

FORSYTH CO, NC 326 FEE: \$ 95.00  
 PRESENTED & RECORDED: 02/24/2003 4:12PM  
 DICKIE C. WOOD REGISTER OF DEEDS BY: HODDVA  
 BK2324 P4759 - P4786

George Phelps Boy 83 DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by \_\_\_\_\_  
C. Edwards & Company, Inc., hereinafter referred to as  
 "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in \_\_\_\_\_  
 \_\_\_\_\_, County of Forsyth,  
 State of North Carolina, which is more particularly described as:

(Insert legal description)

See attached exhibit "A"

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Smith Farm Homeowners  
Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

See attached exhibit

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to C. Edwards & Company, Inc.  
\_\_\_\_\_, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a 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 following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (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 members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. 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.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant 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 occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on July 31, 2003

### ARTICLE IV

#### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Fifty dollars (\$50.00) per 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 not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(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 5% 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.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

- 5 -

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership 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 one-half ( $\frac{1}{2}$ ) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates 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. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. 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.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in

- 6 -

lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

#### ARTICLE V

##### ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

#### ARTICLE VI

##### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during

the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 3rd day of February, ~~XX~~ 2003

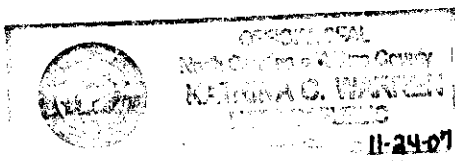
C. Edwards & Co.  
Declarant  
By: Charles L. Edwards  
President

STATE OF NORTH CAROLINA  
COUNTY OF FORSYTH

C. Edwards & Co

I, Katrina C. Warren, the undersigned Notary Public of Wilkes County and the State aforesaid, certify that Charles L. Edwards personally came before me this day and acknowledged that he is the President of ~~North Forsyth Homeowners Association~~, a North Carolina ~~or~~ corporation/limited liability company/general partnership/limited partnership (strike through the inapplicable), and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and official seal, this the 3rd day of February, 2003.



Katrina C. Warren  
Notary Public  
My Commission Expires: 11-24-07

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

Katrina C. Warren NP(s)

is/are certified to be correct at the date of recording shown on the first page thereof.

Dickie C. Wood, Register of Deeds by: T. Bles Deputy/Asst

EXHIBIT "A" to  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE FOLLOWING METES AND BOUNDS DESCRIPTIONS ARE GIVEN FOR THE PURPOSE OF COMPLYING WITH FHA REQUIREMENTS.

OUTTER BOUNDARY LINES FOR THE ENTIRE DEVELOPMENT INCLUDING COMMON AREAS LOCATED THEREIN.

BEGINNING at a point, said point being the Northeast corner of Mildred Willard D.B. 1551 P. 740, thence proceeding from said point of beginning N. 89 deg. 17 min. 39 sec. W. 305.14 feet to a point N. 89 deg. 10 min. 27 sec. W. 337.01 feet to a point. N. 00 deg. 09 min. 40 sec. W. 417.22 feet to a point. S. 89 deg. 10 min. 27 sec. E. 312.24 feet. N. 03 deg. 33 min. 17 sec. W. 764.89 feet, N. 77 deg. 34 min. 03 sec. E. 254.99 feet. N. 03 deg. 43 min. 45 sec. W. 876.94 feet. S. 88 deg. 55 min. 03 sec. E. 204.49 feet. N. 89 deg. 34 min. 36 sec. E. 30.29 feet to a point. S. 88 deg. 31 min. 28 sec. E. 131.13 feet to a point. N. 19 deg. 07 min. 19 sec. E. 154.19 feet to a point. N. 04 deg. 08 min. 55 sec. E. 224.32 feet to a point S. 89 deg. 23 min. 45 sec. E. 261.83 feet to a point. S. 89 deg. 25 min. 19 sec. E. 260.03 feet to a point. S. 89 deg. 26 min. 39 sec. E. 205.05 feet to a point. S. 01 deg. 34 min. 44 sec. W. 3141.84 feet to a point. N. 86 deg. 16 min. 58 sec. W. 957.43 feet to a point. N. 02 deg. 24 min. 23 sec. E. 1027.30 feet to a point to the point and place of BEGINNING.

COMMON AREA KNOWN AS JOHN R. AND FLORENCE R. SMITH PARK  
CONTAINING 19.319 ACRES is described as follows:

BEGINNING at a point, said point being the Northeast corner of Tax Block 5633 Lot 488. Thence proceeding N. 86 deg. 16 min. 58 sec. W. 957.43 feet to a point. N. 02 deg. 24 min. 23 sec. E. 210.27 feet to a point. N. 72 deg. 54 min. 29 sec. E. 420.55 feet to a point. N. 17 deg. 05 min. 31 sec. W. 604.78 feet. N. 01 deg. 35 min. 06 sec. E. 96.81 feet to a point. N. 77 deg. 72 min. 11 sec. E. 420.49 feet. N. 12 deg. 47 min. 49 sec. W. 160.23 feet to a point. N. 77 deg. 12 min. 11 sec. E. 25.00 feet to a point. S. 12 deg. 47 min. 49 sec. E. 160.23 feet to a point. N. 77 deg. 12 min. 11 sec. E. 327.62 feet to a point. Thence S. 01 deg. 34 min. 44 sec. W. 1242.32 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA KNOWN AS KAREN SMITH PARK CONTAINING 1.125 ACRES  
is described as follows:

BEGINNING at a point, said point lying on the East line of the 30 foot sanitary sewer easement. Thence S. 01 deg. 35 min. 08 sec. W. 133.18 feet to a point. N. 88 deg. 24 min. 54 sec. W. 169.44 feet to a point. S. 12 deg. 16 min. 52 sec. W. 72.59 feet to a point. S. 26 deg. 29 min. 22 sec. W. 76.14 feet. S. 48 deg. 50 min. 07 sec. E. 50.31 feet to a point. S. 73 deg. 23 min. 07 sec. W. 24.14 feet to a point. N. 73 deg. 56 min. 08 sec. W. 23.30 feet to a point. N. 11 deg. 15 min. 48 sec. W. 21.76 feet to a point. N. 01 deg. 34 min. 50 sec. E. 162.47 feet to a point. N. 26 deg. 18 min. 00 sec. E. 18.04 feet to a point. N. 53 deg. 00 min. 15 sec. E. 21.61 feet to a point. N. 74 deg. 52 min. 18 sec. E. 83.97 feet to a point. N. 45 deg. 34 min. 40 sec. E. 47.79 feet to a point. N. 18 deg. 48 min. 30 sec. E. 49.58 feet



to a point. S. 88 deg. 24 min. 54 sec. E. 149.52 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA KNOWN AS MICHAEL SMITH PARK CONTAINING 0.133 ACRES.

BEGINNING at a point, said point being in a gravel road, thence proceeding N. 03 deg. 23 min. 12 sec. E. 95.69 feet to a point. N. 86 deg. 29 min. 30 sec. E. 54.67 feet to a point. S. 03 deg. 30 min. 30 sec. E. 95.00 feet to a point. S. 86 deg. 29 min. 30 sec. W. 66.16 feet to the point of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.049 ACRES.

BEGINNING at a point, said point lying East of the Southeast corner of lot 8, Williamsgate Plat Book 43 page 10. Thence proceeding from said point of beginning S. 01 deg. 35 min. 06 sec. W. 51.39 feet to a point, thence N. 88 deg. 24 min. 54 sec. W. 75.05 feet to a point. N. 55 deg. 43 min. 07 sec. E. a cord distance of 71.58 feet to a point. N. 62 deg. 33 min. 38 sec. E. 19.51 feet to the point of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.068 ACRES.

BEGINNING at a point, and being South of the KAREN SMITH PARK, thence proceeding S. 01 deg. 35 min. 06 sec. W. 57.68 feet to a point. N. 88 deg. 24 min. 54 sec. W. 87.00 feet to a point. N. 01 deg. 35 min. 06 sec. E. 10.00 feet to a point. N. 62 deg. 33 min. 28 sec. E. 73.98 feet to a point. N. 63 deg. 44 min. 55 sec. E. 25.23 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.086

BEGINNING at a point, said point being South of tax block 5634, thence proceeding from said point of beginning N. 01 deg. 35 min. 06 sec. E. 45.00 feet to a point. Thence S. 88 deg. 24 min. 54 sec. E. 83.41 feet. Thence S. 01 deg. 35 min. 06 sec. W. 45 feet to a point. Thence N. 88 deg. 24 min. 54 sec. W. 83.41 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

21974482.001

EXHIBIT "A" (con.) to  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

**MAINTENANCE OF STORMWATER IMPROVEMENTS.** The Association shall maintain, repair or reconstruct any retention or detention ponds, erosion control devices or stormwater control structures located on the Common Area that are required to be maintained by the City of Winston-Salem or other appropriate governmental authority(ies) having jurisdiction for watershed protection as directed by the City of Winston-Salem or such other governmental authority(ies). In the event the Association is dissolved or otherwise defaults on its obligation to maintain any such pond, erosion control device or stormwater control structure, Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay a pro rata share of the cost of the maintenance, repair or reconstruction of such pond, erosion control device or stormwater control structure. If such sum is not paid by an Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of such Owner, his heirs, devisees, personal representatives and assigns, and the

