

DECLARATION OF RESTRICTIONS AND CONDITIONS

TALAMORE
MRS. JUDITH M. ADAMS
REGISTER OF DEEDS
MOORE COUNTY, N.C.
THE HIGHLANDS

MRS. JUDITH M. ADAMS
REGISTER OF DEEDS
MOORE COUNTY, N.C.

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THIS SUPPLEMENTAL DECLARATION is made this 8th day of August, 1996, by TALAMORE PARTNERS LIMITED PARTNERSHIP, a Pennsylvania Limited Partnership, hereafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property described in Exhibit A attached hereto, which property may be brought under the Restrictive Covenants of Talamore filed in Book 912, Page 57 of the Moore County, North Carolina, Registry, by filing of a plat; and

WHEREAS, Declarant, pursuant to Article XII "Supplemental Restrictive Covenants" of that certain Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges filed in Book 912, Page 57 has reserved the right to submit properties within the Talamore development to Supplemental Restrictive Covenants; and

WHEREAS, Declarant desires to submit the property shown in Exhibit A as "The Highlands", a neighborhood of detached single family townhomes and to make parcels within said property subject to the restrictive covenants filed in Book 912, Page 57 of the Moore County Registry and this Supplemental Declaration.

NOW THEREFORE, Declarant hereby declares that the property shown in Exhibit A attached shall be known as "The Highlands" (hereafter "The Highlands", "Village", or "Highlands") and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to this Supplemental Declaration which shall be in addition to the Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges filed in Book 912, Page 57 of the Moore County, North Carolina, Registry. In the event of any inconsistency between this Supplemental Declaration and the Declaration filed in Book 912, Page 57 of the Moore County Registry, this Supplemental Declaration shall control as to the Highlands neighborhood.

\$46.00 pd

I. SUPPLEMENTAL COVENANTS AND CONDITIONS

A. The Highlands: The Highlands is designed to be a neighborhood within Talamore. The purpose of this Supplemental Declaration is to provide for assessment of Owners in The Highlands for maintenance of The Highlands lots, private driveways within the neighborhood, foundation plantings inside and outside the building envelope as conveyed to an Owner and as shown on the filed plat, mailbox area, entrance area, irrigation system, drainage system, and that portion of the street right of way between the pavement and the right of way boundary adjacent to The Highlands boundary line. It is not the intention of the Declarant to establish building exterior maintenance as a mandatory provision of this Declaration. The Highlands shall be administered by an Owners Committee as established by this Supplemental Declaration.

The Owners of property within The Highlands, upon termination of the Declarant Control Period for Talamore as defined in the Declaration filed in book 912, Page 57 of the Moore County Registry, shall have the option of continuing to maintain The Highlands through the Owners Committee or establishing a Homeowners Association (hereinafter "Highlands Homeowners Association") for The Highlands neighborhood in conformance with the optional terms and conditions contained in this Supplemental Declaration. In addition, the Owners of The Highlands may choose to have The Highlands Homeowners

Association, if established, provide exterior maintenance of the dwellings within The Highlands.

The services provided to Owners of The Highlands by the Owners Committee or the Highlands Homeowners Association are in addition to the services provided by the Association to all residents of Talamore. The Owners Committee (or Highlands Homeowners Association) assessment is in addition to the Talamore Homeowners Association (hereafter "Association") assessment.

B. Definitions: Except as modified herein and specifically in Section II, the definitions in the Declaration shall apply to this Supplemental Declaration and are incorporated by reference. The Highlands Homeowners Association is as defined in Section II herein. "Common Area" shall mean the common area within The Highlands as shown on filed plats.

C. Owners Committee: Determination of the level of maintenance for The Highlands shall be made by a committee of Owners of The Highlands elected by the Owners of said Village (herein the "Committee"). The Committee shall arrange for such maintenance and may contract with the Association to provide said maintenance services. The Committee also shall determine the amount of the assessment to be made on Owners in Highlands to pay for such services and related expenses.

D. Establishment of Owners Committee: The Owners of The Highlands shall hold a meeting in the last week of September of each year for the purpose of electing the Owners Committee of three (3) members. The Committee shall operate according to the By-laws attached hereto as Exhibit B.

E. Declarant Control: Notwithstanding anything above, during the Declarant Control Period as defined in the Declaration, the Declarant shall appoint the members of the Committee. After the Declarant Control Period, the Committee shall be elected according to the By-laws. The Declarant can relinquish control of the Committee prior to expiration of the Declarant Control Period by filing a document in the Moore County Registry of Deeds relinquishing his control to the Committee or to the Highlands Homeowners Association.

F. Amendment: This Supplemental Declaration may be amended by an instrument signed by the Declarant (during the Declarant Control Period) and the Owners of not less than eighty percent (80%) of the lots in Highlands. For this purpose only, the Declarant shall be considered the "Owner" of all unsold lots (including planned but unplatted lots) within Highlands. Any and all such amendments shall be recorded in the Office of the Register of Deeds, Moore County, North Carolina, and upon recording shall become effective with respect to the matter to which such amendment pertains.

G. Assessment: The Committee shall determine a budget annually during the period between October 1st and December 31st for the maintenance services to be provided to The Highlands for the following year in addition to the regular services to be provided by the Association. The assessment shall be for providing services as defined in Section II Paragraph D. 2. "Purpose of Assessments" for the Association and elsewhere in this Supplemental Declaration. The assessment necessary to sustain the budget shall be given to the officers of the Association and the Association shall levy such assessment upon the Owners of The Highlands in addition to the regular dues (or assessments) levied by the Association under the Declaration. Assessments determined by the Committee shall be treated as Association assessments under Article X of the Declaration and the assessment shall be a lien upon the real property and the personal obligation of the Owner as described therein. Assessments collected shall be distributed to the Owners Committee.

