

**BY/LAWS OF
MARCHMONT ACRES HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME

The name of the association shall be The Marchmont Acres Homeowners Association, hereinafter referred to as the "Association".

ARTICLE II

MEMBERSHIP AND PROPERTY RIGHTS

A. Membership. Every owner of a lot purchased from Robert L. Kofke and wife, Cathy A. Kofke out of the lands seen in Deed Book 124 Page 313, which lands are subject to restrictive covenants as seen in Book 132 Page 334, Davie County Registry, shall be members. Membership shall be appurtenant to and may not be separated from ownership of any lot granted out of the above tracts.

B. Property Rights. Each member shall be entitled to the use and enjoyment of the roadways existing on the property.

ARTICLE III

MEETING OF MEMBERS

A. Annual Meetings. The first annual meeting of the members for this Association shall be held on the second Saturday in May, 1987 and on the second Saturday of May in each year thereafter unless a majority of the members vote otherwise.

B. Special Meetings. Special meetings of the members may be called at any time by at least two of the members. Notice of such special meetings shall be given to the other members by written notice to same at least fifteen (15) days before such meeting unless said members waive formal notification. Such notice shall specify the place, date and hour of the meeting and in the case of a special meeting, the purpose of said meeting.

C. Quorum. The presence of a majority of the property owners at either the annual meeting or a special meeting shall constitute a quorum for any action to be taken.

D. Proxies. At all meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing and shall be revocable and shall automatically terminate upon conveyance by the member of his lot.

ARTICLE IV.

MANAGEMENT OF ASSOCIATION

A. Management. The affairs of this Association shall be managed by the property owners with each property owner having one vote.

This instrument prepared by E. Edward Vogler, Jr., Attorney at Law.

B. Compensation. No member shall receive any compensation for any services he or she may render to this Association.

C. Repairs and Improvements. No repairs or improvements to any roads shall be authorized out of funds hereinafter assessed to the members of this Association without first a majority vote by the membership approving such repairs. After such a vote, there shall be a contract entered into in the name of the Association with an individual and/or corporation for the making of said repairs. The Association shall vote on the approving of said contract which vote shall be by a majority vote of the members.

D. Annual and Special Assessments. Each member of this Association shall be assessed an annual maintenance fee of \$100.00. Such assessment shall be based on the number of lots each individual member owns and not on the number of acres nor the amount of road frontage which a member might own. In addition thereto, by majority vote of the members at either a regular meeting or a special meeting, each member shall be assessed any special assessments for any special and extraordinary repairs or maintenance.

E. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to maintain and improve, if necessary, the existing roads and right of ways within the properties owned by the members of the Association, including but not limited to the cost of repairs, replacements, cost of labor for such repairs or replacements, and incidentals thereto.

F. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall be collected on an annual basis and shall commence as of the date of the purchase of a lot by a property owner. The first annual assessment shall be adjusted according to the number of months remaining in a calendar year. For each annual assessment thereafter, the assessment shall be due on the first day of each calendar year by each and every owner of a lot.

G. Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate permitted by law. The Association may bring an action at law against the owner personally obligated to pay same or foreclose the lien against the property; the interest, costs, and reasonable attorney's fees of such action on foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the roads or abandonment of his lot.

H. Subordination of the Lien to Mortgages. The lien provided for herein shall be subordinate to the liens of any mortgage or deed of trust. Sale or transfer of any lot shall not affect the assessment lien created hereunder.

I. Deposits of Assessments. All annual assessments and/or special assessments shall be deposited in an interest bearing account in the name of the Association. The treasurer of the Association shall receive and deposit all monies of the Association and shall disburse said funds as directed by resolution of the members; the treasurer shall sign all checks and shall keep proper books of the accounts of the various members and shall cause an annual audit of the Association's books to be made at the completion of each calendar year and shall prepare an annual statement of income and expenditures to be disbursed to the members of the Association at their regular annual meeting and

shall deliver a copy of same to each member at said regular annual meeting.

J. Treasurer. The treasurer of the Association shall be elected at its annual meeting in May of each year to serve until the next regular annual meeting of the Association. The interim treasurer for this Association until the first annual meeting of May, 1987, shall be Robert L. Kofke.

IN WITNESS WHEREOF, the current property owners have caused their hands and seals to be affixed to these By-Laws this 15th day of December, 1986.

Robert L. Kofke (SEAL)

Cathy A. Kofke (SEAL)

J. Gerald Sale (SEAL)

Gilda S. Sale (SEAL)

David W. Powell (SEAL)

Donna B. Powell (SEAL)

NORTH CAROLINA
DAVIE COUNTY

I, Sylvia E. LAGLE a Notary Public of and for said County and State do hereby certify that Robert L. Kofke and Cathy A. Kofke personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and seal this 15th day of December, 1986.



OFFICIAL SEAL
Notary Public - Davie Co. N. C.
SYLVIA E. LAGLE
My Commission Expires 6-24-88

Sylvia E. Lagle N.P. SEAL

NORTH CAROLINA
DAVIE COUNTY

I, Janet M. Hancock a Notary Public of and for said County and State hereby certify that J. Gerald Sale and Gilda S. Sale personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and seal this 30th day of December, 1986.



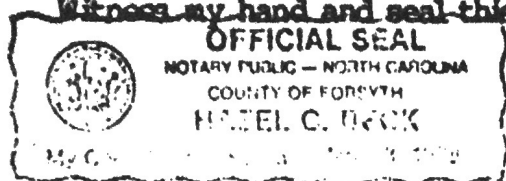
JANET M. HANCOCK
NOTARY PUBLIC
DAVIE COUNTY, N. C.
My Commission Expires July 6, 1991

Janet M. Hancock N.P. SEAL

NORTH CAROLINA
DAVIE COUNTY

I, Hazel C Beck a Notary Public of and for said County and State hereby certify that David W. Powell and Donna B. Powell personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and seal this 10th day of December, 1986.



Hazel C. Beck, N.P. SEAL

NORTH CAROLINA
DAVIE COUNTY

The foregoing certificates of Sylvia E Lagle & Janet M Hancock NP's of Davie Co. & Hazel C Beck NP of Forsyth County are certified to be correct. This instrument was presented for registration this 24 day of ~~December, 1986~~ at 4:20 A.M., P.M., and duly recorded in Book 138, Page 292. June, 1987

This 24 day of ~~December, 1986~~
June, 1987.

J. K. Smith

Register of Deeds

By David C. Williams

Assistant, Deputy Register of Deeds