

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
PROVIDENCE ARBOURS

THIS DECLARATION is made this 03rd day of October, 1990, by REALTY DEALERS, LTD., an Illinois limited partnership, doing business in North Carolina as Realty Dealers, Ltd., an Illinois Limited Partnership, referred to in this instrument as "Developer."

STATEMENT OF PURPOSE

Developer is the owner of those certain parcels of land which are known as Providence Arbours, Phase I, Map 1 and Providence Arbours, Phase I, Map 2 located in Providence Township, Mecklenburg County, North Carolina, more particularly described on those plats of survey prepared by E.S.P. Associates, P.A., and recorded in Map Book 23 at Page 536 and Map Book 23 at Page 742 in the Mecklenburg County Public Registry (collectively the "Submitted Property").

It is in the best interest of Developer, as well as to the benefit, interest and advantage of each person or other entity later acquiring any property in Providence Arbours, Phase I, Map 1 and Providence Arbours, Phase I, Map 2 that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land. 140

Developer desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in Providence Arbours and for the continued maintenance and operation of such recreational and common areas as may be provided.

DECLARATION

In consideration of the premises and for the purposes stated, Developer hereby declares that all of the Submitted Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions (all of which are collectively referred to in this instrument as "restrictions"), which restrictions shall be construed as covenants running with the land and shall be

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binding on all parties having any right, title or interest in the described real property or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

#### ARTICLE I: DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(1.1) "Association" shall mean Providence Arbours Home-owners Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina and its successors and assigns.

(1.2) "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of Providence Arbours but excluding those having such interest merely as security for the performance of an obligation.

(1.3) "Properties" shall mean the Submitted Property and such real property as may subsequently be brought within the jurisdiction of the Association.

(1.4) "Common Area" shall mean all real property owned by the Association in Providence Arbours for the common use and enjoyment of members of the Association lying within the boundaries of the Properties. Common Areas, with respect to the Properties subject to this Declaration, shall be shown on the plats of Providence Arbours recorded in the Mecklenburg County Public Registry and designated thereon as "Common Area" or "Common Open Space."

(1.5) "Lot" shall mean any numbered plot of land to be used for residential purposes shown upon any recorded subdivision plat of the Properties subject to this Declaration.

(1.6) "Developer" shall mean and refer to Realty Dealers, Ltd. and its successors and assigns.

(1.7) "Person" shall mean a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

(1.8) "Providence Arbours" shall mean the Submitted Property, together with such additions thereto as may from time to time be designated by Developer in accordance with Article II hereof, whether or not such additions are contiguous with or adjoin the boundary lines of the Submitted Property.

(1.9) "FHA and VA" shall mean and refer to the Federal Housing Administration, U.S. Department of Housing and Urban Development, and the Veteran's Administration, respectively. If either or both of these federal agencies shall hereafter cease to exist or perform the same or similar functions they now serve, references hereto to FHA or VA shall be deemed to mean and refer to such agency or agencies as may succeed to the duties and services now performed by either or both of these departments.

#### ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

The Submitted Property shall be held, transferred, sold, conveyed and occupied subject to this Declaration. Only the Submitted Property is hereby made subject to this Declaration; provided, however, Developer shall have the right to subject other real property to these restrictions as provided in Section 2.2.

(2.2) Without further assent or permit, Developer hereby shall have the right within seven (7) years from the date of this Declaration, exercisable from time to time, to subject other real property within the area described on Exhibit A attached hereto in order to extend the scheme of this Declaration to other property to be developed as part of Providence Arbours and thereby bring such additional properties within the jurisdiction of the Association (provided that the FHA and the VA determine that the annexation of such area is in accord with Developer's general plan of development of Providence Arbours as previously approved by them, if such determination and approval are necessary).

(2.3) Any addition of real property shall be made by filing of record one or more Supplemental Declarations in respect to the property to be then made subject to this Declaration, and the jurisdiction of the Association shall thereby then extend to such property and subject such addition to the assessments provided in this instrument for a just and proportionate share of the Association's expenses. Each Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained herein as may be necessary to reflect the different character of the added properties and as are not inconsistent with the provisions of this Declaration.

#### ARTICLE III: PROPERTY RIGHTS

(3.1) Owner's Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the provisions of this Declaration, including but not limited to the following:

(a) The right of the Association to limit the use of the Common Area to Owners, their families and guests;

(b) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, or for any infraction of the Association's published rules and regulations, if any;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association members. No such dedication or transfer shall be effective unless the members entitled to at least two-thirds (2/3) of the vote appurtenant to Class A Lots and Class B Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this paragraph shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of electrical, telephone, cablevision, water and sewerage utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership if such easements are requisite for the convenient use and enjoyment of the Properties.

(3.2) Delegation and Use. The right and easement of enjoyment granted to every Owner in Section 3.1 of this Article may be exercised by members of Owner's family and guests thereof. An Owner may delegate to his tenants his rights of enjoyment in and to the Common Area and such facilities thereon as may be provided, in accordance with the Association's Bylaws and rules and regulations, if any.

#### ARTICLE IV: MEMBERSHIP AND VOTING RIGHTS

(4.1) Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

(4.2) Voting and Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class B. The Class B member shall be Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A

membership on the happening of either of the following events, whichever first occurs:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership, or

(ii) Seven years from the date of recording of this Declaration.

(4.3) Suspension of Rights. During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights of such member may be suspended by the Board of Directors until such assessment, is paid. In the event of violation by a member of any rules or regulations established by the Board of Directors, such member's voting rights may be suspended by the board after a hearing. Such hearings shall only be held by the board or a committee thereof after giving a member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of the violation shall be made by a majority vote of the board or the committee thereof.