H. Assessments for Lots with Residences: The assessment for Highlands shall be levied only against lots (building sites) which contain a residence. Maintenance services shall be provided by the Committee pursuant to these restrictive covenants only to lots with residences and to Common Area. The Declarant shall not be subject to assessment for Lots or property owned within Highlands until the lot (building site) has been sold to a third party who is not a Successor Declarant.

I. Collection of Assessments: In the event said dues and assessments are unpaid within thirty (30) days of the assessment date, the Association shall proceed with collection pursuant to the provisions of Article X of the Declaration as if the Village assessments had been levied by the Highlands Homeowners Association. All rights reserved to the Highlands Homeowners Association in said Article X shall apply to the Highlands assessments as determined by the Committee.

J. Cooperation with the Association: The Association shall cooperate fully with the Owners Committee (if operating) and shall arrange for such maintenance and upkeep as are contracted for by the Owners Committee and as are necessary for the benefit of the Owners within the Village. Any budget deficit or short fall in collections shall be the responsibility of the Village Owners. The Association shall be reimbursed for its costs in collecting the Village assessments.

K. Architectural Review: During the Declarant Control Period, architectural review for Highlands shall be the sole responsibility of the Declarant. The Declarant may operate with or without an Architectural Review Committee and shall be solely in control of architectural review for Highlands. The Declarant may delegate to other parties such responsibility for architectural review as it desires during the Declarant Control Period. Architectural approval is required before building.

It is the intention of the Declarant to maintain color schemes and architectural features within Highlands into the future. In the event that an Owner desires to change the current appearance of his home, it shall take unanimous approval of the Owners Committee or the Highlands Homeowners Association Board, as applicable, to allow said change in addition to general architectural review by the Architectural Committee under the Declaration.

Each Owner shall present a landscaping plan for architectural review and approval. Each Owner must provide a natural gas lamp in the front entrance area of the home per the specifications provided by the Declarant or the Architectural Review Committee.

L. Use Restrictions: In addition to the restrictions on use of the property contained in the Declaration, the following additional covenants shall apply:

1. **Trash and Garbage Cans:** All trash and garbage cans must be kept out of sight on the Highlands property except for placement at the street for disposal.

2. **Minimum Square Footage:** All dwellings shall have a minimum heated square footage area of 2500 square feet. Porches, basements, decks, attics, and garages shall not be considered as heated area.

3. **Irrigation:** Owners at The Highlands will install an irrigation system according to specifications approved by the Architectural Review Board. Such system may include part of the common area and the road right of way. The intention of this covenant is to water the area between the front of the dwellings in The Highlands and the curb on the street with each dwelling watering its pro rata share of the area.

4. **Driveway Construction:** Driveways in The Highlands shall be constructed of Blue Stone.

M. Golf Ball Easement: The Lots within Highlands and the Highlands Common Area are subject to an easement for retrieval of golf balls at reasonable times during the day. Owners at Highlands, by acceptance of their deed, acknowledge that their property lies close to the golf course fairways and there is a possibility of errant golf balls entering their property. The Owner assumes risk for golf ball injuries and damage to his property and releases Declarant from any liability therefor.

N. Easement for Fixtures in the Common Area: Declarant hereby grants to any Owner an easement over the Common Area of Highlands for heat pumps, walkways, decks, and minor variances of building structures inadvertently placed so that they encroach upon the Common Area. Declarant reserves an easement for maintenance across the portion of the building envelope (Lot) outside of the dwelling. Maintenance workers employed by the Highlands Homeowners Association, or Owners Committee,

shall have the right to enter upon the property outside of the dwelling of an Owner to perform maintenance as described herein.

O. Term: This Supplemental Declaration shall run with the land and bind the Owners, their heirs, successors and assigns for a period of thirty (30) years from the date this Declaration is filed in the Moore County, North Carolina, Registry of Deeds. The Declaration shall be automatically renewed for additional ten (10) year terms unless eighty percent (80%) of the Owners of property in Highlands vote to modify this Supplemental Declaration at a meeting of the Owners called for the purpose of modifying this Supplemental Declaration within one year of the date of termination/renewal. The amendment approved by eighty percent (80%) of the Owners of Highlands shall be filed in the Moore County, North Carolina, Registry of Deeds prior to expiration of the then effective covenants and shall be effective for a period of ten (10) years from the termination of the then effective covenants.

For the purposes of holding the meeting of the Owners as described in this paragraph, the procedural notice and voting requirements of the optional Highlands Homeowners Association as described later in this Supplemental Declaration shall be followed if no Association has been incorporated.

P. Unenforceability of Assessments by Owners Committee: In the event that assessments for Highlands levied by the Owners Committee are found by a court of competent jurisdiction (North Carolina District Court or higher) to be unenforceable by judicial action, then notwithstanding any other provisions of this Supplemental Declaration, the Highlands Homeowners Association as empowered in Section II shall be incorporated and shall assume its powers and duties.

Q. Title to Common Area: The Common Areas will be titled in the Declarant or the Association with the Association holding title as trustee for the benefit of the Owners of Lots within Highlands during the period when the Owners Committee is functioning. Upon commencement of the Highlands Homeowners Association, title shall be transferred by the Association to the Highlands Homeowners Association.

R. Easement for Irrigation and Landscaping: Declarant, Owners Committee and Highlands Homeowners Association shall have an easement over the building envelope of each dwelling for the installation and maintenance of irrigation lines, equipment and system controls. In addition, said easement shall include the installation and maintenance of all landscaping.

S. Natural Gas: Declarant has provided natural gas lines to the Highlands and Owners must use natural gas for heating, hot water, and 50% of gas usable appliances. Owner will install an approved gas lamp in the front yard of his lot.

