

BOOK 436 PAGE 153

STATE OF NORTH CAROLINA  
COUNTY OF MOORE

AMENDMENT NO. 1 TO  
DECLARATION AND BYLAWS OF BRAE BURN  
VILLAGE CONDOMINIUM, PHASE I

WHEREAS, Pinehurst, Incorporated (the "Declarant") filed for record in the Office of the Register of Deeds for Moore County, North Carolina (the "Public Registry") on August 4, 1978 a DECLARATION OF INTENTION TO SUBMIT PROPERTY TO THE PROVISIONS OF CHAPTER 47A OF THE NORTH CAROLINA GENERAL STATUTES FOR BRAE BURN VILLAGE CONDOMINIUM, PHASE I (hereinafter referred to as the "Declaration"), said Declaration being recorded in Book 436 at Page 153 in the Public Registry; and

WHEREAS, Paragraph 20 of the Declaration provides that it may be amended by the vote of at least sixty percent (60%) in Common Interest of all Unit Owners with the consent of their respective Mortgagees; and

WHEREAS, all of the Units in the said Condominium have been sold and conveyed by Declarant; and

WHEREAS, all of the Unit Owners, with the consent and joinder of their respective mortgagees, desire to revise the Declaration and Bylaws in certain respects as more particularly set forth hereinafter;

NOW, THEREFORE, the Declarant and the Unit Owners, with the consent and joinder of their respective mortgagees, do hereby amend the Declaration and the Bylaws attached thereto as follows:

1. By deleting Paragraph 4 of the Declaration and inserting in lieu thereof the following:

"4. Unit Designations. The designation of each 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 undecorated

\$13.00 per day

J. A. Gray

and/or unfinished interior surface of its perimeter walls and roof, by the concrete foundation slab, windows and window frames, doors and door frames. Each Unit includes both portions of the Building within such boundaries and the space so encompassed, including, without limitation, the interior surfaces of permanent walls, windows, doors, floors and ceilings and all finishing materials applied to interior walls, doors, floors and ceilings. All decks, porches, exterior doors, window frames, panes and screens shall be part of the Units to which they are attached, provided, however, that the decoration and painting of the exterior walls, and such decks and porches and of the exterior surface of such doors and window frames shall be the responsibility of the Association. Access to the Common areas and facilities from each Unit is direct from each Unit and by walkways in the Common areas and facilities as are more fully shown on the plat of survey attached to Exhibit "A" as Rider 1."

2. By deleting Paragraph 5 from the Declaration and inserting in lieu thereof the following:

"5. Common Areas and Facilities. The Common areas and facilities consist of all of the Property other than the Units as described in Paragraph 4 above, including without limitation, the following:

(a) All central and appurtenant installations for services such as power, light, water, gas, sewer, TV antenna and cables, laundry facilities, and all tanks, pumps, motors, fans, conduits and compressors used in connection therewith, except such part thereof as is located in a Unit;

(b) All roofs and exterior walls;

(c) All other parts of the Property and all apparatus and installations, including all items of personal property, existing in the Buildings or upon the Property for common use or which are necessary or convenient to the existence, maintenance or safety of the Property.

The percentage of undivided interest in the Common areas and facilities appurtenant to each Unit and its Owner for all purposes is set forth in Exhibit "C" attached hereto and made a part hereof."

3. By deleting from the first and second lines of Paragraph 15(a)(1) of the Declaration the following:

"(other than Buildings)."

4. By deleting from Paragraph 15(d) of the Declaration the following:

"An undivided share for each Unit Owner, such share being the same as each Unit Owner's percentage interest in the common areas and facilities."

and substituting in lieu thereof the following:

"(1) The proceeds on account of damage to Common areas and facilities exclusive to a particular Unit shall be held for the Owner of such Unit.

(2) The proceeds on account of damage to all other Common areas and facilities shall be held for the benefit of all Unit Owners, each Unit Owner's share to be the same as such Unit Owner's undivided interest in the Common areas and facilities.

(3) The proceeds on account of damage to Units shall be held in undivided shares for the 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 Administrators.

(4) In the event a mortgagee endorsement has been issued with respect 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; provided that no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damage to Property shall be reconstructed or repaired."

5. By deleting Subparagraphs 16(b) and (c) from the Declaration and inserting in lieu thereof the following:

"(b) If it is determined, as hereafter provided, that the damaged Property, with respect to which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners thereof.