#### ARTICLE V: COVENANT FOR MAINTENANCE ASSESSMENTS

(5.1) Purpose of Assessment. The assessments levied by the Association shall be used: (a) to provide funds for maintenance, upkeep, landscaping and beautification of the Common Area in Providence Arbours; (b) to provide services for the Association members to promote the health, safety and welfare of the residents of Providence Arbours, and in particular for the acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area, including but not limited to the cost of repair, replacement and additions thereto; (c) for the payment of taxes assessed against the Common Area, the property, for insurance related to the Common Area, for the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful, the employment of security personnel; and (d) the provision of any service which is not readily available from any governmental authority related to the use, occupancy and enjoyment of the properties and which the Association shall decide to provide.

(5.2) Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in said Deed, is deemed to covenant and agree to pay to the Association;

(a) Annual assessments ("Annual Assessments") for the purposes specified in Section 5.1 in the amount hereinafter set forth; and

(b) Special assessments ("Special Assessments") for the purposes specified in Section 5.1 as may be approved by the members, to be established, and collected as provided herein.

In order to secure payment of the Annual and Special Assessments, such charges as may be levied by the Association against any Lot, together with interest, costs of collection and reasonable attorney's fees, shall be a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment, together with interest, late charges, costs of collection and reasonable attorney's fees shall also be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by them. Such assumption shall not relieve an Owner of his obligation.

(5.3) Exempt Property. The assessments, charges and liens created under this Article shall not apply to the Common Area, nor shall they apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Veterans Affairs or any other state or federal governmental agency which acquires title by reason of such agency's guarantee or insurance of a foreclosed mortgage loan; provided, however, that upon the resale of such property by such first mortgagee or such governmental agency the assessments shall again accrue on such Lot. Any Lot which Developer may hereafter designate for common use as part of the Common Areas shall also be exempt by a local public authority, and all land granted to or used by a utility company shall be exempt from the assessments created herein.

(5.4) Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment shall be Four Hundred and No/100 Dollars (\$400.00) on each Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased each year above the maximum assessment for the previous year without a vote of the membership not more than the greater of (1) six percent (6%) or (2) the increase in the Consumer Price Index from the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased above the greater of six percent (6%) or the previous year increase in the Consumer Price Index by a vote of two-thirds (2/3) of each class of

members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum herein provided.

(5.5) Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of the Association members who are voting in person or by proxy at a meeting duly called for this purpose.

(5.6) Notice and Quorum for Any Action Authorized Under Sections 5.4 and 5.5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.4 and 5.5 of this Article shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence in person or by proxy of members entitled to cast thirty percent (30%) of all the votes of each class shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be the presence in person or proxy of members entitled to cast twenty percent (20%) of all the votes of each class of members. No such subsequent meeting shall be held more than six (6) months following the preceding meeting.

(5.7) Date of Commencement of Annual Assessments; Due Dates; Certificate of Payment. The Annual Assessments shall commence as to all Lots on the first day of the month following the date such property is submitted to the provisions of this Declaration. From the date on which the Annual Assessments commence on a Lot until the date on which the Lot is sold by the Developer to a purchaser, the Developer shall be liable for Annual Assessments at a rate which is one-third of the rate otherwise payable except that Developer shall not be liable for Annual Assessments on any Lots if the Association is operating without a deficit. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year when filed. At least thirty (30) days before February 1 of each year, the Board of Directors shall fix the amount of the Annual Assessment against each Lot and in the event the Board elects not to fix such assessment rate as herein provided, the amount of the prior year's Annual Assessment shall be the fixed amount. Written notice of any change in assessment rate shall be sent to every owner. The Annual Assessments shall be due and payable in advance on January 1 of each year unless the Board of Directors votes to collect such assessments on a monthly basis and the due dates for the payment of Special Assessments shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a

certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid to date.

(5.8) Effect of Non-Payment of Assessment: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be assessed a late charge as determined by the Board of Directors and bear interest from the due date at an annual rate of six percent (6%) but in no event above the then maximum legal rate, and to the extent allowed by law. The Association, or its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment relates, and interest, costs and reasonable attorney's fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

(5.9) Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first priority deed of trust or first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage pursuant to a foreclosure thereof or under a power of sale or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

(5.10) Collection Upon Sale by Developer. Upon the sale of a Lot by Developer, the purchaser shall pay to the Association at the closing of the sale that amount of money that is equal to that portion of the Annual Assessment attributable to the balance of the year in which the closing takes place. Any amounts prepaid by the Developer shall be refunded by the Association. Any Special Assessment made before, but falling due after, the date of closing of the sale of a Lot by Developer shall be paid in full to the Association by the purchaser at the closing of the sale. In addition such purchaser shall pay an amount equal to the initial Annual Assessment as a contribution to the Working Capital Fund of the Association.

#### ARTICLE VI: ARCHITECTURAL, MAINTENANCE AND USE RESTRICTIONS

(6.1) Architectural Control Committee. Before all Class B Lots shall cease to exist and be converted to Class A Lots pursuant to Article IV, Developer shall appoint an Architectural Control Committee consisting of not less than three members to serve as representatives of the Association's Board of Directors and enforce the restrictions hereafter set forth.

Prior to the formation of said Committee, Developer shall have the responsibility of enforcing the restrictions set forth in this Article. Upon the later of the following two dates, the Architectural Control Committee shall be appointed by the Board of Directors: (1) Upon the termination of the Class B membership; or (2) five years following the date of this Declaration. Reference herein to the Committee shall mean the Developer until such Committee is appointed. The following architectural, maintenance and use restrictions shall apply to each and every Lot now or hereafter subject to this Declaration.

(6.2) Approval of Plans and Architectural Committee.

After the initial construction of the dwelling on a Lot has been completed by Developer, no construction, reconstruction, remodeling, alteration, roofing or addition to any structure, building, fence, wall, drive or walkway, or exterior color change, shall be commenced or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made after completion of construction of said dwelling, unless and until the plans and specifications showing the nature, kind, shape, height, color, material and location of the same shall have been mailed to the Committee by certified mail with return receipt requested and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Committee. If the Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications shall have been submitted to it, further approval will not be required and this Article will be deemed to have been fully complied with. Upon giving approval to such plans and specifications, construction shall be started and prosecuted to completion promptly and in strict conformity with such plans as have been previously approved by the Committee. The Committee or the Board of Directors of the Association shall be entitled to stop any construction in violation of these restrictions.

