

EXHIBIT "C"

BY-LAWS
OF
COUNTRY CLUB HEIGHTS HOMEOWNER'S ASSOCIATION, INC.

*By whom
Amend. by
2/3/8 Assoc*

- TABLE OF CONTENTS -

	<u>Page</u>
I. NAME, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS	1
1.1. Name	1
1.2. Membership	1
1.3. Definitions	1
II. ASSOCIATION MEETINGS, QUORUM, VOTING, PROXIES	1
2.1. Place of Meetings	1
2.2. First Meeting and Annual Meetings	1
2.3. Special Meetings	1
2.4. Notice of Meetings	1
2.5. Waiver of Notice	2
2.6. Adjournment of Meetings	2
2.7. Voting	2
2.8. Proxies	2
2.9. Quorum	2
2.10. Action Without A Formal Meeting	2
2.11. Action By Written Ballot	3
2.12. Members List	3
III. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS	3
A. <u>Composition and Selection</u>	
3.1. Governing Body; Composition	3
3.2. Directors Appointed by Declarant	3
3.3. Number of Directors	4
3.4. Nomination of Directors	4
3.5. Election and Term of Office	4
3.6. Removal of Directors	4
3.7. Vacancies	4
B. <u>Meetings</u>	
3.8. Organization Meetings	5
3.9. Regular Meetings	5
3.10. Special Meetings	5
3.11. Waiver of Notice	5
3.12. Quorum of Board of Directors	5

3.13.	Compensation	5
3.14.	Open Meetings	6
3.15.	Executive Session	6
3.16.	Action Without A Formal Meeting.....	6
3.17.	Telephonic Participation	6
	C. Powers and Duties.	
3.18.	Powers	6
3.19.	Management Agent	7
3.20.	Borrowing	7
3.21.	Fining or Suspension Procedure	7
IV.	OFFICERS	8
4.1.	Officers	8
4.2.	Election, Term of Office, and Vacancies	8
4.3.	Removal	8
4.4.	President	9
4.5.	Vice President	9
4.6.	Secretary	9
4.7.	Treasurer	9
4.8.	Resignation	9
V.	COMMITTEES	9
VI.	MISCELLANEOUS	9
6.1.	Fiscal Year	9
6.2.	Parliamentary Rules	9
6.3.	Conflicts	10
6.4.	Amendment	10

BY-LAWS
OF
COUNTRY CLUB HEIGHTS HOMEOWNER'S ASSOCIATION, INC.

Article I
Name, Membership, Applicability, and Definitions

- 1.1. Name. The name of the Association shall be Country Club Heights Homeowner's Association, Inc. ("Association").
- 1.2. Membership. The Association shall have one class of membership, as is more fully set forth in that Declaration of Protective Covenants for Country Club Heights Subdivision ("Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.
- 1.3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Article II
Association; Meetings; Quorum; Voting; Proxies

- 2.1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board, either in the Community or as convenient thereto as possible and practical.
- 2.2. First Meeting and Annual Meetings. An annual or special meeting shall be held within one year from the date the Declaration is recorded. Annual meetings shall be set by the Board so as to occur no later than 60 days after the close of the Association's fiscal year.
- 2.3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed by at least 25% of the Total Association Vote (the consent of the Declarant shall not be required). The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.
- 2.4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Lot (as shown in the records of the Association) a notice of each annual or special meeting of the Association stating the time and place where it is to be

held and in the notice of a special meeting, the purpose thereof. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten nor more than 60 days before a meeting.

2.5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.7. Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of 11 months from the date of the proxy.

2.9. Quorum. The presence, in person or by proxy, of 25% of the total eligible Association vote shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.10. Action Without A Formal Meeting. Any action to be taken at a meeting of the members, or which may be taken at a meeting of the members, may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed by members holding at least 80% of the voting power in the Association. Action taken without a meeting shall be effective on the date that the last consent is executed, and consented to by the Declarant, if required, unless a later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

*Access -
not less than 5 days
not more than 30
to be convened*

2.11. Action By Written Ballot. Any action to be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot of an action shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked without the consent of the Board. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

2.12. Members List. The record date for determining members entitled to notice shall be the close of business of the day preceding the date notices are given. The record date for determining members entitled to vote at a meeting shall be the close of business of the business day preceding the date of the meeting. The Association shall prepare an alphabetical list of the names of all its members who are entitled to notice of the meeting. The list must show the address and number of votes each member is entitled to vote at the meeting. Additionally, the Association shall prepare on a current basis through the time of the membership meeting a list of members who are entitled to vote but not entitled to notice. This list shall be made available for any member for the purpose of communication concerning the meeting and shall make the list available at the meeting and any member, member's agent or member's attorney is entitled to inspect the list at any time during the meeting.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 3.2, the directors must reside in the Community and shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time.