(c) If the damage for which the proceeds were paid is to be repaired or reconstructed, the remaining proceeds shall be applied to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners."

6. By deleting Paragraph 17 from the Declaration and inserting in lieu thereof the following:

"17. Duty to Repair.

(a) In the event of damage to or destruction of the Buildings or the Common areas and facilities as a result of fire or other casualty to the extent of less than 2/3rds in value of the Buildings, and if the Property is not partitioned as provided in N.C.G.S. §47A-25, the Board of Administrators shall arrange for the prompt repair and restoration of the Buildings or the Common areas and facilities (including any damage to the Unit, but not including any decoration or coverings for walls, ceilings or floors, or other furniture, furnishings, fixtures or equipment in

the Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit, in which event the Board shall repair or replace such damage to property), and the Board of Administrators shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the plans and specifications attached hereto as Exhibit "B" or as the Board of Administrators shall otherwise approve.

(b) Each Owner will, at his sole cost and expense, keep and maintain his Unit in good order and repair in accordance with the plans and specifications attached hereto as Exhibit "B", or as the Board of Administrators shall otherwise approve, and will make no structural addition, alteration or improvement to the Unit without the prior written consent of the Board of Administrators. Upon the failure of a Unit Owner to so maintain his Unit, the Board of Administrators shall be authorized to maintain, repair or restore such Unit, and the cost thereof shall be charged to the Unit Owner and constitute a lien on the Unit until paid.

7. Article VI of the Bylaws is amended by adding thereto the following:

"Section 9. Arbitration. Any claim which shall be made against one or more members of the Board of Administrators shall be settled by arbitration except as otherwise provided herein, in the Declaration or under any applicable law, and judgment upon the award may be entered in any court having jurisdiction thereof. Such arbitration shall be commenced upon the delivery of such claim, in writing, to one or more members of the Board; and shall be before one disinterested arbitrator if one can be agreed upon, otherwise before three disinterested arbitrators, one named by the Administrator(s), one by the Unit Owner(s), and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of North Carolina as applied to the facts found by him or them. If the Administrator(s) or the Unit Owner(s) shall refuse or fail to so name an arbitrator within thirty (30) days after written notice from the other party requiring the naming of an arbitrator, then the arbitrator so named by the party not in default hereunder shall have the power to proceed to arbitrate and determine the matters in controversy as if he were an arbitrator appointed by both parties for that purpose, and his award in writing signed by him shall be final. The rules of procedure for the arbitration hearing may be adopted by the arbitrators. All arbitration proceedings hereunder shall be conducted in the Village of Pinehurst, North Carolina.

Except as herein stated, Declarant and the Unit Owners hereby ratify, republish and reaffirm the Declaration and Bylaws and each and every part thereof.

IN WITNESS WHEREOF, Pinehurst, Incorporated and each of the Owners of the five Units in the said Condominium, with the consent of their respective Mortgagees, have caused this Amendment No. 1 to Declaration and Bylaws to be executed and their respective seals to be hereto affixed, this \_\_\_\_ day of \_\_\_\_\_, 1979.

PINEHURST, INCORPORATED

[CORPORATE SEAL]

ATTEST:

Barbara P. Bowles  
Asst. Secretary

By J. Guy Stads  
President

Unit Number

UNIT OWNERS:

1

Donald T. Hay [SEAL]  
Donald T. Hay

2

Charles W. Paris [SEAL]  
Charles W. Paris

3

Candace H. Paris [SEAL]  
Candace H. Paris

4

John Vinci [SEAL]  
John Vinci

Mary A. Vinci [SEAL]  
Mary A. Vinci

[CORPORATE SEAL]

ATTEST:

Donald R. Dill  
Secretary

VAN CAMP, GILL & CRUMPLER, P.A.

By W. J. Wilkey  
President

5 *David Blake* (SEAL) *Herbert S. Winokur* (SEAL)  
 David Blake (SEAL) Herbert S. Winokur  
*Betsy B. Blake* (SEAL) *Marjorie L. Winokur* (SEAL)  
 Betsy B. Blake Marjorie L. Winokur

The undersigned Sandhills Savings & Loan Association and First Federal Savings & Loan Association of Sanford, being the owners and holders of the Deeds of Trust on <sup>part of</sup> the five (5) Units in Brae Burn Village Condominium, Phase I, join in the execution of this Amendment No. 1 for the purpose of consenting thereto.