(6.3) Residential Use. All Lots shall be used for residential purposes only.

(6.4) Building Line Requirements. Minimum setback lines which may be shown on any recorded plat of the Properties are not necessarily intended to create uniformity of setbacks; they are meant primarily to avoid overcrowding and monotony. It is intended that setbacks may be staggered where appropriate so as to preserve the trees and other natural vegetation, and to insure each Owner the greatest benefit and enjoyment of the Common Areas. Any deviation from the building line requirements not in excess of ten (10) percent thereof shall not be construed as a violation of the building line requirements.

(6.5) Building Requirements. No dwelling shall be erected or placed on any Lot having a heated living area (exclusive of uncovered porches, stoops, terraces, attached garages or carports) of less than 1200 square feet in the case of a one-

story dwelling or 600 square feet in the case of a two-story dwelling.

(6.6) Walls, Fences and Hedges. No fence, hedge or wall of any type or kind shall be erected or maintained on a Lot except such fences, hedges or walls as may be installed, constructed or erected with the initial construction of the main dwelling located on said Lot, or as may later be approved by the Committee as described in Paragraph (6.2) above. No metal fences, except for a 2 x 4 wire mesh inside of an approved wooden fence to contain pets, are allowed on a Lot. No solid fence is allowed on the perimeter of any Lot. All perimeter fences on a Lot must be rail type or picket fences with at least 50% of surface area open. Privacy fences are permitted around pools or patios with a maximum height of six (6) feet.

(6.7) Use of Outbuildings and Similar Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, shed, tent, garage, carport, or any other structure of a similar nature shall be used as a residence either temporarily or permanently. Provided, however, this paragraph shall not be construed to prevent the Developer from using sheds or other temporary structures during construction for such purposes as Developer deems necessary or later approved by the Association. No television satellite dishes or separate towers for antenna shall be erected on any Lot. No television antenna shall be allowed on the roof of any house or structure located on a Lot. No solar panels, solar collectors or other solar power apparatus shall be allowed on any Lot. No metal storage buildings, metal sheds, metal trailers or metal garages shall be permitted on any Lot. All other types of storage buildings, sheds, trailers or garages shall not be allowed on a Lot unless approved by the Architectural Control Committee as described in Paragraph (6.2) above.

(6.8) Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, pastured, or maintained on any Lot, except household pets which may be kept thereon in reasonable numbers as pets for the sole pleasure and use of the occupants, but not for any commercial use or purpose. All household pets shall be kept under Owner's control so as not to be a nuisance to other Owners. Birds shall be confined in cages.

(6.9) Signs. No advertising signs of any type or kind shall be erected, placed or permitted to remain upon or above any Lot or Common Area with the exception of a single sign "For Rent" or "For Sale," which sign shall not exceed two feet by two feet in dimension and shall refer only to the premises on which displayed, there being only one sign to a Lot.

(6.10) Nuisances. No offensive or illegal activity shall be carried on upon any Lot, nor shall anything be done thereof which is or may become an annoyance or nuisance to any other

Owner. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot to appear in any unclean or untidy condition or that is unsightly; nor shall any substance, thing or material be kept upon any Lot that will emit a foul odor or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding Lots. No trash, rubbish, stored materials, wrecked, unlicensed or inoperable vehicles, boats and/or trailers, recreational vehicles, television satellite dishes or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other such debris for pick up by governmental and other similar garbage and trash removal service units. In the event any Owner fails or refuses to keep his Lot free from unsightly objects, weeds or underbrush in a manner satisfactory to a majority of the Association Board of Directors, the Association may, through its agent or representative, five days after posting a notice on such Lot or mailing a notice to the Owner thereof at his property requesting the Owner to comply with the requirements of this paragraph, enter and remove all such unsightly objects, debris or other vegetation at Owner's expense and Owner, by acquiring any Lot subject to this Declaration, agrees to pay such costs incurred by the Association in the enforcement of this paragraph promptly upon demand. No such entry as provided herein shall be deemed a trespass.

(6.11) Clotheslines, Garbage Cans, Etc. All clotheslines, garbage cans, lawnmowers and similar equipment shall be kept, in an enclosed structure or screened by adequate planting or fencing so as to conceal same from the view of neighboring Owner and Streets. Incinerators for garbage, trash or other refuse shall not be used nor permitted to be erected or placed on any Lot.

(6.12) Use of Common Areas. No planting or gardening by individual Owners shall be done upon any Common Area. Except for the right of easement of enjoyment in and to the Common Areas herein given to each Owner, Owners are hereby prohibited and restricted from using any of the Common Area except as may be allowed and prescribed by the Association's Board of Directors or as expressly provided for herein. It is Developer's intent that this paragraph inure to the mutual benefit of all Owners within the Properties.

(6.13) Maintenance.

(a) Exterior maintenance, upkeep and repair to the main dwelling on each Lot, yard, fence, walkway and shrubbery shall be the sole responsibility and expense of the Owner of the Lot subject to such reasonable requirements as may from time to time be established by the Committee to insure the continuity and harmony of exterior design of Providence Arbours. Should a

majority of the Association Board of Directors determine that any Owner has failed or refused to discharge properly his obligations with respect to such maintenance, upkeep and repairs, the Association, through its agent or representative, may provide same as it may deem necessary and proper.

