation or breach exists and to

summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Unit Owner.

SECTION 8.

Maintenance and Repair. (a) All maintenance and any repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to the common areas and facilities that his failure to do so may engender. (b) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

SECTION 9.

Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration, or improvement in or to his unit, without the prior written consent thereto of the Board of Administrators. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owners' unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Administrators to the proposed addition, alteration or improvement.

SECTION 10.

Use of Common Areas and Facilities. A Unit Owner shall not interfere with the use of the common areas and facilities by the remaining Unit Owners and their guests.

SECTION 11.

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

SECTION 12.

Rules of Conduct. Rules and regulations concerning the use of the units and the common areas and facilities may be promulgated and amended by the Board with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner, prior to the time when the same shall become effective.

SECTION 13.

Electricity. Electricity is supplied by the public utility company serving the area directly to each unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his unit. The electricity serving the common areas and facilities shall be separately metered, and the Board of Administrators shall pay all bills for electricity consumed in any portions of the common areas and facilities as a common expense.

ARTICLE VII - RECORDS AND AUDITS

The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board of Administrators, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of the common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial record and books of account shall be available for examination by all the Unit Owners, their duly authorized agents or attorneys at convenient hours on working days that shall be set and announced for general knowledge. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the third month following the close of each fiscal year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.