3.2. Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board or any officer or officers of the Association until such time as the first of the following events shall occur: (a) five years from the date the Declaration was recorded; (b) the date on which 75% of the Lots to be developed in all phases have been conveyed to Persons who have not purchased such Lots for the purpose of construction of a residence and resale of such Lot and residence; or (c) the surrender by

Declarant in writing of the authority to appoint and remove directors and officers of the Association. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association. The directors selected by the Declarant need not be Owners or residents in the Community.

3.3. Number of Directors. The Board shall consist of five members. After the Declarant's right to appoint directors and officers terminates the director positions shall be filled by a vote of the members in accordance with Section 3.5(b). Once Declarant's right to appoint directors and officers terminates, at least two of the directors on the Board shall be residents of the townhome portion of Country Club Heights.

3.4. Nomination of Directors. Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5. Election and Term of Office. Owner-elected directors shall be elected and hold office as follows:

(a) After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting to be held at which Owners shall elect three directors.

(b) Thereafter, directors shall be elected at the Association's annual meeting. All eligible members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.

At the special meeting in which the Owners initially elect directors, three directors shall be elected to two-year terms and two directors shall be elected to one-year terms. At the expiration of the initial term of office of each respective Owner-elected director, a successor shall be elected to serve for a term of two years. The directors shall hold office until their respective successors shall have been elected by the Association.

3.6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners shall be given at least ten days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than 30 days may be removed by a majority vote of the remaining directors at a meeting. This Section shall not apply to directors appointed by Declarant.

3.7. Vacancies. Vacancies in the Board caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each person so selected shall serve the unexpired portion of the term.

B. Meetings.

3.8. Organization Meetings. The first meeting of the Board following each annual meeting of the membership shall be held within ten days thereafter at such time and place as shall be fixed by the Board.

3.9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10. Special Meetings. Special meetings of the Board shall be held when requested by the President, Vice President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; (d) electronic message, fiber optic, or telecommunication to the director; or (e) by commercial delivery service to such director's home or office. All such notices shall be given or sent to the director's address, telephone number or other place of delivery as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telecommunication shall be given at least 48 hours before the time set for the meeting.

3.11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board.

3.13. Compensation. No director shall receive any compensation from the Association for acting as such.

3.14. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16. Action Without A Formal Meeting. Unless prohibited by North Carolina law, any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

3.17. Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties

3.18. Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

- (d) making and amending use restrictions and rules and regulations;
- (e) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;
- (k) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and
- (l) contracting with any Person for the performance of various duties and functions.

3.19. Management Agent. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or Manager. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon not more than 90 days written notice.

3.20. Borrowing. The Board shall have the power to borrow money without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, or the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at any one time.

3.21. Fining or Suspension Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) or suspend a member's right to use any part of the Common Property unless and until the following procedure is followed:

- (a) Notice. Written notice shall be served upon the violator by first-class or certified mail sent to the last address of the member shown on the Association's records, specifying:

(i) the nature of the violation, the fine or suspension to be imposed and the date, not less than 15 days from the date of the notice, that the fine or suspension will take effect;

(ii) that the violator may, within ten days from the date of the notice, request a hearing regarding the fine or suspension imposed;

(iii) the name, address and telephone numbers of a person to contact to challenge the fine or suspension;

(iv) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) that all rights to have the fine or suspension reconsidered are waived if a hearing is not requested within ten days of the date of the notice.

(b) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine or suspension shall be imposed prior to the date that is five days after the date of the hearing.

(c) Enforcement. In any action or proceeding to enforce the Declaration, these Bylaws, the rules and regulations of the Association, or decision of the Board, the Association shall be entitled to recover all expenses from the violator, including all attorney's fees, thus incurred.

Article IV Officers

4.1. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board. The Board may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable.

4.2. Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association under Section 3.2, the officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.3. Removal. Any officer may be removed by the Board whenever, in its judgment, the best interests of the Association will be served thereby.

4.4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the North Carolina Nonprofit Corporation Code.

4.5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board, shall prepare, execute, certify, and record any amendments to the Declaration on behalf of the Association, and shall have charge of such books and papers as the Board may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with North Carolina law.

