

SUPPLEMENTAL
DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS,
COVENANTS, AGREEMENTS, LIENS AND CHARGES

TALAMORE
"VILLAGE OF SCOTS GLEN"

THIS SUPPLEMENTAL DECLARATION, made this 22nd day of June, 1993, 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 as shown on a plat
of Talamore, Phase 1, recorded in Plat Cabinet 5, Slide 406 of the Moore County, North
Carolina, Registry; 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 of the Moore
County Registry (hereafter "Declaration"), has reserved the right to submit properties
within the Talamore development to Supplemental Restrictive Covenants; and

WHEREAS, Declarant desires to designate Lots 1 through 10 as the "Village of
Scots Glen" and to make said lots subject to this Supplemental Declaration.

NOW THEREFORE, Declarant hereby declares that Lots 1 through 10 as shown on
the plat of Talamore, Phase 1, as recorded in Plat Cabinet 5, Slide 406 of the Moore
County, North Carolina, Registry, shall be known as the "Village of Scots Glen" 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 and in
modification of the Declaration of Restrictions, Conditions, Easements, Covenants,
Agreements, Liens and Charges filed in Book 912, Page 57 of the Moore County, North
Carolina, Registry of Deeds. In the event of any inconsistency between this
Supplemental Declaration and the restrictive covenants filed in Book 912, Page 57 of the
Moore County Registry, this Supplemental Declaration shall control.

Supplemental Covenants and Conditions:

1. Definitions: Except as modified herein, the definitions provided in the
Declaration shall apply to this Supplemental Declaration.
2. Village of Scots Glen: Lots 1 through 10 comprise the entrance village for
the Talamore development. Scots Glen will be designed and built according to strict
criteria approved by the Architectural Review Committee. As such it has special needs
for landscape, care and maintenance beyond the requirements of other areas in Talamore.
Landscaping within the Village of Scots Glen shall be maintained in a uniform manner.
The Owners in the Village of Scots Glen, through the Committee, shall determine the
level and extent of such maintenance and may contract with the Association for such
maintenance services.
3. The Owners Committee: Determination of the level of maintenance for
Scots Glen shall be made by a Committee of Owners of the Village of Scots Glen 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 shall determine also the amount of the assessment to be made
on Members of the Village to pay for said services.
4. Establishment of Committee: The Owners of the Village of Scots Glen
shall hold a meeting in the last week of September of each year for the purpose of
electing the Village Committee of three (3) members. The Committee shall operate
according to the By-laws attached hereto as Exhibit A.

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Bob Thompson
#20.00 pd

5. **Declarant Control Period:** Notwithstanding anything above, during the Declarant Control Period as defined in the Declaration, the Declarant shall appoint the members of the Village Committee. After the Declarant Control Period, the Village Committee shall be elected according to the By-laws.

6. **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 Scots Glen. Any and all such amendments shall be recorded in the Office of the Register of Deeds of Moore County, North Carolina, and upon recording the same shall become effective with respect to the matter to which such amendment pertains.

7. **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 Village of Scots Glen for the following year in addition to the regular services to be provided by the Association. 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 Village of Scots Glen in addition to the regular dues 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 assessments shall be a lien upon the real property and a personal obligation of the Owner as described therein.

8. **Assessment for Lots with Residences:** The assessment for Scots Glen shall be levied only against lots which contain a residence. Maintenance services shall be provided only to lots with residences.

9. **Collection of Assessments:** In event said dues and assessments are not paid 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 Association. All rights reserved to the Association in said Article X shall apply to the Village assessments as determined by the Committee.

10. **Cooperation with the Association:** The Association shall cooperate fully with the Village Committee and shall arrange for such maintenance and upkeep as are contracted for by the Village Committee and as are necessary and for the benefit of the Owners within the Village. Any budget deficit or shortfall in collections shall be the responsibility of the Village Owners.

11. **Architectural Review:** In addition to the Master Guidelines of the Talamore Architectural Review Committee, the Village of Scots Glen shall have additional guidelines as shown in Exhibit B attached hereto and incorporated by reference. Said Supplemental Guidelines shall be enforced by the Architectural Review Committee as comprised in Article VI of the Declaration. The Architectural Review Committee shall apply the Supplemental Guidelines in addition to and as necessary, in modification of, the Master Guidelines as published with the Declaration.