(b) All Lots, together with the exterior of all improvements thereon, shall be maintained in a neat and attractive condition by their respective Owners. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing or caring for roofs, gutters, downspouts, building surfaces, trees, shrubs, walks or other exterior improvements. In the event an Owner shall fail to maintain the premises and the improvements thereon in a manner satisfactory to the Association Board of Directors, the Association may, through its agent or representative, after approval by two-thirds (2/3) vote of the Board, have the right to enter upon said Lot and repair, maintain and restore the Lot and the exterior of the buildings and any other improvements thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject and the Owner shall be personally liable to the Association for the costs of such maintenance, and the cost, until paid, shall be a permanent charge and lien upon such Lot, enforceable to the same extent and collectible as provided for in Article V. Such entry as provided herein shall not be a trespass, nor shall the Association be liable for doing anything reasonably necessary or appropriate in connection with carrying out those provisions, provided such entry shall be at reasonable times and places so as not to interfere with the right of quiet enjoyment of the individual Lot Owner.

(6.14) Above Ground Swimming Pools. No above ground swimming pools, except for small wading pools, are permitted on any Lot.

(6.15) Decorative Structures. No decorative statues, bird-baths, fountains, ornaments, figurines, or any other decorative structures or items are permitted in the front or side yards of any Lot.

(6.16) Boats, Commercial Vehicles and Recreational Vehicles. No boats, commercial vehicles, or recreational vehicles shall be permitted on any Lot except in an enclosed garage.

(6.17) Mailboxes. Mailboxes on each Lot shall conform to specifics set forth by the Architectural Control Committee.

#### ARTICLE VII: EASEMENTS

(7.1) General. Each Lot now or hereafter subjected to this Declaration shall be subject to all easements shown or set forth on the recorded plat or plats of survey upon which such Lot is shown. No structure of any type shall be erected or placed upon any part of a Lot or the Common Area which will

interfere with rights and use of any and all easements shown on said recorded plat.

(7.2) Utility and Drainage. An easement on each Lot is hereby reserved by Developer for itself and its successors and assigns along, over, under and upon a strip of land five feet (5') in width parallel and contiguous to the rear or back Lot line of each Lot, in addition to such other easements as may appear on a recorded subdivision plat for Providence Arbours. The purpose of these easements shall be to provide, install, maintain, construct and operate drainage facilities now or in the future and utility service lines to, from or for each of the Lots. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels in the easements except for party walls located on a portion of the side line or lines of a Lot. The easement area of each and all improvements in it shall be maintained continuously by Owner, except for those improvements for which a public authority or utility company is responsible. With ten (10) days prior written notice to Owner, Developer may exercise the right to remove obstructions in such easements upon Owner's failure to do so. For the purpose of this covenant, Developer reserves the right to modify or extinguish the herein reserved easements along any Lot lines when in its sole discretion adequate reserved easements are otherwise available for the installation of drainage facilities and/or utility service lines. For the duration of these restrictions, no such utilities shall be permitted to occupy or otherwise encroach upon any of the easement areas reserved without first obtaining the prior written consent of Developer; provided, however, local service from utilities within easement areas to residences constructed upon any such Lots may be established without first obtaining separate consents therefor from Developer. The Association may likewise reserve and grant easements for the installation and maintenance of sewerage, utility and drainage facilities in, across, under and over the Common Area.

(7.3) Emergency. There is hereby reserved without further assent or permit and to the extent allowed by law, a general easement to all firemen, ambulance personnel, policemen and security guards employed by Developer and all similar persons to enter upon the Properties or any portion thereof, in the performance of their respective duties.

(7.4) Entry Monuments, Signs and Landscaped Berms. Declarant hereby grants the Association perpetual easements over all Lots adjacent to McKee Road for the installation and maintenance of all Providence Arbours entry monuments and signs and for the maintenance of all landscaped berms.

## ARTICLE VIII: GENERAL PROVISIONS

(8.1) Covenants Running with the Land. All provisions of this Declaration shall be construed to be covenants running with the land, and with every part thereof and interest therein, and every Owner or any other person or legal entity claiming an interest in any Lot, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration.

(8.2) Duration. The covenants, conditions and restrictions of this Declaration shall be binding for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive and additional periods of ten (10) years each.

(8.3) Amendment. This Declaration may be amended or terminated during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners, and thereafter may be amended or terminated by an instrument signed by not less than seventy-five percent (75%) of the Owners. Any such amendment or termination shall not be effective until an instrument evidencing such change has been filed of record in the Mecklenburg County Public Registry.

(8.4) FHA/VA Approval. In the event the Declarant has arranged for and provided purchasers of Lots with FHA insured or VA mortgage loans, then as long as any Class B lot exists, as provided in Article VI hereof, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, other than as provided in Article II hereof, deed-ing, mortgaging or dedication of Common Area to persons other than the Association and amendment of this Declaration.

(8.5) Enforcement. If any Owner shall violate or attempt to violate any of these restrictions, failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Association, or, in proper case, by an aggrieved Owner. Any failure by Association or any other Owner to enforce any of the foregoing restrictions or other provisions shall in no event be deemed a waiver of their right to do so thereafter. Invalidation of any covenant, condition or restriction or other provision of this Declaration shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

(8.6) Headings. Headings are inserted only for convenience and are in no way to be constructed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer.

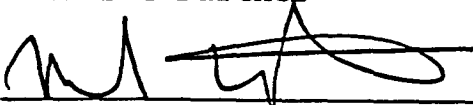
(8.7) Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Declarant or its successors reserves the right (by and with the mutual written consent of the then Owner or Owners of such Lot) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular Lot.

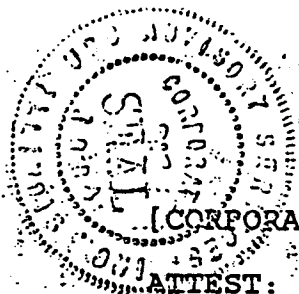
(8.8) Severability. The provisions of this Declaration are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed under seal on the day and year first above written.