4.7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board.

4.8. Resignation. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V Committees

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

Article VI Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2. Parliamentary Rules. Robert's Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with North Carolina law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

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

6.4. **Amendment.** These By-Laws may be amended by the Board if such amendment is necessary (a) to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) to meet the requirements of an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to the Declaration; or (d) to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration

Further, so long as Declarant has the right unilaterally to subject additional property to the Declaration, Declarant may unilaterally amend these Bylaws for any other purpose; provided, however, such amendment shall not adversely affect the substantive rights or title of any Lot Owner without the consent of the affected Lot Owner.

In addition, these By-Laws may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the Total Association Vote.

So long as the U.S. Department of Veterans Affairs (if it is then guaranteeing Mortgages in the Community or has issued a project approval for the guaranteeing of such mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage in the Community or has issued a project approval for the insuring of such mortgages) shall have the right to veto amendments to these By-Laws for as long as the Declarant has the right to appoint and remove the directors and officers of the Association.


CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Country Club Heights Homeowner's Association, Inc., a North Carolina nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 12th day of April, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of April, 1999.

 (SEAL)
Secretary

Return to R. Roy Mitchell, Jr., PO Box 2917, Durham, NC 27715

BOOK 2628 PAGE 937

Drawn by ~~attorney~~
Anthony W. Oxley
Ryan & Stubblefield, P.C.
229 Peachtree Street, N.E., Suite 1200
Atlanta, Georgia 30303

Cross Reference: Declaration Deed Book 2628
Page 888

**FIRST SUPPLEMENTARY DECLARATION TO THE
DECLARATION OF PROTECTIVE COVENANTS
FOR COUNTRY CLUB HEIGHTS**

THIS SUPPLEMENTARY DECLARATION is made as of the date set forth below by Country Club Heights, a North Carolina general partnership ("Declarant").

WHEREAS, Declarant recorded that certain Declaration of Protective Covenants for Country Club Heights ("Declaration") in Deed Book 2628, Page 888 *et seq.*, in the Office of the Register of Deeds of Durham County, North Carolina, on April 12, 1999, as amended and supplemented in the aforesaid Office of the Register of Deeds from time to time; and

WHEREAS, pursuant to the terms of Section 17 of the Declaration, Declarant may unilaterally designate any portion of the real property described in Exhibit "A" to the Declaration as a Neighborhood as such term is defined in Section 1(n) of the Declaration by recording a Supplementary Declaration describing the property to be designated and such Supplemental Declaration may modify or add to the terms of the Declaration for the property subject to such Supplementary Declaration; and

WHEREAS, the property described in Exhibit "A" to this Supplementary Declaration (the "Townhomes") is a portion of the property described in Exhibit "A" to the Declaration; and

WHEREAS, Declarant desires to designate the Townhomes as a Neighborhood with the modifications relating to assessments, maintenance, and insurance as more specifically set forth herein;

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby designates the Townhomes as a Neighborhood. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of the Declaration, as amended and supplemented from time to time, and the following additional provisions, all of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

14902

2000

ARTICLE I
Definitions

The definitions set forth in Article II of the Declaration are incorporated herein by reference. Capitalized terms shall be defined as provided in such definitions, except as otherwise specifically defined herein.

ARTICLE II
Special Provisions

Notwithstanding anything to the contrary in the Declaration:

2.1. **Maintenance Responsibility.** Owners within the Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring the Limited Common Areas and certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, building exteriors, landscaping, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance shall be performed by the Association. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided.

2.2. **Insurance.** The Association shall obtain and maintain insurance for the exteriors of structures in the Neighborhood. Such insurance shall comply with the requirements of Section 7(e) of the Declaration. Any such policy shall provide for a certificate of insurance to be furnished upon request to the Owner of each Lot insured. Premiums for such insurance shall be assessed pursuant to Section 7(d) of the Declaration.

2.3. **Party Walls.** Each wall which is built as a part of the original construction which serves as the dividing line between to Lots and/or separates any two adjoining dwellings shall constitute a party wall. To the extent not inconsistent with the provisions of this Paragraph, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this Paragraph shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

**ARTICLE III
Amendment**

3.1. By Declarant. Declarant may unilaterally amend this Supplementary Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. In addition, so long as Declarant owns property described in Exhibit "A" for development or sale, it may unilaterally amend this Supplementary Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner without such Owner's consent in writing.