(CORPORATE SEAL)  
 ATTEST:  
*Angew. L. Latta*  
 Secretary

SANDHILLS SAVINGS & LOAN ASSOCIATION  
 BY *Ron W. Kaly*  
 Asst. Vice President

(CORPORATE SEAL)  
 ATTEST:  
*M. B. Craven*  
 Secretary

FIRST FEDERAL SAVINGS & LOAN OF SANFORD  
 BY *W. M. Wanda*  
 President

FILED  
 BOOK 451 PAGE 210  
 Sep 10 10 21 AM '79  
 GRIER GILMORE  
 REGISTER OF DEEDS  
 MOORE COUNTY, N.C.

STATE OF NORTH CAROLINA

COUNTY OF MOORE

This 13<sup>th</sup> day of March, 1979, personally came before me JAMES R. VAN CAMP, who, being by me duly sworn, says that he is the President of VAN CAMP, GILL & CRIMPLER, P. A., 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 JAMES R. VAN CAMP acknowledged the said writing to be the act and deed of said corporation.

Edwin H. Lewis  
Notary Public

My Commission Expires:

12/19/83

STATE OF PENNSYLVANIA

COUNTY OF Delaware

I, Joseph P. McGillion, a Notary Public, do hereby certify that HERBERT S. WINOKUR and wife, MARJORIE L. WINOKUR, personally appeared before me this day and acknowledged the due execution of the annexed Amendment.

Witness my hand and notarial seal, this 22<sup>nd</sup> day of March, 1979.

Joseph P. McGillion  
Notary Public

My Commission Expires:

JOSEPH P. MCGILLION, NOTARY PUBLIC  
MARPLE TWP., DELAWARE COUNTY

MY COMMISSION EXPIRES OCT. 25, 1983  
Member, Pennsylvania Association of Notaries

STATE OF PENNSYLVANIA

COUNTY OF Delaware

I, Joseph P. McGillion, a Notary Public, do hereby certify that DAVID BLAKE and wife, BETSEY BLAKE, personally appeared before me this day and acknowledged the due execution of the annexed Amendment.

Witness my hand and notarial seal, this 22<sup>nd</sup> day of March, 1979.

Joseph P. McGillion  
Notary Public

My Commission Expires:

JOSEPH P. MCGILLION, NOTARY PUBLIC  
MARPLE TWP., DELAWARE COUNTY

MY COMMISSION EXPIRES OCT. 25, 1983  
Member, Pennsylvania Association of Notaries

STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

I, Donald T. Hay, a Notary Public, do hereby certify that DONALD T. HAY personally appeared before me this day and acknowledged the due execution of the annexed Amendment.

Witness my hand and notarial seal, this 10<sup>th</sup> day of April, 1979.

My Commission Expires:

Notary Public

STATE OF MICHIGAN

COUNTY OF Washtenaw

I, Charlaine B. Miller, a Notary Public, do hereby certify that CHARLES W. PARIS and wife, CANDACE N. PARIS, personally appeared before me this day and acknowledged the due execution of the annexed Amendment.

Charlaine B. Miller  
Notary Public

My Commission Expires:  
Notary Public, Washtenaw Co., Mich.  
My Comm. Expires June 7, 1980

STATE OF NEW JERSEY

COUNTY OF Cape May

I, Lewis G. O'Neil, a Notary Public, do hereby certify that JOHN VINCI and wife, MARY A. VINCI, personally appeared before me this day and acknowledged the due execution of the annexed Amendment. Subscribed before me this

24th day of April 1979

[Signature]  
Notary Public

My Commission Expires:  
**NOTARY PUBLIC OF NEW JERSEY**  
My Commission Expires July 17, 1983

General

STATE OF CALIFORNIA  
COUNTY OF Contra Costa

On April 10, 1979 before me, the undersigned, a Notary Public in and for said State, personally appeared

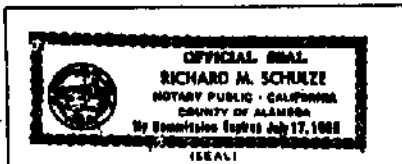
DONALD T. HAY

known to me

to be the person whose name subscribed to the within instrument and acknowledged that he executed the same.  
WITNESS my hand and official seal.