II. OPTIONAL HOMEOWNERS ASSOCIATION FOR HIGHLANDS: After the Declarant Control Period (or in the event that Declarant should file notice in the Moore County Registry of Deeds that Declarant renounces Declarant's control over the Highlands neighborhood) the Owners of Highlands may, by an eighty percent (80%) vote using the notice and meeting provisions as contained hereafter for the Highlands Homeowners Association, vote to abandon the Highlands Owners Committee as described in paragraph 3 above and establish the Highlands Homeowners Association, Inc. which will be subject to the following rules and conditions. The establishment of the Highlands Homeowners Association shall be in replacement of the Owners Committee and shall be at the option of the Owners.

A. Definitions: For the purpose of this Section II, the following definitions will apply:

1. "Highlands Homeowners Association" shall mean and refer to Highlands Homeowners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

2. "Board" shall mean and refer to a Board of natural individuals of the number stated in the By-laws of the Highlands Homeowners Association, Inc. which constitutes the Board of Directors of Highlands Homeowners Association, Inc. and who

shall manage the business, operation and affairs of the Highlands Homeowners Association.

3. "Common Area" shall mean all real property (including the improvements thereon) owned by the Highlands Homeowners Association for the common use and enjoyment of Owners of Lots in the Highlands neighborhood. The Common Area shall also include the areas shown on filed plats as "Common Area" and any private driveways which are not dedicated to and accepted by governmental units for maintenance and repair.

4. "Declarant" shall mean and refer to Talamore Partners Limited Partnership, a Pennsylvania Limited Partnership, its heirs, successors and assigns. Declarant shall include any successor to whom Declarant transfers all of the rights, title and interest in the Property then owned by Declarant and to whom the Declarant shall expressly transfer and assign all of its rights, title and interest under this Declaration or any Amendment or modifications thereof.

5. "Declarant Control Period" shall have the same meaning as and apply to the same time period described in the Declaration.

6. "Lot" shall mean and refer to any numbered lot of land, with delineated boundary lines, appearing on any recorded subdivision map of The Highlands with the exception of the Common Areas. In determining the number of lots owned by the Declarant for the purpose of making amendments only, "Lot" shall include Lots approved in the Southern Pines Conditional Use Permit, even if not platted.

7. "Member" shall mean and refer to every person or entity who holds a membership in the Highlands Homeowners Association.

8. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of Highlands. Owner shall not include those having an interest merely as security for the performance of an obligation.

9. "Properties" or "Property" shall mean and refer to the Highlands neighborhood for the purpose of this section II only.

B. Highlands Homeowners Association, Inc.: Highlands Homeowners Association, Inc. shall be incorporated as a North Carolina nonprofit corporation for the purpose of owning and maintaining the common areas; the exterior landscaping of the Highlands homes, whether said landscaping is within or outside the building envelope, of Highlands as shown on the filed plats and any private driveway not dedicated to a municipality; administering the Architectural Review Committee; collecting dues and assessments necessary to achieve its purposes; enforcing these covenants and restrictions; and any other purposes properly adopted by the Highlands Homeowners Association Board which are for the benefit of the Owners and are ancillary to the Association's purposes and necessary to carry out its duties herein. The Highlands Homeowners Association shall have the option of adopting a program of exterior maintenance on the dwelling units if approved by eighty percent (80%) of the Owners. The Highlands Homeowners Association shall be covered by this Declaration and shall adopt By-laws which are substantially similar to the By-laws of Talamore Homeowners Association, Inc. contained as Exhibit B to the Declaration filed in Book 912, Page 57 of the Moore County, North Carolina, Registry. The Association will initially have three (3) directors.

C. Membership and Voting Rights:

1. Every Owner of a Lot shall be a member of the Highlands Homeowners Association. Membership shall be appurtenant to and may not be separated from the ownership of a Lot. An Owner of a Lot may not withdraw from the Highlands Homeowners Association.

2. The Highlands Homeowners Association shall have one (1) class of voting membership. The members shall be all of the Owners of Lots. Each member shall be

entitled to one (1) vote per Lot for each Lot owned by it, in a proceeding in which action shall be taken by members of the Highlands Homeowners Association. The vote of any member comprised of two or more persons, or legal entities, or any other combination thereof shall be cast in a manner provided for in the Articles of Incorporation or By-laws of the Highlands Homeowners Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. During the Declarant Control Period, the Declarant shall be entitled to appoint and remove the members of the Board of Directors of the Highlands Homeowners Association; provided, however, (a) not later than sixty (60) days following conveyance of twenty-five percent (25%) of the Lots to Owners other than the Declarant, one (1) member of the Board of Directors shall be elected by Owners other than Declarant, and (b) not later than sixty (60) days after conveyance of seventy-five percent (75%) of the Lots to Owners other than Declarant, a second member of the Board of Directors shall be elected by Owners other than Declarant. Following the expiration of the Declarant Control Period the Board of Directors shall be elected by Owners in the manner set forth in the Articles of Incorporation and the By-laws of the Highlands Homeowners Association.

D. Covenant for Highlands Homeowners Association Assessments:

1. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Highlands Homeowners Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment or charge, together with interest, costs and reasonable attorneys fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to his successors in title unless expressly assumed by them.

2. Purpose of Assessments: The assessments or charges levied by the Highlands Homeowners Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and more particularly for the maintenance, repair and reconstruction of the Common Area, roads not dedicated to the municipality, access easements, parking areas as shown on the filed plats of Highlands, and any other property owned by the Highlands Homeowners Association, and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Areas, administration of the Highlands Homeowners Association, the procurement and maintenance of insurance in accordance with the By-laws, the employment of attorneys to represent the Highlands Homeowners Association when necessary, and such other needs as may arise. The Highlands Homeowners Association shall maintain the private driveways, foundation plantings inside and outside the building envelope, mailboxes, entrance area for Highlands, and irrigation and drainage systems for Highlands. In addition, the Highlands Homeowners Association shall maintain the landscaping in the Highlands neighborhood for each dwelling whether such landscaping shall be inside or outside the building envelope as shown on the filed plat.