3.2. By Owners. Except as otherwise specifically provided above, this Supplementary Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of 75% of the Lots within the Neighborhood and, so long as Declarant owns any Lots within the Neighborhood, the consent of Declarant. In addition, the consent of the Board of Directors of the Association shall be required. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

3.3. Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of Declarant without Declarant's written consent, (or the assignee of such right or privilege). If an Owner consents to any amendment to this Supplementary Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording in the Office of the Register of Deeds, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of such recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Supplementary Declaration.

IN WITNESS WHEREOF, Declarant hereby executes this instrument under seal this the
12th day of April, 1999.

DECLARANT: COUNTRY CLUB HEIGHTS,
A North Carolina General Partnership

By: Richard B. Williams (SEAL)
Richard B. Williams

By: Russell N. Barringer, Jr. (SEAL)
Russell N. Barringer, Jr.

By: T. C. Stanford (SEAL)
T. C. Stanford

By: R. Roy Mitchell, Jr. (SEAL)
R. Roy Mitchell, Jr.

By: Walker S. Stone (SEAL)
Walker S. Stone

By: Michael W. Powell (SEAL)
Michael W. Powell

Signed, sealed, and delivered
this 12th day of April
1999, in the presence of:

Patsy E. Meyer
Witness

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

I, Linda H. Prigden, a Notary Public for said County and State, do hereby certify that Richard B. Williams, Russell N. Barringer, Jr., T. C. Stanford, R. Roy Mitchell, Jr., Walker S. Stone, and Michael W. Powell, all of the General Partners of Country Club Heights, a North Carolina General Partnership, each personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Partnership.

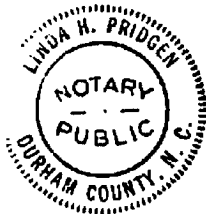
WITNESS my hand and official seal, this the 12th day of April, 1999.

Linda H. Prigden
Notary Public

My Commission Expires:

7-6-2001

(OFFICIAL SEAL)



State of North Carolina - Durham County
The foregoing or annexed certificate(s) of
Linda H. Prigden
A Notary (Notaries) Public for the Designated Governmental
unit (s) (are) certified to be correct.

This is the 12 day of April, A.D. 19 99
WILLIE L. COVINGTON
Register of Deeds
By: William Deputy
Register of Deeds

FILED
BOOK 2628 PAGE 941-943
'99 APR 12 PM 12 16
WILLIE L. COVINGTON
REGISTER OF DEEDS
DURHAM COUNTY, N.C.

EXHIBIT 'A'
TO FIRST SUPPLEMENTARY DECLARATION TO THE
DECLARATION OF PROTECTIVE COVENANTS
FOR
COUNTRY CLUB HEIGHTS

(Page 1 of 2)

Tract A - Description of the Villas area, Phase 3: BEGINNING a control corner, said point having N.C. NAD 83 Grid coordinates of N: 845,582.71 E: 2,006,662.76, and being located South 19 degrees 29 minutes 14 seconds East, a distance of 1317.84 feet from a 3/4 inch iron pipe, the northwest corner of the tract described in Deed Book 2406 Page 317, said iron pipe being located North 43 degrees 34 minutes 23 seconds East, a distance of 353.61 feet from concrete monument GPS-3, having N.C. NAD 83 Grid coordinates of N: 846,568.86 E: 2,005,979.39, as documented in Deed Book 2403 Page 232; THENCE from the control corner point of beginning North 2 degrees 37 minutes 43 seconds West, a distance of 59.85 feet to a point; THENCE South 80 degrees 51 minutes 25 seconds East, a distance of 181.97 feet to a point; THENCE South 30 degrees 30 minutes 06 seconds East, a distance of 80.39 feet to a point; THENCE South 61 degrees 08 minutes 23 seconds East, a distance of 143.58 feet to a point; THENCE South 63 degrees 59 minutes 27 seconds East, a distance of 92.51 feet to a point; THENCE South 51 degrees 23 minutes 34 seconds East, a distance of 118.73 feet to a point; THENCE South 10 degrees 27 minutes 14 seconds East, a distance of 164.16 feet to a point; THENCE South 79 degrees 33 minutes 32 seconds West, a distance of 155.60 feet to a point; THENCE around a curve in a clockwise direction having a delta angle of 86 degrees 54 minutes 08 seconds, an arc distance of 720.45 feet, a radius of 475.00 feet, and a chord of North 58 degrees 59 minutes 24 seconds West, a distance of 653.35 feet to a point; THENCE North 76 degrees 31 minutes 00 seconds East, a distance of 166.48 feet to the PLACE OF BEGINNING containing 4.60 acres.