Signature [Signature]

**RICHARD M. SCHULZE**  
Name (Typed or Printed)



STATE OF NORTH CAROLINA

COUNTY OF MOORE

I, Beth K Carpenter, the undersigned Notary Public, certify that GEORGE W. LITTLE personally came before me this day and acknowledged that he is the Secretary of SANDHILLS SAVINGS & LOAN ASSOCIATION and that by authority duly given and as the act of the Association, the foregoing Amendment was signed in its name by its <sup>Ass't. Vice</sup> ~~President~~, <sup>Ron W. Kirby</sup> ~~XXXXXXXXXXXX~~, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and notarial seal, this 20<sup>th</sup> day of August, 1979.

Beth K Carpenter  
Notary Public

My Commission Expires:

July 4, 1984

Acknowledgment for attachment to Amendment No. 1 to Declaration and By-laws of Brae Burn Village Condominium, Phase I

STATE OF NORTH CAROLINA

COUNTY OF LEE

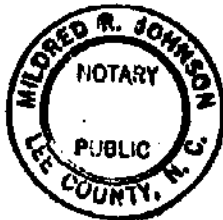
I, Mildred R. Johnson, the undersigned Notary Public, certify that M. G. CRAVEN personally came before me this day and acknowledged that he is the Secretary of FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF SANFORD and that by authority duly given and as the act of the Association, the foregoing Amendment was signed in its name by its President, W. M. WOMBLE, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and notarial seal, this 9<sup>th</sup> day of August, 1979.

Mildred R. Johnson  
Notary Public

My Commission Expires:

7-21-81



North Carolina- Moore County

The foregoing certificates of Charwine B. Miller, Notary Public of Wastenaw, Michigan; Lewis G. Vinci, Notary Public of Cape May, New Jersey; Richard M. Schulze, Notary Public of Contra Costa, California; Elouise H. Crews, Notary Public of Moore County, N. C.; Joseph P. McGillian, Notary Public, (2) and Donald T. Hay, Notary Public; Beth K. Carpenter, Notary Public of Moore County, N. C.; and Mildred R. Johnson, Notary Public of Lee County, N. C. are certified to be correct.

This 10th. day of September, 1979.

Grier Gilmore, Register of Deeds  
Mary R. Phyllis Assistant

Exhibit E

BOOK 436 PAGE 173

BYLAWS  
OF  
BRAE BURN VILLAGE CONDOMINIUM ASSOCIATION, PHASE I, INC.  
A NON-PROFIT CORPORATION

ARTICLE 1 - PURPOSE, APPLICABILITY, OFFICES

Section 1. PURPOSE. This Corporation (hereinafter called the "Association") has been organized to provide for the administration, management, maintenance and care of the Brae Burn Village Condominium, Phase I, a condominium established or to be established in accordance with the North Carolina Unit Ownership Act upon the property situate, lying and being in Pinehurst, Moore County, North Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. (Brae Burn Village Condominium, Phase I, is hereinafter referred to as the "Condominium").

Section 2. APPLICABILITY OF BYLAWS. The provisions of these Bylaws are applicable to the Condominium and to the use and occupancy thereof. 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 Condominium in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto and any amendment to these Bylaws upon the same being passed and duly set forth in an amendment to the Declaration, duly recorded. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (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.

Exhibit E

Section 3. PRINCIPAL OFFICE. The principal office of the Association shall be located in Pinehurst, Moore County, North Carolina.

Section 4. REGISTERED OFFICE. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 5. DEFINITIONS. All terms as defined in the Declaration shall have the same meaning herein except when the context otherwise specifies or requires.

ARTICLE II - UNIT OWNERS

Section 1. MEMBERSHIP. Each Unit Owner shall be a member of the Association and no other person or entity shall be entitled to membership. Until such time as the property described on Exhibit "A" attached hereto is submitted to a plan of condominium ownership by the recordation of the Declaration, membership of the Association shall be comprised of the three individuals named in Section 2 of Article III hereof as the initial Administrators, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

Section 2. PLACE OF MEETINGS. All meetings of the Unit Owners shall be held at the Condominium or at such other place either within or without the State of North Carolina, as shall be designated in a notice of the meeting.