The Owners of Highlands may, at their option, expand the services provided by the Highlands Homeowners Association to include exterior maintenance of the dwelling units. The exercise of this option for exterior maintenance shall require approval of eighty percent (80%) of the Owners of Lots at Highlands at a special meeting called for said purpose according to the procedures defined in this Supplemental Declaration and the By-laws. In the event the Highlands Homeowners Association undertakes the exterior maintenance, notice of the exercise of this option by the Owners at Highlands shall be filed in the Moore County Registry of Deeds. The Highlands Homeowners Association may accrue funds (provide reserves) for future maintenance needs.

In addition to architectural review by the Architectural Review Committee of the Association under the Declaration, the Highlands Homeowners Association shall have the right to approve changes to the property, including color schemes, for plans submitted to the Architectural Review Committee of the Highlands Homeowners Association as set forth in the Bylaws.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests, tenants, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Highlands Homeowners Association, shall be added to and become a part of the assessment to which such Lot is subject.

3. Amount of Annual Assessment: The first annual assessment shall be the amount per Lot last levied by the Owners Committee with an increase of up to ten percent (10%) which shall be the maximum annual assessment for that year. Thereafter, the maximum permissible annual assessment increase each year without the necessity of a vote of the membership of the Highlands Homeowners Association shall be the greater of five percent (5%) of the annual assessment for the previous year or the increase in the "Consumer Price Index for Urban Wage Earners and Clerical Workers" as published by the Bureau of Labor Statistics, U. S. Department of Labor for the prior calendar year. The maximum permissible annual assessment may be increased above the five percent (5%)/CPI limitation specified in the preceding sentence only by a vote of 2/3 of the Members of the Highlands Homeowners Association voting in person or by proxy at a meeting called for such purpose. The Board of Directors of the Highlands Homeowners Association may fix the annual assessment against each Lot in any amount not in excess of the maximum permissible annual assessment applicable to that year without the necessity of a vote of the membership of the Highlands Homeowners Association. The Lots of the Declarant shall not be subject to assessment until such time as the Lot is conveyed by the Declarant to an Owner.

4. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Highlands Homeowners Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the driveways, access easements, or Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of Members entitled to no less than 3/4 of the votes represented in person or by proxy at a meeting called for this purpose. If the Association has voted to maintain the exterior of the dwellings, then special assessments may be levied for these purposes also.

5. Procedure for Setting Annual and Special Assessments: The Board of Directors of the Highlands Homeowners Association shall annually adopt a proposed budget and annual assessment for each Lot for the following year. The annual assessment must be fixed at a uniform rate for all Lots and each Owner shall be assessed his pro rata share of the proposed budget. Written notice of any meetings of members of the Highlands Homeowners Association called for the purpose of taking any action on annual or special assessments in the sections above shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence in person or by proxies of ten percent (10%) of all the votes of members which are entitled to be cast at the meeting shall be necessary and sufficient to constitute a quorum. In the event that the necessary majority for consent to any budget is unavailable or fails to pass said budget, then the Board of Directors shall prepare a new budget and assessment as provided above within thirty (30) days and submit said budget as required. In the event no budget is approved by the second meeting, then the prior year's budget shall be deemed the budget for the succeeding year.

6. Nonpayment of Assessments of the Highlands Homeowners Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate set by The Highlands Homeowners Association Board of Directors not to exceed the rate of twelve percent (12%) per annum and shall constitute a continuing lien in favor of the Highlands Homeowners Association on the Lot when notice of said lien is filed of record in the office of the Clerk of Court of Moore County, North Carolina. In addition to such interest charge, the delinquent Owner shall

also pay such late charge as may have been theretofore established by the Board of Directors of the Highlands Homeowners Association to defray the cost of late payment. The Highlands Homeowners Association may bring an action at law against the person personally obligated to pay the assessment, or foreclose the lien against the property, and interest, late payment fees, fines, costs and reasonable attorneys fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the streets, roads, or Common Areas of the development or abandonment of his Lot.

The Highlands Homeowners Association's lien may be foreclosed in the same manner as deeds of trust on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be in effect at the time the foreclosure is commenced and each Owner hereby grants to the Highlands Homeowners Association a power of sale under said statutes. Each Owner of a Lot and the Highlands Homeowners Association hereby appoint Robert S. Thompson as trustee for such purpose, and upon request by the Highlands Homeowners Association, it shall be lawful and the duty of the trustee so appointed to sell the tract subject to the lien at public auction for cash, after having first given such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as may then be required by law and by giving such notice and advertising the time and place of such sale in the manner as then provided by law. Any sale or resale shall be according to the law for foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the trustee is hereby empowered. The trustee shall be authorized to retain an attorney to represent the trustee in such proceedings and the cost of any such attorney shall be an expense of the trustee which shall be chargeable against the proceeds from the sale or resale of the Lot. A proceeding to enforce the lien for unpaid assessments or charges or repair or maintenance costs must be commenced within three (3) years after the delivery of notice of the assessments or charges or repair or maintenance costs to the Owner. Each assessment or charge together with the interest, costs, and reasonable attorneys fees incurred or expended by the Highlands Homeowners Association in collection thereof, shall also be the personal obligation of the Owner of the Lot. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys fees, however, shall not pass to the Owner's successors in title unless expressly assumed by them.

The proceeds of the sale after the trustee retains a commission, together with any reasonable attorney's fees incurred by the trustee in such proceeding, shall be applied to the costs of sale, including, but not limited to, cost of collection, taxes, assessments, cost of recording, service fees and incidental expenditures, the amount due on the assessment and any accrued interest thereof which the lien secures and any advancements and other sums expended by the Highlands Homeowners Association according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures under power of sale. The trustee's commission shall be five percent (5%) of the gross proceeds of sale or the minimum of One Thousand Dollars (\$1,000.00), whichever is greater, for completed foreclosure. In the event foreclosure of the lien is commenced but not completed, the Lot Owner shall pay all expenses incurred by the trustee, including reasonable attorney's fees and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule: one fourth (1/4) thereof before the trustee issues a Notice of Hearing on the Right to Foreclosure; one half (1/2) thereof after issuance of said Notice; three quarters (3/4) thereof after such hearing; and the greater of the full commission or minimum after the initial sale.