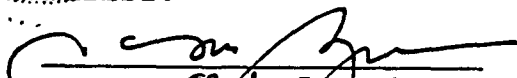
REALTY DEALERS, LTD., an Illinois limited partnership doing business in North Carolina as Realty Dealers, Ltd., an Illinois Limited Partnership

By: UDC Advisory Services, Inc.,  
General Partner

By:   
Vice President



[CORPORATE SEAL]

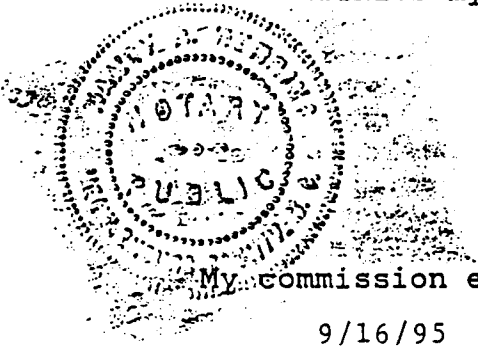
ATTEST:  
  
Secretary

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Nancy A. Herring, a notary public in and for Mecklenburg County and State aforesaid do hereby certify that on the 03rd day of October, 1990, Mark R. Upton personally appeared before me who, being by me first duly sworn said that he is Vice President of UDC Advisory Services, Inc., a general partner of Realty Dealers, Ltd., an Illinois limited partnership doing business in North Carolina as Realty Dealers, Ltd., an Illinois Limited Partnership; that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation and that by its authority duly given, he signed and sealed and swore to the foregoing writing on behalf of said corporation in its capacity as general partner of said partnership, and the said Vice President acknowledged said instrument to be the act and deed of said corporation and the act and deed of said partnership.

WITNESS my hand and notarial seal.



Nancy A. Herring  
Notary Public

My commission expires:

9/16/95

U2-31E.HDP

EXHIBIT A

Tract 1:

Lying and being in Providence Township, Mecklenburg County, North Carolina and being more particularly described as follows:

BEGINNING at an iron pin marking the westerly common corner of Lots 1 and 2 in Block 1 of South Hall as shown on a map thereof recorded in Map Book 20 at Page 501 in the Mecklenburg County Public Registry, and running thence with the westerly property line of Lot 1 in Block 1 of the aforesaid South Hall, South 03-17-54 West 50.00 feet to an iron pipe marking the northeasterly corner of the Gordon and Ruth B. Boulware property (now or formerly) as described in deed recorded in Book 3201 at Page 597 in the Mecklenburg County Public Registry; thence with the property lines of the Boulware property the following two courses and distances: (1) North 82-01-08 West 199.10 feet to a point; and (2) South 01-43-08 West 296.99 feet to a set iron pin in the centerline of the right-of-way of McKee Road (S.R. #3440); thence with the centerline of the aforesaid right-of-way of McKee Road the following two course and distances: (1) with the arc of a circular curve to the right having a radius of 471.81 feet, an arc distance of 9.75 feet and a chord bearing and distance of South 89-15-51 West 9.75 feet to a set iron pin; and (2) North 88-45-47 West 654.64 feet to a set iron pin; thence leaving the centerline of the aforesaid right-of-way of McKee Road and running with the easterly property line of the Marsh Land Co. property (now or formerly) described as Tract 2 in deed recorded in Book 1849 at Page 163 in the Mecklenburg County Public Registry the following two courses and distances: (1) North 00-14-51 East 377.96 feet to a point; and (2) North 00-26-42 East 230.50 feet to a set iron pin; thence new lines the following three (3) courses and distances: (1) North 39-33-18 West 454.00 feet to a set iron pin; (2) North 03-33-18 West 270.00 feet to a set iron pin; and (3) North 22-23-09 West 206.24 feet to an iron pipe marking the easterly common corner of Lots 9 and 10 in Bellwood Subdivision as shown on map thereof recorded in Map Book 9 at Page 303 in the Mecklenburg County Public Registry; thence with the easterly property line of Lot 9 of the aforesaid Bellwood Subdivision, North 00-04-05 East 370.12 feet to an iron pipe marking the southeasterly corner of Lot 8 of S.W. Matthews Estates as shown on map thereof recorded in Map Book 4 at Page 289 in the Mecklenburg County Public Registry, said property conveyed to James F. and Glenda W. Deaton in deed recorded in Book 3300 at Page 503 in the Mecklenburg County Public Registry; thence with the easterly property line of the aforesaid Lot 8 of S.W. Matthews Estates, North 00-27-22 West 1,185.58 feet to an iron pipe in the southerly property line of the William A. and Mary F. Ruggles property (now or formerly) as described in deed recorded in Book 5115 at Page 127 in the Mecklenburg County Public Registry; thence with the southerly property line of the