12. **Term:** This Supplemental Declaration shall run with the land and bind Owners, their successors and assigns.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 22nd day of June, 1993.

**TALAMORE PARTNERS LIMITED PARTNERSHIP, a
Pennsylvania Limited Partnership**

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

(CORPORATE SEAL)

ATTEST:
[Signature]
Secretary

By: *[Signature]*
Robert P. Levy, Jr., President

North Carolina
STATE OF PENNSYLVANIA
COUNTY OF Moore

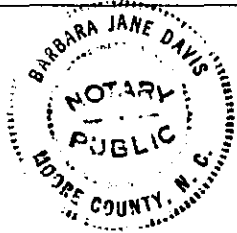
I, a Notary Public of the County and State aforesaid, certify that John H. Musto, personally came before me this day and acknowledged that he is Assistant Secretary of TALAMORE ACQUISITION CORP., a Pennsylvania corporation, Sole General Partner of Talamore Partners Limited Partnership, a Pennsylvania 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 him as its Assistant Secretary.

Witness my hand and official stamp or seal, this 22nd day of June, 1993.

[Signature]
Notary Public

My Commission Expires:

5/23/95



North Carolina--Moore County
The foregoing certificate of Barbara Jane Davis, Notary Public, is certified to be correct. This 25th day of June, 1993.

Judith M. Adams, Register of Deeds
[Signature] Assistant

BYLAWS
OF
THE COMMITTEE OF THE VILLAGE OF SCOTS GLEN

ARTICLE I
DEFINITIONS

Section 1. The terms "Association", "Declarant", "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 Scots Glen.

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

ARTICLE II
MEETINGS OF MEMBERS

Section 1 - Annual Meetings. The first annual meeting of the Members shall be held on September 30, 1993, and each subsequent regular annual meeting of the Members shall be held in the last week of the month of September each year thereafter, at a time and place within the State of North Carolina selected by the existing Committee of the Village of Scots Glen.

Section 2 - Special Meetings. Special meetings of the Committee 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 or proxies entitled to cast forth 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 secretary. 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 may or may not be Owners at Scots Glen.

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 Scots Glen.

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

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 DIRECTORS

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 Board of Directors 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 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, the Committee shall be elected by Owners 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
POWERS AND DUTIES OF THE COMMITTEE

Section 1 - Powers. The Committee shall have the power to:

A. Determine the maintenance which shall be performed on the Lots in Scots Glen;

- B. Adopt a budget for said maintenance services and determine the assessment for Owners in the Village of Scots Glen;
- C. Maintain the landscaping for the Lots in the Village of Scots Glen 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.

Section 2 - Duties. It shall be the duty of the Committee to:

- A. Maintain the exterior landscaping at the Village of Scots Glen;
- 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 Scots Glen 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.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 1 - Enumeration of Officers. The officers of this Committee shall be a Chairman, Treasurer, and Secretary.

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 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.

**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.

EXHIBIT B

SUPPLEMENTAL ARCHITECTURAL REVIEW COMMITTEE GUIDELINES

LOTS 1 - 10, PHASE 1, TALAMORE

"THE VILLAGE OF SCOTS GLEN"

WHEREAS, it is the desire and intention of Declarant to impose upon Lots 1 through 10 in Phase 1, known as The Village of Scots Glen additional restrictive covenants for the purpose of enhancing and protecting the value, desirability and attractiveness of said lots and all of which shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the described lots.

The Supplemental Restrictive Covenants are as follows:

A. There will be four (4) predesigned and Architectural Review Committee approved house designs in this section, the lot owner must agree to build one of the four designs of his choice and if modifications are requested understands the modifications will be subject to the Architectural approval process.

B. The ten (10) lots will have an exterior material and color selection palette which must be followed. This palette will be for brick siding, plaster, roof materials, fascias, windows, doors and all related exterior items.

C. The ten (10) lots will have a master designed landscape, drive, walk, sign, mailbox and other appropriate site structures plan, which will be binding on this section

D. The design documents for the four (4) house types, the landscape and site documents and all related exterior design decisions will be supplied by the Architectural Review Committee shall remain the property of the Architectural Review Committee or the supplying architect.

E. A complete set of design documents, color palettes and related support materials shall be available for review at the Sales Center by the lot owner.