Section 3. ANNUAL MEETINGS. An annual meeting of the Unit Owners shall be held at 10:00 a.m. on the first Saturday of June 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 4. SUBSTITUTE ANNUAL MEETINGS. If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 5. 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 of the Unit Owners.

Section 6. 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 meeting.

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 7. QUORUM. The presence in person or by proxy at any meeting of the Voting Members (as defined in Section 5 of this Article) having a majority of the total votes shall constitute a quorum. 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 8. VOTING RIGHTS. There shall be one person with respect of each Unit 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, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the owner or owners. The 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 as set forth in Exhibit "C" of the Declaration.

Section 9. CUMULATIVE VOTING. In all elections for members of the Board of Administrators, each Voting Member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the offices to be filled shall be deemed to be elected.

Section 10. 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. If 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 11. 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 Association to be kept in the Association Minute Book.

ARTICLE III - BOARD OF ADMINISTRATORS

Section 1. NUMBER. The business and property of the Association shall be managed and directed by the Board of Administrators composed of three (3) persons or by such Executive Committees as the Board may establish pursuant to these Bylaws.

Section 2. INITIAL ADMINISTRATORS. The initial Administrators shall be selected by the Declarant and need not be Unit Owners. The name of the persons who shall serve on the initial Board of Administrators from the date upon which the Declaration is recorded in the Moore County, North Carolina, Public Registry until the first annual meeting of the members or until such time as their successors are duly elected and qualify, are as follows:

J. J. Slade

Jack A. Furman

John R. Kelly

Section 3. ELECTION, TERM AND QUALIFICATION. Except as provided in Section 2 and 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. The size of the Board of Administrators may be increased or decreased from time to time upon the affirmative vote of 2/3rds in common interest of all 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 qualifies. Each member of the Board (after the first annual meeting of the Association and the election and qualification of the successors to the initial Board of Administrators) 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 in 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 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 non-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) in common interest 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 Bylaws, 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 power 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 Bylaws 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, repair, maintenance and replacement of the Common areas and facilities and payments therefor.

(b) Determination of the Common Expenses required for the affairs of the Condominium, including without limitation, the operation and maintenance of the Common areas and facilities.

(c) Collection of the Common Expenses from the Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance, repair and replacement 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 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 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, provided such purchase is duly authorized as set forth in the Declaration.

(i) Selling, mortgaging, voting the votes appurtenant 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 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 required by the Declaration or is necessary in the discretion of the Board to protect the Common areas and facilities of any other Unit or if the Owner of such 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) Entering 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 either the Treasurer, or manager of the Condominium, and countersigned by the Chairman of the Board.

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

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

(o) Engaging the services of any person, firm or corporation to act as managing agent of the Condominium at a compensation established by the Board, to perform all of the powers and duties of the Association, except those which may be required by the Declaration or the North Carolina Unit Ownership Act to have approval of the Board of Administrators or the Unit Owners.

(p) To enforce by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration or the rules and regulations hereinafter promulgated governing use of the Common areas and facilities in the Condominium.

(q) To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than the Units, and to assess the same against the Unit Owners in the manner herein provided.

(r) Any other powers and duties reserved to the Board of Administrators in the Declaration, the Articles of Incorporation or these Bylaws.

#### ARTICLE IV - MEETINGS OF ADMINISTRATORS

##### Section 1.

ORGANIZATION MEETING. The first meeting of a newly elected Board of Administrators shall be held within fifteen (15) days following the meeting of the Unit Owners at which the Board was elected. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, provided 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 Administra-

tors 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 calling a special meeting of the 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.

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 Bylaws 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 Bylaws shall be required to adopt a resolution constituting an Executive Committee. The vote of a majority of the Administrators then holding office shall be required to adopt, amend, or repeal a Bylaw. Vacancies in the Board of Administrators may be filled as provided in Article III, Section 5, of these Bylaws.

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 Bylaws.

It is intended that the members of the Board of Administrators shall have no 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 Association 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 Association 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 Association and, subject to the control of the Board of Administrators, shall supervise and control the management of the Association. 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 Bylaws. 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 Association 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 the 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 interest. 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 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 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 Expenses 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 Expenses are based, to all Unit Owners.

Section 2.