aforesaid Ruggles property, South 82-51-38 East 412.45 feet to a concrete monument in the westerly property line of the Y.M.C.A. of Charlotte property (now or formerly) as described in deed recorded in Book 5316 at Page 802 in the Mecklenburg County Public Registry; thence with the property lines of the aforesaid Y.M.C.A. of Charlotte property the following five (5) courses and distances: (1) South 00-20-55 West 442.05 feet to a concrete monument; (2) South 84-21-34 East 487.72 feet to an old iron pin; (3) South 84-15-15 East 209.82 feet to a concrete monument; (4) North 09-23-01 West 199.83 feet to a concrete monument; and (5) South 80-29-26 East 227.86 feet to an old iron pin marking the westerly corner of Lots 9 and 10 of Linden Oaks, Map 2 as shown on a map thereof recorded in Map Book 21 at Page 564 in the Mecklenburg County Public Registry; thence with the westerly property lines of Lots 10 and 11 of the aforesaid Linden Oaks, Map 2, South 06-16-29 West 240.67 feet to a concrete monument marking the northwesterly corner of the John F. Bos property (now or formerly) as described in deed recorded in Book 3358 at Page 271 in the Mecklenburg County Public Registry; thence with the southwesterly property lines of the aforesaid Bos property and the Midsouth Water Systems, Inc. property (now or formerly) as described in deed recorded in Book 4869 at Page 87 in the Mecklenburg County Public Registry, South 09-49-29 East 498.95 feet to an old iron pipe marking the northwest corner of Lot 17A in Block 1 of South Hall, Section 2 as shown on map thereof recorded in Map Book 21 at Page 289 in the Mecklenburg County Public Registry; thence with the westerly property lines of Lots 17A, 16A, 15A, 14A, 13A, 12A and 11A in Block 1 of the aforesaid South Hall, Section 2 and Lots 10, 9, and 8 in Block 1 of South Hall as described on a map thereof recorded in Map Book 20 at Page 501 in the Mecklenburg County Public Registry, South 03-17-54 West 875.80 feet to a set iron pin marking the northeasterly corner of the Jeremiah Robinson, Jr. and Mary Annie Delores G. Robinson property (now or formerly) as described in deed recorded in Book 3805 at Page 821 in the Mecklenburg County Public Registry; thence with the property lines of the aforesaid Robinson property the following three courses and distances: (1) North 81-58-02 West 263.16 feet to an iron pin; (2) South 03-18-22 West 331.91 feet to an iron pin; (3) South 81-58-02 East 263.21 feet to an old iron pipe in the westerly margin of Lot 4 in Block 1 of South Hall as shown on map thereof recorded in Map Book 20 at Page 501 in the Mecklenburg County Registry; thence with the westerly property lines of Lots 4, 3 and 2 in Block 1 of the aforesaid South Hall, South 03-17-54 West 330.45 feet to the point and place of BEGINNING and containing 66.797 acres, all as shown on Boundary Survey for Realty Dealers, Ltd. by Cosco Management Services, Inc. dated February 1, 1989 and last revised June 22, 1989 to which survey reference is hereby made for a more particular description of the property.

LESS AND EXCEPT:

All of Providence Arbours, Phase I, Map 1 as shown on a map thereof recorded in Map Book 23 at Page 536 in the

Mecklenburg County Public Registry and all of Providence Arbours, Phase I, Map 2 as shown on a map thereof recorded in Map Book 23 at Page 742 in the Mecklenburg County Public Registry.

Tract 2:

All of that property described in deed recorded in Book 3358 at Page 271 in the Mecklenburg County Public Registry.

Tract 3:

All of that property described as "Tract 2" in deed recorded in Book 1849 at Page 163 in the Mecklenburg County Public Registry.

Tract 4:

All of that property described in deed recorded in Book 5316 at Page 802 in the Mecklenburg County Public Registry.

Tract 5:

All of that property described in deed recorded in Book 3300 at Page 503 in the Mecklenburg County Public Registry.

Tract 6:

All of that property described in deed recorded in Book 5115 at Page 127 in the Mecklenburg County Public Registry.

Tract 7:

All other property adjacent to that property described in Tract 1 above.

Tract 8:

All property within a one mile radius of that property described in Tract 1 above.

U2-32E.HDP

CONSENT AND JOINDER

WHEREAS, Declarant executed a certain Deed of Trust and Security Agreement which is a lien on the property described in the attached Exhibit A, dated June 26, 1989, and recorded in Book 6054 at Page 768 in the Mecklenburg County Public Registry (the "Deed of Trust") to Ross J. Smyth ("Trustee"), to secure the payment of a loan to General Electric Capital Corporation ("Beneficiary").

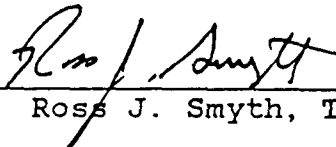
WHEREAS, Trustee and Beneficiary have agreed at the request of Declarant to consent to the provisions of the Declaration and to subordinate the lien of the Deed of Trust to the provisions of the Declaration of Covenants, Conditions and Restrictions for Providence Arbours ("Declaration") to which this Consent and Joinder is attached.

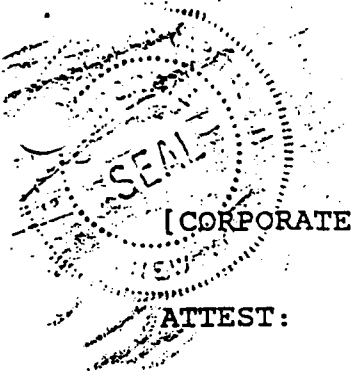
NOW, THEREFORE, Trustee and Beneficiary, by joining herein, hereby:

- (1) Consent to the execution, delivery and recording of the Declaration;
- (2) subordinate the lien of the aforesaid Deed of Trust to the provisions of the Declaration with the same effect as if the Declaration had been executed, delivered and recorded prior to execution and delivery and recording of such Deed of Trust; and
- (3) Agree, notwithstanding the foreclosure of the Deed of Trust (or conveyances in lieu thereof), that the Declaration and all rights therein described shall continue unabated, in full force and effect.

Executed this 15<sup>th</sup> day of October, 1990.

TRUSTEE:

  
\_\_\_\_\_  
Ross J. Smyth, Trustee (SEAL)



[CORPORATE SEAL]

BENEFICIARY:

GENERAL ELECTRIC CAPITAL CORPORATION

By: Paul T. Zantzinger  
John C. Deterding, Senior Vice  
President by Paul T. Zantzinger,  
his Attorney-In-Fact

ATTEST:

Joan Jackson  
attesting Secretary

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

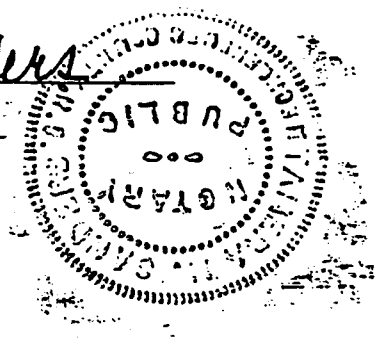
Before me, the undersigned Notary Public in and for the County and State aforesaid, personally came ROSS J. SMYTH, Trustee, and acknowledged the due execution of the foregoing instrument in writing for the purposes therein expressed.