Each Lot Owner and any trustee appointed hereunder, covenant and agree that in case the appointed trustee or any successor trustee shall die, become incapable of acting, renounce his trust, or for any reason the Highlands Homeowners Association desires to replace such trustee, then the Highlands Homeowners Association may appoint, in writing, a trustee to take the place of the trustee; and upon the probate and registration of any initial or subsequent appointment of trustee, the trustee thus appointed shall be vested with or succeed to all rights, powers, and duties of the trustee herein described.

In the event the trustee is named as a party to any civil action as trustee in foreclosing the Highlands Homeowners Association's lien rights, the trustee shall be entitled to employ an attorney at law, including the trustee if a licensed attorney, to

represent the trustee in said action and the reasonable attorney's fee of the trustee in such action shall be paid by the Highlands Homeowners Association and added to the outstanding indebtedness which the Highlands Homeowners Association's lien secures and bear interest at the rate provided by the Highlands Homeowners Association for unpaid assessments.

Each Owner of any Lot by acceptance of a deed therefor or by incorporation of Property under this Declaration, whether or not it shall be so expressed in such deed or by request to join the Highlands Homeowners Association, is deemed to bargain, sell, grant, give and convey to said appointed trustee for the benefit of the Highlands Homeowners Association a real property interest in said Lot to secure the Highlands Homeowners Association's lien TO HAVE AND TO HOLD said interest with all privileges and appurtenances thereto belonging to said trustee, his heirs, successors and assigns forever, upon the trust, terms and conditions and for the use as herein set forth.

7. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage granted to a bank, trust company, insurance company or other recognized lending institution, or deed of trust on a Lot or any mortgage or deed of trust to the Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

E. Property Rights:

1. Owners' Easements of Enjoyment: Every Owner shall have a right and easement of enjoyment in and to the Common Area, including an easement and full and mutual right of use for the purpose of access, ingress and egress, over such portions of the Common Area designated for such purposes, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Highlands Homeowners Association to grant utility, drainage and other easements across the Common Area and any portion of a lot outside the building envelope.

2. Delegation of Use: Any Owner may delegate, in accordance with the By-laws of the Highlands Homeowners Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 8th day of August, 1996.

TALAMORE PARTNERS LIMITED PARTNERSHIP,
a Pennsylvania Limited Partnership

By its Sole General Partner
Talamore Acquisition Corp., a Pennsylvania corporation

(CORPORATE SEAL)

By: *Robert P. Levy, Jr.*
Robert P. Levy, Jr., President

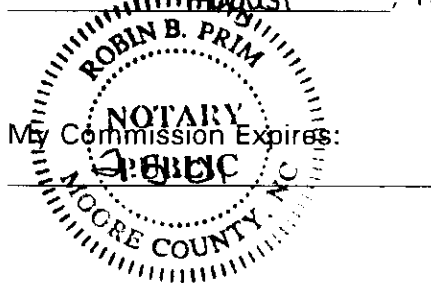
ATTEST:

Betsy McDougald
Betsy McDougald
Assistant Secretary

STATE OF North Carolina
COUNTY OF Moore

I, a Notary Public of the County and State aforesaid, certify that Betsy McDougald, personally came before me this day and acknowledged that she is Asst Secretary of **TALAMORE ACQUISITION CORP.**, a Pennsylvania corporation, Sole General Partner of Talamore Partners Limited Partnership, a Pennsylvania Limited Partnership, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by her as its ASST Secretary.

Witness my hand and official stamp or seal, this 8th day of August, 1996.



Robin B. Prim
Notary Public

NORTH CAROLINA

MOORE COUNTY

JOINDER BY MORTGAGEE

**SUPPLEMENTAL DECLARATION OF RESTRICTIONS AND CONDITIONS
TALAMORE**

VILLAGE OF HIGHLANDS

THIS JOINDER BY MORTGAGEE, made and entered into this 9th day of August, 1996, by and between **FRANK W. BURRELL, JR.**, and **TRSTE, INC.**, hereinafter Trustee, and **FIRST UNION NATIONAL BANK**, a North Carolina banking corporation, hereinafter Lender, and **TALAMORE PARTNERS LIMITED PARTNERSHIP**, a Pennsylvania Limited Partnership, hereinafter Borrower.

WITNESSETH:

WHEREAS, Lender is the owner and holder of a Promissory Note in the amount of \$880,000.00, secured by a Deed of Trust dated October 11, 1994, to Frank W. Burrell, Jr., Trustee, for the benefit of First Union National Bank, beneficiary; and filed for record in Book 1038, Page 300 of the Moore County, North Carolina, Registry; and

WHEREAS, Lender is the owner and holder of a Promissory Note in the amount of \$1,253,013.00, secured by a Deed of Trust dated January 26, 1996, to TRSTE, Inc., Trustee, for the benefit of First Union National Bank, beneficiary, and filed for record in Book 1147, Page 119 of the Moore County, North Carolina, Registry; and

WHEREAS, Borrower has requested that the Trustees and Beneficiary join herein for the purpose of ratifying, confirming, and approving the attached Supplemental Declaration of Restrictions and Covenants executed the 1st day of June, 1996, by Talamore Partners Limited Partnership as Declarant.