Tract B - Description of the Villas area, Phase 4: BEGINNING at a point, said point having N.C. NAD 83 Grid coordinates of N: 845,434.00 E: 2,006,426.50, and being located South 10 degrees 43 minutes 15 seconds East, a distance of 1415.77 feet from a 3/4 inch iron pipe, the northwest corner of the tract described in Deed Book 2406 Page 317, said iron pipe being located North 43 degrees 34 minutes 23 seconds East, a distance of 353.61 feet from concrete monument GPS-3, having N.C. NAD 83 Grid coordinates of N: 846,568.86 E: 2,005,979.39, as documented in Deed Book 2403 Page 232; THENCE from the point of beginning around a curve in a counterclockwise direction having a delta angle of 75 degrees 32 minutes 08 seconds, an arc distance of 692.13 feet, a radius of 525.00 feet, and a chord of South 62 degrees 40 minutes 24 seconds East, a distance of 643.08 feet to a point; THENCE South 52 degrees 43 minutes 19 seconds East, a distance of 299.07 feet to a point; THENCE South 44 degrees 28 minutes 22 seconds West, a distance of 69.90 feet to a point; THENCE South 8 degrees 20 minutes 37 seconds West, a distance of 120.04 feet to a point; THENCE South 25 degrees 37 minutes 22 seconds East, a distance of 114.96 feet to a point; THENCE South 11 degrees 14 minutes 15 seconds West, a distance of 464.74 feet to a point in the center of Pea Creek; THENCE along the centerline of Pea Creek as it meanders the following courses: North 71 degrees 47 minutes 07 seconds West, a distance of 81.76 feet; South 86 degrees 25 minutes 11 seconds West, a distance of 53.89 feet; South 78 degrees 25 minutes 00 seconds West, a distance of 67.24 feet; North 35 degrees 26 minutes 46 seconds West, a distance of 48.37 feet; THENCE leaving Pea Creek North 6 degrees 42 minutes 01 seconds East, a distance of 278.58 feet to a point; THENCE North 55 degrees 07 minutes 03 seconds East, a distance of 101.38 feet to a point; THENCE North 1 degrees 50 minutes 53 seconds East, a

EXHIBIT "A"
TO FIRST SUPPLEMENTARY DECLARATION TO THE
DECLARATION OF PROTECTIVE COVENANTS
FOR
COUNTRY CLUB HEIGHTS

(Page 2 of 2)

distance of 343.33 feet to a point; THENCE North 16 degrees 21 minutes 37 seconds West, a distance of 156.70 feet to a point; THENCE South 73 degrees 38 minutes 19 seconds West, a distance of 104.64 feet to a point; THENCE around a curve in a clockwise direction having a delta angle of 42 degrees 14 minutes 35 seconds, an arc distance of 75.57 feet, a radius of 102.50 feet, and a chord of South 37 degrees 18 minutes 30 seconds West, a distance of 73.87 feet to a point; THENCE South 20 degrees 40 minutes 15 seconds East, a distance of 117.97 feet to a point; THENCE South 69 degrees 21 minutes 57 seconds West, a distance of 306.01 feet to a point; THENCE North 20 degrees 38 minutes 03 seconds West, a distance of 18.60 feet to a point; THENCE South 69 degrees 21 minutes 02 seconds West, a distance of 54.00 feet to a point; THENCE North 20 degrees 38 minutes 58 seconds West, a distance of 104.00 feet to a point; THENCE around a curve in a clockwise direction having a delta angle of 43 degrees 36 minutes 23 seconds, an arc distance of 112.26 feet, a radius of 147.50 feet, and a chord of North 71 degrees 45 minutes 42 seconds West, a distance of 109.57 feet to a point; THENCE South 88 degrees 05 minutes 33 seconds West, a distance of 171.39 feet to a point in the western boundary of the tract described in Deed Book 2406 Page 317; THENCE North 1 degrees 54 minutes 59 seconds West, along said boundary a distance of 440.09 feet to a point; THENCE North 71 degrees 47 minutes 11 seconds East, a distance of 225.77 feet to the PLACE OF BEGINNING containing 9.94 acres.

This descriptions to Tract A and Tract B above may be modified to some degree when the plat and survey for the townhomes has been approved by Durham City-County Planning Department under the Subdivision Ordinance.