WITNESS my hand and notarial seal, this 15<sup>th</sup> day of October, 1990.

Janera L. Sanders  
Notary Public

My Commission Expires:

My Commission Expires June 2, 1992



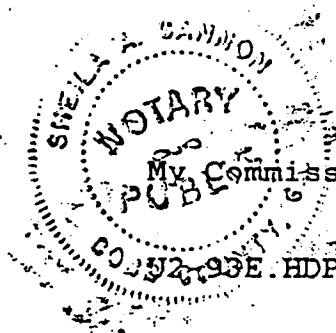
STATE OF GEORGIA

COUNTY OF COBB

I, SHEILA A. CANNON, a notary public for said county and state, do hereby certify that Paul T. Zantzinger, attorney-in-fact for John C. Deterding, Senior Vice President of General Electric Capital Corporation, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing instrument for and in behalf of John C. Deterding, Senior Vice President of General Electric Capital Corporation, and that his authority to execute and acknowledge said instrument is contained in instruments duly executed, acknowledged, and recorded in Book 6354, Page 182 and Book 6354, Page 178, in the Office of the Register of Deeds for Mecklenburg County, North Carolina, and that these instruments were executed under and by virtue of the authority given by said instruments granting him power of attorney; that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation, and that he signed and sealed said instrument on behalf of said corporation by its authority duly given. And the said Paul T. Zantzinger acknowledged said instrument to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 10 day of October, 1990.

  
Notary Public



Notary Public, Cobb County, Georgia  
My Commission Expires April 13, 1993

EXHIBIT A

All of the lots in Providence Arbours, Phase I, Map 1 and Providence Arbours, Phase I, Map 2 as shown on maps thereof recorded in Map Book 23 at Page 536 and 742 in the Mecklenburg County Public Registry.

U2-95E.HDP

State of North Carolina, County of Mecklenburg

The foregoing Certificate(s) of Nancy A. Herring, Jamera  
M. Sanders and Sheila A. Cannon

Notary(ies) Public is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

ANNE A. POWERS, REGISTER OF DEEDS

By Serena W. Meaomer Deputy - Register of Deeds

INDEX OF BYLAWS  
OF  
PROVIDENCE ARBOURS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I.

OFFICES:

Section 1.	Principal Office
Section 2.	Registered Office
Section 3.	Other Offices

ARTICLE II.

MEETINGS OF MEMBERS

Section 1.	Annual Meeting
Section 2.	Substitute Annual Meeting
Section 3.	Special Meetings
Section 4.	Place of Meeting
Section 5.	Notice of Meeting
Section 6.	Voting Lists
Section 7.	Quorum
Section 8.	Proxies
Section 9.	Voting of Shares
Section 10.	Votes Required

ARTICLE III.

BOARD OF DIRECTORS

Section 1.	General Powers
Section 2.	Number, Tenure and Qualification
Section 3.	Vacancies
Section 4.	Removal
Section 5.	Chairman of the Board

ARTICLE IV.

MEETING OF DIRECTORS:

Section 1.	Organization Meeting
Section 2.	Regular Meetings
Section 3.	Special Meetings
Section 4.	Notice
Section 5.	Waiver by Attendance
Section 6.	Quorum

Section 7. Manner of Acting  
Section 8. Presumption of Assent

ARTICLE V.

OFFICERS:

Section 1. Officers of the Corporation  
Section 2. Election and Term  
Section 3. Compensation of Officers  
Section 4. Removal of Officers and Agents  
Section 5. Bonds  
Section 6. President  
Section 7. Vice Presidents  
Section 8. Secretary  
Section 9. Assistant Secretaries  
Section 10. Treasurer  
Section 11. Assistant Treasurers

ARTICLE VI.

CONTRACTS, LOANS, CHECKS AND DEPOSITS:

Section 1. Contracts  
Section 2. Loans  
Section 3. Checks and Drafts  
Section 4. Deposits

ARTICLE VII.

GENERAL PROVISIONS:

Section 1. Seal  
Section 2. Fiscal Year  
Section 3. Amendments  
Section 4. Charter Provisions

3A.PA

BYLAWS  
OF

PROVIDENCE ARBOURS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I.

OFFICES

- Section 1. Principal Office. The principal office of the corporation shall be located in Charlotte, North Carolina.
- Section 2. Registered Office. The registered office of the corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office in the State of North Carolina. The address of the registered office may be changed from time to time by the Board of Directors.
- Section 3. Other Offices. The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II.

MEETINGS OF MEMBERS

- Section 1. Annual Meeting. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the corporation, and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter at such time and place as the Board of Directors may prescribe.
- Section 2. Substitute Annual Meeting. If the annual meeting for members shall not be held on the day designated by these bylaws, or any adjournment thereof, then a substitute annual meeting may be called in accordance with Section 3 of this Article and the meeting so called may be designated as the annual meeting.

Section 3. Special Meetings. Special meetings of the members may be called by the President or the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership.

Section 4. Place of Meeting. The Board of Directors may designate any place within the State of North Carolina as the place of meeting for any annual meeting of members called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of North Carolina.

Section 5. Notice of Meeting. Written or printed notice stating the time and place of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the record of members of the corporation, with postage thereon prepaid. In addition to the foregoing, notice of a substitute annual meeting shall state that the annual meeting was not held on the day designated by these bylaws and that such substitute annual meeting is being held in lieu of and is designated as such annual meeting.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, no notice need be given of the time and place of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Lists. The Secretary shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting, or any adjournment thereof. The list shall be arranged in alphabetical order, with the address of each member and shall be kept on file for a period of ten (10) days prior to such meeting, at the registered office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 7. Quorum. Thirty percent (30%) of the members of each class of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members.

The members at a 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.