NOW THEREFORE, Trustees and Lender do hereby ratify, confirm and approve the Supplemental Declaration of Restrictions and Covenants and do hereby fully subordinate the said lien in all respects to the terms and provisions of said Supplemental Declaration of Restrictions and Covenants, attached hereto, as fully and to the same extent as if said Supplemental Declaration of Restrictions and Covenants had been executed, delivered, and filed for record in the Office of the Register of Deeds for Moore County, North Carolina, prior to the execution, delivery and recordation of said Deed of Trust.

AGREEMENT TO SUBDIVISION - HIGHLANDS: Further, Mortgagee agrees to subdivision of the Highlands neighborhood for sale and consents to filing of plats on the parcels.

IN WITNESS WHEREOF, the said Trustees and Lender have hereunto set their hands and seals the day and year first above written.

James A. Forbes (SEAL)
James A. Forbes, Assistant Vice President

TRSTE, INC., Trustee

(CORPORATE SEAL)

By: James A. Forbes
~~Assistant Vice~~ President

ATTEST:

Betty W. Akers
~~Asst.~~ Secretary

FIRST UNION NATIONAL BANK, Lender

(CORPORATE SEAL)

By: [Signature]
~~VICE~~ President

ATTEST:

[Signature]
~~Asst.~~ Secretary

STATE OF NORTH CAROLINA
COUNTY OF MOORE

I, a Notary Public of the County and State aforesaid, certify that **FRANK W. BURRELL, JR.**, Trustee, personally came before me this day and acknowledged the execution of the annexed Joinder by Mortgagee.

Witness my hand and notarial seal, this 9th day of August, 1996.

Francis A. Wall

Notary Public

My Commission Expires:
4/12/2000

STATE OF VIRGINIA
COUNTY OF ROANOKE

I, a Notary Public of the County and State aforesaid, certify that BETTY W. AKERS, personally came before me this day and acknowledged that she is Asst. Secretary of **TRSTE, INC.**, a Virginia corporation, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its Asst. VICE President, sealed with its corporate seal and attested by her as its Asst Secretary.

Witness my hand and official stamp or seal, this 6th day of August, 1996.

Rebecca S. Thompson

Notary Public

My Commission Expires:
10-31-96

STATE OF NORTH CAROLINA
COUNTY OF MOORE

I, a Notary Public of the County and State aforesaid, certify that Stuart J. Strickland, personally came before me this day and acknowledged that he is Asst Secretary of **FIRST UNION NATIONAL BANK**, a North Carolina banking corporation, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by h e as its Asst Secretary.

Witness my hand and official stamp or seal, this 9th day of August, 1996.

Francis A. Wall

Notary Public

My Commission Expires:
4/12/2000

NORTH CAROLINA

MOORE COUNTY

JOINDER BY MORTGAGEE

**SUPPLEMENTAL DECLARATION OF RESTRICTIONS AND CONDITIONS
TALAMORE**

VILLAGE OF HIGHLANDS

THIS JOINDER BY MORTGAGEE, made and entered into this 12th day of AUGUST, 1996, by and between **DARRIN G. GIRTON**, hereinafter Trustee, and **MIDLANTIC BANK, N.A.** (the successor by merger to Continental Bank) a Pennsylvania banking corporation, hereinafter Lender, and **TALAMORE PARTNERS LIMITED PARTNERSHIP**, a Pennsylvania Limited Partnership, hereinafter Borrower.

WITNESSETH:

WHEREAS, Lender is the owner and holder of a Promissory Note in the amount of \$4,000,000.00, secured by a Deed of Trust dated April 30, 1991, to Stephen M. Gualberti, Trustee, for the benefit of Continental Bank, beneficiary; and filed for record in Book 773, Page 108 and as modified by Book 1038, Page 296 of the Moore County, North Carolina, Registry; and

WHEREAS, Borrower has requested that the Trustee and Beneficiary join herein for the purpose of ratifying, confirming, and approving the attached Supplemental Declaration of Restrictions and Covenants for Talamore executed the 1st day of June, 1996, by Talamore Partners Limited Partnership as Declarant.

NOW THEREFORE, Trustee and Lender do hereby ratify, confirm and approve the Supplemental Declaration of Restrictions and Covenants and do hereby fully subordinate the said lien in all respects to the terms and provisions of said Supplemental Declaration of Restrictions and Covenants, attached hereto, as fully and to the same extent as if said Supplemental Declaration of Restrictions and Covenants had been executed, delivered, and filed for record in the Office of the Register of Deeds for Moore County, North Carolina, prior to the execution, delivery and recordation of said Deed of Trust.

AGREEMENT TO SUBDIVISION - Highlands: Further, Mortgagee agrees to subdivision of the Highlands neighborhood for sale and consents to filing of plats on the parcels.

IN WITNESS WHEREOF, the said Trustee and Lender have hereunto set their hands and seals the day and year first above written.



Darrin G. Girton, Trustee (SEAL)

MIDLANTIC BANK, N.A., Successor by merger to CONTINENTAL BANK, Lender

(CORPORATE SEAL)

By: Darrin G. Girton
VICE President

ATTEST:
Susan F. Dawetko
AVP Secretary

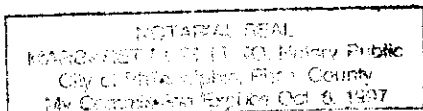
STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

I, a Notary Public of the County and State aforesaid, certify that **DARRIN G. GIRTON**, Trustee, personally came before me this day and acknowledged the execution of the annexed Joinder by Mortgagee.

Witness my hand and notarial seal, this 21 day of AUGUST, 1996.

Margaret M. Pettino
Notary Public

My Commission Expires:



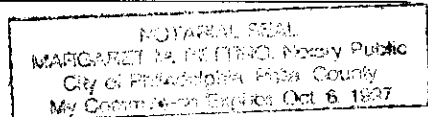
STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

I, a Notary Public of the County and State aforesaid, certify that SUSAN F. DAWETKO, personally came before me this day and acknowledged that she is AVP Secretary of **MIDLANTIC BANK, N.A.** (the successor by merger to Continental Bank), a Pennsylvania corporation, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its VICE President, sealed with its corporate seal and attested by her as its AVP Secretary.