PAYMENT OF COMMON CHARGES. All Unit Owners shall be obligated to pay the Common Expenses 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 Expenses 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). A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Common Expenses assessed against such Unit prior to the acquisition by the 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 subjected to a lien for the payment of Common Expenses assessed prior to the foreclosure sale.

Such unpaid Common Expenses shall be deemed to be Common Expenses collectible from all of the Unit Owners including such purchaser, his successors and assigns.

**Section 3.**

**COLLECTION OF ASSESSMENTS.** The Board of Administrators shall assess Common Expenses against the Unit Owners from time to time and at least annually and shall take prompt action to collect any Common Expenses which remain unpaid for more than thirty (30) days from the due date for payment thereof.

The Board of Administrators shall notify the holder of the first mortgage on any Unit (of which it has notice) for which any Common Expenses assessed pursuant to these Bylaws remain unpaid for more than thirty (30) days from the due date for payment thereof and in any other case where the Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

**Section 4.**

**DEFAULT IN PAYMENT OF COMMON EXPENSES.** In the event of default by any Unit Owner in paying to the Board of Administrators the Common Expenses as determined by the Board, such Unit Owner shall be obligated to pay interest at the legal rate on such Common Expenses from the due date thereof; together with all expenses,

including attorney's fees (if permitted by law), incurred by the Board in any proceeding brought to collect such unpaid Common Expenses. The Board shall have the right and duty to attempt to recover such Common Expenses, together with interest thereon, and the expenses of the proceedings, including attorney's fees (if permitted by law), in an action to recover a money judgment for 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. LIEN AND PERSONAL OBLIGATION. All Common Expenses provided for in this Article, together with the interest and expenses, including attorneys' fees (as permitted by law), as provided for herein, shall be a charge on and a continuing lien upon the Unit against which the assessment is made, which such lien shall be prior to all other liens excepting only (i) tax liens on the Unit in favor of any assessing unit and (ii) all sums unpaid on a first mortgage of record. Such lien shall become effective when a notice thereof has been filed in the office of the Clerk of Superior Court for Moore County, North Carolina in the manner provided for by Article 8, Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of more than thirty (30) days after the same shall become due. Such notice of lien shall also secure all assessments against the Unit becoming due thereafter until the lien has been satisfied. In addition, each Unit Owner shall be personally liable for any assessment against his Unit.

## Section 6.

FORECLOSURE OF LIENS FOR UNPAID COMMON EXPENSES.

In any action brought by the Board to foreclose on a Unit because of unpaid Common Expenses, 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 Expenses shall be maintainable without foreclosing or waiving the lien securing the same.

## Section 7.

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 8.

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS.

The violation of any rule or regulation adopted by the Board or the breach of any Bylaw contained herein, 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 Bylaws: (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 9.

MAINTENANCE AND REPAIR. (a) All maintenance and any repairs to any Unit, or the exterior decks and deck stairs (if any) associated therewith, 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 or 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 and Limited Common areas and facilities that his failure to do so may engender. (b) All maintenance, repairs and replacements to the Common areas and facilities (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. Provided, there is excluded from the provisions contained in this section any repairs necessitated by casualty insured against by the Board of Administrators to the extent the Board receives insurance proceeds from such repairs.

Section 10.

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY UNIT OWNERS.

No Unit Owner shall make any structural addition, alteration, or improvement in or to his Unit, or any change in the exterior appearance thereof, without the prior written consent thereto of the Board of Administrators. The Board shall have the obligation to answer any such written request by a Unit Owner within thirty (30) days after such request, but failure to do so within the stipulated time shall not constitute a

consent by the Board of Administrators to the proposed addition, alteration, improvement or change.

Section 11. 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 12. 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 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 13. 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 14. UTILITIES. Utilities are supplied by the public utility company(s) serving the area directly to each Unit through separate meters and each Unit Owner shall be required to pay the bills for utilities consumed or used in his Unit. The Board of Administrators shall pay all

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bills for utilities furnished to 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 Expenses against such Unit, the date when due, the amounts paid thereof, and the balance remaining unpaid. The financial records 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.

#### ARTICLE VIII - AMENDMENT

These Bylaws may be amended by a 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 these Bylaws, provided that such amendment shall be effective only upon the recordation in the Office of the Register of Deeds, Moore County, North Carolina, of an amendment to the Declaration setting forth such amendment to these Bylaws. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon. All Unit Owners shall be bound to abide by any such amendment upon the same being passed and duly set forth in an amended Declaration, duly recorded in the Office of the Register of Deeds, Moore County, North Carolina.