In the absence of a quorum at the opening of any meeting of members, such meeting may be adjourned from time to time by a vote of the majority of the members voting on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. If the required quorum is not present, another meeting may be called, subject to the notice requirements contained in Section 5, and the required quorum at the subsequent meeting shall be twenty percent (20%) of the members of each class of the corporation entitled to vote, represented in person or by proxy.

To the extent Paragraph 5.6 of Article V of the Declaration shall otherwise provide as to a quorum, said Paragraph 5.6 of Article V shall control.

Section 8. Proxies. Votes of a member may be voted either in person or by one or more agents authorized by a written proxy executed by the

member or by his duly authorized attorney-in-fact.

A proxy is not valid after the expiration of eleven months from the date of its execution, unless the person executing it specified therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten years from the date of its execution.

Section 9. Voting of Members. Each member of the corporation shall be entitled to the voting rights set forth in Section 4.2 of Article IV of the Declaration.

Section 10. Votes Registered. The vote of a majority of the members voting at a meeting of members, duly held at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting except as otherwise provided by law or by these bylaws.

### ARTICLE III.

#### BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number constituting the Board of Directors shall not be less than three and not more than nine. The Board of Directors, before each annual meeting of members, shall determine the number constituting the Board of Directors for the ensuing year.

Directors shall be elected at the first annual meeting of the members and at each subsequent annual meeting or adjourned meeting of members (except as herein otherwise provided) for the filling of vacancies, and each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified. At the member meeting where control of the corporation is turned over to the members, five (5)

directors shall be elected to the following terms: (1) two directors to one year terms, (2) two directors to two year terms, and (3) one director to a three year term. Thereafter, all director terms shall be for two years. Directors shall be elected by a plurality of the votes cast at each election for directors.

Section 3. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum or by the sole remaining director. Any vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting of members or at a special meeting of members called for that purpose.

Any director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. At a special meeting of members the members may elect a director to fill any vacancy not filled by the directors.

Section 4. Removal. Any director may be removed at any time with or without cause by a vote of a majority of the members entitled to vote at an election of directors.

Section 5. Chairman of the Board. There may be a Chairman of the Board of Directors elected by the directors from their number at the annual meeting of the Board of Directors. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

#### ARTICLE IV.

##### MEETINGS OF DIRECTORS

Section 1. Organization Meeting. After the filing of the Articles of Incorporation, an organization meeting of the Board of Directors, named in the Articles of Incorporation, shall be held, either within or without the State of North Carolina, at a call of majority of the directors, for the purpose of adopting bylaws, electing officers and the transaction of such other business as may come before the

meeting. The directors calling the meeting shall give at least three (3) day's notice thereof by mail to each director so named, which notice shall state the time and place of the meeting, unless notice is waived as herein provided.

Section 2. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of members, The Board of Directors may provide, by resolution, the time and place within the State of North Carolina for the holding of additional regular meetings without other notice than such resolution.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of North Carolina as the place for holding any special meeting of the Board of Directors called by them.

Section 4. Notice. Notice of special meetings of the Board of Directors shall be given to each director not less than two (2) days before the date of the meeting and by any usual means of communications.

Neither the business transaction at, nor the purposes of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. Waiver by Attendance. Attendance of a director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Quorum. A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business.

Section 7. Manner of Acting. Except as otherwise provided in these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### ARTICLE V.

##### OFFICERS

Section 1. Officers of the Corporation. The officers of the corporation shall consist of a President, a Secretary, Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board of Directors may from time to time elect. The same person may at the same time hold any two of the above-named offices except the offices of President and Secretary or President and Assistant Secretary.

Section 2. Election and Term. The officers of the corporation shall be elected by the Board of Directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified.

Section 3. Compensation of Officers. The officers of the corporation shall not be compensated for their services to the corporation.

Section 4. Removal of Officers and Agents. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served

thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5.

Bonds. The Board of Directors may by resolution require any officer, agent or employee of the corporation to give bond to the corporation, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 6.

President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders. He shall sign, with the Secretary, Assistant Secretary, or any other proper officer of the corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 7.

Vice Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents in the order of their length of service as Vice Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be

assigned to him by the President or Board of Directors.

Section 8. Secretary. The Secretary shall: (a) keep the minutes of the meetings of shareholders, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register containing the name and the post office address of each member which shall be furnished to the Secretary by such member; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be assigned to them by the Secretary, by the President, or by the Board of Directors.

Section 10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such depositories as shall be selected in accordance with the provisions of Article VI, Section 4 of these bylaws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

The Treasurer shall prepare, or cause to be prepared, a true statement of the corporation's assets and liabilities as of the close of each fiscal year, all in reasonable detail which statement shall be made and filed at the corporation's registered office or principal place of business in the State of North Carolina within four (4) months after the end of such fiscal year and thereafter kept available for a period of at least ten years.

Section 11. Assistant Treasurers. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurer, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be assigned to them by the Treasurer, by the President, or by the Board of Directors.

## ARTICLE VI.

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors may select.

## ARTICLE VII.

### GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the corporation shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed "SEAL;" and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the corporation.

Section 2. Fiscal Year. Unless otherwise fixed by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January and end on 31st day of December in each year.

Section 3. Amendments. These Bylaws may be amended, at a regular or special meeting of the members, by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total votes of the corporation, which shall include a majority of the votes of members other than the Declarant or, where the two (2) class voting structure is still in effect, shall include a majority of each class of members. So long as there is a Class B membership and lots are sold in Providence Arbours with FHA insured or VA mortgage loans, then any amendment to these Bylaws shall require the prior approval of the Veterans Administration or the Federal Housing Administration. In addition, the Declarant may amend these Bylaws at the request of the Veterans Administration, the Federal Housing Administration or the Federal National Mortgage Association to correct clerical or scrivener's errors.

Section 4. Provisions of Articles of Incorporation and Declaration. In case of conflict between a provision in these bylaws and a provision in