Witness my hand and official stamp or seal, this 21 day of AUGUST, 1996.

Margaret M. Pettino
Notary Public

My Commission Expires:



North Carolina--Moore County

The foregoing certificate of Robin B. Prim, Frances K. Hall, Rebecca F. Thompson and Margaret M. Pettino, Notaries Public, is certified to be correct. This 30th day of July, 1997.

Judith M. Adams, Register of Deeds

Judy D. Martin Assistant

EXHIBIT A

BEGINNING at a point in the right of way of Highland Court, a public street, said point being located North 78 degrees 31 minutes 21 seconds West 19.92 feet; thence North 75 degrees 20 minutes 10 seconds West 50.26 feet; thence South 8 degrees 49 minutes 13 seconds West 98.89 feet; thence South 10 degrees 26 minutes 5 seconds West 11.27 feet from a pin in the boundary line of Highland View Drive, a public street, said pin being located at the northwest corner of Lot 28 of Talamore as shown on a plat filed in Plat Cabinet 5, Slide 406 of the Moore County Registry; thence from said beginning point in the boundary of Highland Court a curve to the right with a radius of 200 feet, a length of 81.11 feet, a cord distance of 80.56 feet and a cord bearing South 23 degrees 40 minutes 4 seconds West; thence from that point a curve to the right with a radius of 1600 feet, a length of 23.22 feet, a chord distance of 23.22 feet, with a cord bearing South 34 degrees 52 minutes 14 seconds West; thence a curve with a radius of 1600 feet, a length of 83.89 feet, a chord distance 83.88 feet, and a chord bearing South 32 degrees 57 minutes 10 seconds West to a pin; thence following a curve with a radius of 1600 feet, a length of 107.87 feet, a chord distance of 107.85 feet; and a chord bearing South 29 degrees 31 minutes 9 seconds West; thence a curve with a radius of 1600 feet, a length of 13.12 feet, a chord distance of 13.12 feet, and a chord bearing South 29 degrees 21 minutes 10 seconds West to a pin; thence a curve with a radius of 50 feet, a length of 55.15 feet, chord distance of 52.39 feet, and a chord bearing South 58 degrees 42 minutes 51 seconds West; thence North 89 degrees 41 minutes 22 seconds West 60.20 feet to a pin; thence North 89 degrees 41 minutes 22 seconds West 64.55 feet to a pin; thence a curve with a radius of 275 feet, a length of 42.41 feet, and a chord bearing North 85 degrees 16 minutes 15 seconds West; thence a curve having a radius of 275 feet, a length of 15.69 feet, and a chord bearing North 79 degrees 13 minutes 06 seconds West; thence North 77 degrees 35 minutes 2 seconds West 1.75 feet to a pin; thence as a curve with a radius of 20 feet, a length of 25.62 feet and a cord bearing North 40 degrees 53 minutes 5 seconds West; thence a curve having a radius of 50 feet, a length of 65.49 feet, and a cord bearing North 41 degrees 42 minutes 21 seconds West to a pin; thence a curve having a radius of 50 feet, a length of 66.39 feet, and a cord bearing South 62 degrees 44 minutes 10 seconds West to a pin; thence a curve having a radius of 50 feet, a length of 85.32 feet, and a chord bearing South 24 degrees 11 minutes 12 seconds East to a pin; thence North 73 degrees 4 minutes 17 seconds West 207.28 feet to a pin; thence North 34 degrees 12 minutes 38 seconds East 359.37 feet to a pin; thence North 69 degrees 46 minutes 20 seconds East 176.95 feet to a pin; thence South 71 degrees 30 minutes 17 seconds East 305.33 feet to the point of beginning and comprising all the lots of The Highlands at Talamore and the common area for The Highlands.

EXHIBIT B
BYLAWS
OF
THE OWNERS COMMITTEE OF THE VILLAGE OF HIGHLANDS

ARTICLE I
DEFINITIONS

Section 1. The terms "Association", "Declarant", "Declarant Control Period," "Common Area", "Expansion Right", "Lots", "Owner", and "Property" as used in these Bylaws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions executed by Talamore Partners Limited Partnership, a Pennsylvania Limited Partnership, as Declarant therein, dated May 6, 1993, and recorded in the Office of the Register of Deeds of Moore County, North Carolina, in Book 912, Page 57 (as modified, amended or supplemented, from time to time, the "Declaration").

Section 2. "Member" for the purpose of these By-laws only means those persons or entities who are Owners in the Village of Highlands.

Section 3. "Committee" shall mean the Committee of the Village of Highlands as elected according to the procedures herein for the purposes set forth in the Supplemental Declaration for the Village of Highlands.

ARTICLE II
MEETINGS OF MEMBERS

Section 1 - Annual Meetings. The first annual meeting of the Members shall be held on January 15, 1998, and each subsequent regular annual meeting of the Members shall be held in the last week of the month of June each year thereafter, at a time and place within the State of North Carolina selected by the existing Committee of the Village of Highlands. The annual meeting shall be held for the purpose of electing the Owners Committee and such other business as is properly brought before the meeting.

Section 2 - Special Meetings. Special meetings of Members may be called at any time by the chairman of the Committee or upon written request of Owners of the Village who are entitled to vote one-fourth (1/4) of all of the votes of the Village.

Section 3 - Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than ten (10) nor more than fifty (50) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4 - Quorum. The presence at the meeting of Members of proxies entitled to cast forty percent (40%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Supplemental Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5 - Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Committee. Every

proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE III
COMMITTEE MEMBER SELECTION: TERM OF OFFICE

Section 1 - Number. The Committee shall be comprised of three (3) Members who are Owners at Highlands.