## EXHIBIT "A"

A tract for Units 1 through 5 of Brae Burn Village, Phase I, Pinehurst, Inc., situated in the Village of Pinehurst, Mineral Springs Township, Moore County, North Carolina, lying between Sugar Gum Lane and Lake Pinehurst, all as shown on a plat entitled "Brae Burn Village, Phase I, Pinehurst, Inc." by Matheson, Hintz and Associates, Inc., dated November 29, 1977, and being more particularly described as follows:

Beginning at an iron pipe corner, the northeast corner of a Utility Tract, Pinehurst, Inc., and being in the southern right-of-way of Sugar Gum Lane;

Thence with the southern right-of-way of Sugar Gum Lane easterly with a curve to the right having a radius of 562.33 feet, a curve distance of 218.60 feet to a concrete monument, a point of tangency;

Thence with the tangent of the southern right-of-way of Sugar Gum Lane South 88° 06' 00" East, 167.67 feet to an iron pipe corner on the eastern margin of the entrance drive to Brae Burn Village;

Thence with the eastern margin of the entrance drive South 5° 2' 47" East, 96.16 feet to the southern margin of the Village drive;

Thence westerly with the Village drive in a curve to the left having a radius of 200.44 feet, a curve length of 54.84 feet;

Thence continuing with the southern margin of the Village drive in a curve to the right having a radius of 110.50 feet, a curve length of 41.82 feet;

Thence with the Village drive, North 82° 43' 59" West, 12.75 feet to a point in the centerline of a parking drive;

Thence with the centerline of the parking drive and continuing to the shoreline of Lake Pinehurst, South 7° 16' 01" West, 83.77 feet to an iron pipe;

Thence westerly, with the shoreline of Lake Pinehurst, North 83° 36' 00" West, 76.93 feet to an iron pipe;

Thence continuing with the shoreline of Lake Pinehurst, South 70° 38' 00" West, 38.45 feet to an iron pipe, the southeast corner of the Utility Tract;

Thence with the eastern line of the Utility Tract, North 44° 35' 00" West 226.04 feet to an iron pipe, the Point of Beginning;

Containing 1.137 Acres, and subject to the right-of-way of the Village entrance road and drive, as hereinafter described.

Declarant hereby reserves unto itself, its successors and assigns, a non-exclusive easement over and upon the following described portion of the above tract for ingress and egress to and from Sugar Gum Lane to the remaining property of Declarant:

Beginning at an iron pipe situated at the intersection of the southern right-of way of Sugar Gum Lane and the eastern margin of the entrance drive to Brae Burn Village, said pipe being also situated at the northeast corner of the above described tract and running thence with the easterly boundary of Brae Burn Village Phase I South 5° 2' 47" East 96.16 feet to the southern margin of Village Drive;

Thence continuing with the boundary of Phase I and the southern margin of the Drive, westerly with a curve to the left having a radius of 200.44 feet, a curve length of 54.84 feet;

Thence continuing with said boundary and the Drive with a curve to the right having a radius of 110.50 feet, a curve length of 41.82 feet;

Thence continuing with said boundary and with Village Drive, North 82° 43' 59" West, 12.75 feet to a point in the centerline of a parking drive;

Thence, crossing Village Drive, North 7° 16' 01" East, 20.00 feet to a point in the northern margin of the Drive;

Thence easterly with the northern margin of the Drive South 82° 43' 59" East, 12.23 feet;

Thence continuing with the Drive and with a curve to the left having a radius of 33.00 feet, a curve distance of 60.41 feet;

Thence northerly with the western margin of the Drive, North 7° 37' 36" West, 49.90 feet to an iron pipe in the southern right-of-way of Sugar Gum Lane;

Thence with the southern right-of-way of Sugar Gum Lane, South 88° 06' 00" East, 55.11 feet to an iron pipe, the Point of Beginning, and containing 0.151 acres.

The submission of the above described 1.137 acre tract to the provisions of the North Carolina Unit Ownership Act is expressly made subject to the 16-foot sewer easement as shown on the attached plat of survey, Declarant hereby reserving a perpetual right to use, operate, inspect, repair and maintain the sanitary sewer line.