Section 2 - Term of Office. The Committee Members shall serve for one (1) year and a Committee Member may serve no more than three (3) consecutive terms.

Section 3 - Removal. Any Committee Member may be removed at any time from the Committee with or without cause by a majority vote of the Owners of the Village of Highlands.

Section 4 - Compensation. No Committee Member shall receive compensation for any service he may render to the Committee or to the neighborhood of Highlands.

Section 5 - Action Taken Without a Meeting. The Committee shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Committee Members. Any action so approved shall have the same effect as though taken at a meeting of the Committee.

ARTICLE IV
NOMINATION AND ELECTION OF COMMITTEE MEMBERS

Section 1 - Nomination. The Committee shall nominate three (3) Committee Members prior to the annual meeting of Members. Nominations may also be made from the floor at the annual meeting.

Section 2 - Election. Election to the Committee shall be by written ballot. At the election the Member or his proxy may cast, in respect to each vacancy, as many votes as they are entitled to exercise at meetings of the Association under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3 - Selection of Committee Members by Declarant. Notwithstanding anything to the contrary set forth in Section 1 or Section 2 of this Article III, during the Declarant Control Period, the Declarant shall be entitled to appoint and remove the members of the Committee. Not later than sixty (60) days after the end of the Declarant Control Period, or if the Declarant by written document filed in the Moore County Registry relinquishing its right to control the Committee, the Committee shall be elected by Owners of Highlands in the manner set forth in these By-laws.

ARTICLE V
MEETINGS OF THE COMMITTEE

Section 1 - Regular Meetings. Regular meetings of the Committee shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Committee, without the necessity of further notice.

Section 2 - Special Meeting. Special meetings of the Committee shall be held when called by the Chairman of the Committee, or by any two Committee Members, after not less than three (3) days' notice to each Committee Member.

Section 3 - Quorum. A majority of the number of Committee Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Committee Members at a duly held meeting at which a quorum is present shall be regarded as the act of the Committee.

ARTICLE VI
DUTIES AND POWERS OF THE COMMITTEE

Section 1 - Duties. It shall be the duty of the Committee to:

- A. Maintain the exterior landscaping at the Village of Highlands; including landscaping in Common Area and within the Lots of Owners but outside of patios, fenced areas and the dwelling.
- B. Keep a complete record of all acts and meetings of the Committee and the meetings of the Owners of the Village;
- C. Supervise of all managers, independent contractors and other employees as hired by the Committee or the Association to see that their duties are properly performed;
- D. Prepare the maintenance budget for Highlands and in accordance therewith;
 - 1. Determine the amount of the annual assessment to be levied against the Owners of the Village not later than December 31st of each year.
 - 2. Send written notice of each annual assessment to every Owner in the Village not later than December 31st of each year; and provide said assessments to the Association to be levied against the Owners of the Village according to the provisions of Article X of the Declaration.
- E. Provide an accounting to the Owners of Highlands annually of operations of the Committee and expenditure of the assessments.

Section 2 - Powers. The Committee shall have the power to:

- A. Determine the maintenance which shall be performed on the Lots in Highlands;
- B. Adopt a budget for said maintenance services and determine the assessment for Owners in the Village of Highlands;
- C. Maintain the landscaping for the Lots in the Village of Highlands in accordance with the determination by the Committee;
- D. Employ a manager, independent contractors, or other employees or contractors as they deem necessary and prescribe their duties concerning the maintenance of the Village; and
- E. Contract with the Association for provision of maintenance services to the Village.
- F. Maintain bank accounts as are necessary to conduct the Committee's business.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 1 - Enumeration of Officers. The officers of this Committee shall be a Chairman, Treasurer, and Secretary. The officers may be members of the Committee but are not required to be.

Section 2 - Election of Officers. The officers shall be elected by the Committee at the annual meeting after election of the Committee.

Section 3 - Term. The officers of the Committee shall be elected annually by the Committee and each shall hold office for one (1) year unless the officer shall sooner resign, or be removed.

Section 4 - Resignation and Removal. Any officer may be removed from office with or without cause by the majority vote of the Committee at any time.

Section 5 - Vacancies. A vacancy in any office may be filled by majority vote of the Committee.

Section 6 - Duties. The duties of the officers are as follows:

A. **Chairman.** The Chairman shall preside at all meetings of the Members and of the Committee and see that orders and resolutions of the Committee are carried out. The Chairman shall present the assessment for Owners of Highlands to the Association by December 31st of each year for the following year.

B. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Committee. The Secretary shall also serve notice of meetings of the Committee and of the Members; keep appropriate current records showing the Members together with their addresses; and perform such other duties as required by the Committee.

C. **Treasurer.** In the event the Committee contracts with parties other than the Association for provision of maintenance services, the Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Committee as collected by the Association and disburse these funds as directed by resolution of the Committee and keep proper books of accounts.

Section 7 - Income Statement. The Committee shall provide to Members of the Village an income statement and balance sheet at the annual meeting each year for the current year and for the prior calendar year.

ARTICLE VIII BOOKS AND RECORDS

The books, records and papers of the Committee shall at all times, during reasonable business hours, be subject to inspection by any Member.

ARTICLE IX ASSESSMENTS

Assessments made by the Committee shall be levied against the Owners of the Village by the Association pursuant to Article X of the Declaration. In the event the Committee arranges for maintenance outside of the Association, Assessments collected shall be promptly distributed to the Committee. The Association shall provide annually a statement of receipt and disbursements to the Committee for funds collected and disbursed to or on behalf of the Committee. The Association shall be compensated for its costs in collecting the assessments.

ARTICLE X AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of eighty percent (80%) of all the Members. However, the consent of the Declarant shall be required for any amendment during the Declarant Control Period.

Section 2. In the case of any conflict between these By-laws and the Supplemental Declaration, the Supplemental Declaration shall control.