Common Area of the Association, its successors and assigns, in favor of the City of Winston-Salem or other governmental authority(ies) having jurisdiction for watershed protection, subordinate only to any recorded first lien deed of trust encumbering such Lot or Common Area. In addition, the City of Winston-Salem or such other appropriate governmental authority may foreclose the lien created hereinabove against the Lots and Common Area in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs and reasonable attorney's fees for representation of the City of Winston-Salem or such other appropriate governmental authority in such action or foreclosure shall be added to the debt secured by such lien. The City of Winston-Salem or other appropriate governmental authority may bring an action at law against the Association to maintain or repair such stormwater facilities or to pay all cost incurred by the City of Winston-Salem or other appropriate entity in maintaining or repairing such facilities and the City of Winston-Salem or other appropriate governmental authority may bring an action at law against each Owner for the payment of sums due hereunder as a result of the Association's failure to maintain and repair stormwater facilities located on the Common Area. Each of the City of Winston-Salem and any other appropriate governmental authority having jurisdiction for watershed protection shall be deemed a beneficiary of the provisions of this Declaration relating to the maintenance, repair, reconstruction or ownership of any permanent detention or retention pond, erosion control device or stormwater control structure, both for and in its or their own right, and also for the purpose of protecting the interest of the community and other parties, public or private, in whose favor or for whose benefit such provisions has been provided. Such provisions shall run in favor of the City of Winston-Salem and any other appropriate governmental authority having jurisdiction for watershed protection for the entire period during which watershed facilities are required by statute or ordinance to be maintained on the Common Area without regard to whether the City of Winston-Salem or such other governmental entity has at any time been, remains, or is an owner of the Properties or any portion thereof. The City of Winston-Salem and such other governmental authority shall have the right, in the event of any breach of this such provisions, to exercise all the rights and remedies and to maintain any action or suits at law or in equity or other proper proceedings to enforce the curing of such breach to which it or any other appropriate governmental authority may be entitled.

*Exhibit*

# NORTH CAROLINA

## Department of The Secretary of State

---

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

### ARTICLES OF INCORPORATION

OF

### SMITH FARM HOMEOWNERS ASSOCIATION

the original of which was filed in this office on the 13th day of February, 2003.



IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed my official seal at the  
City of Raleigh, this 13th day of February, 2003

*Elaine F. Marshall*  
Secretary of State

23 043 5100

## ARTICLES OF INCORPORATION

OF

Smith Farm Homeowners

ASSOCIATION

SOSID: 663509

Date Filed: 2/13/2003 11:01:00 AM

Elaine F. Marshall

North Carolina Secretary of State

In compliance with the requirements of North Carolina General Statutes  
(reference to statute under  
Chapter 55A \_\_\_\_\_, the undersigned, all of whom are  
which incorporation is sought)  
residents of North Carolina and all of whom  
are of full age, have this day voluntarily associated themselves together for the  
purpose of forming a corporation not for profit and do hereby certify:

## ARTICLE I

The name of the corporation is Smith Farm Homeowners Association

\_\_\_\_\_, hereafter called the "Association".

## ARTICLE II

The principal office of the Association is located at \_\_\_\_\_  
1708 Highway 66 South, Kernersville, NC 27284 (Forsyth County)

## ARTICLE III

Charles L. Edwards, whose address is  
1708 Highway 66 South, Kernersville, NC 27284 (Forsyth County), is hereby appointed  
the initial registered agent of this Association.

## ARTICLE IV

## PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members  
thereof, and the specific purposes for which it is formed are to provide for  
maintenance, preservation and architectural control of the residence Lots and Common  
Area within that certain tract of property described as:  
As herein set forth in Item (h) of this article, together with pond requirements  
as required by Forsyth County Governmental Authority.

- 2 -

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell 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 members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

NC

- 3 -

## ARTICLE V

## MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

## ARTICLE VI

## VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), 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 occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on October 31, ~~2003~~ <sup>2003</sup>  
Oct. 31

## ARTICLE VII

## BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Rev. October 1973

- 4 -

<u>NAME</u>	<u>ADDRESS</u>
<u>Sharon Payne</u>	<u>1924 Chestnut Street, High Point, NC 27262</u>
<u>John Payne</u>	<u>1924 Chestnut Street, High Point, NC 27262</u>
<u>Mike Hampton</u>	<u>1299 Old Salem Rd. Kenersville, NC 27284</u>
<u>Gayle Hampton</u>	<u>1299 Old Salem Rd. Kenersville, NC 27284</u>
<u>Bill Edwards</u>	<u>578 Joe Moore Rd. Thomasville, NC 27360</u>
<u>Emily Lou Edwards</u>	<u>578 Joe Moore Rd. Thomasville, NC 27360</u>
<u>Charles L. Edwards</u>	<u>P.O. Box 2365, Kenersville, NC 27285</u>
<u>Michelle H. Edwards</u>	<u>P.O. Box 2365, Kenersville, NC 27285</u>
<u>Lynette Hampton</u>	<u>1730-B N. Hamilton, High Point, NC 27265</u>

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

## ARTICLE VIII

## DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

## ARTICLE IX

## DURATION

The corporation shall exist perpetually.

## ARTICLE X

## AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

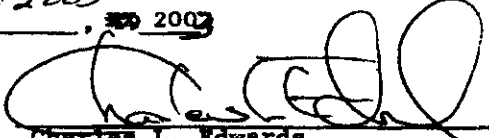
- 5 -

## ARTICLE XI

## FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 6<sup>th</sup> day of February, 2003.

  
 Charles L. Edwards

 Incorporator  
 P.O. Box 2365  
 Kernersville NC 27285

  
 Michelle H. Edwards

 Incorporator  
 P.O. Box 2365  
 Kernersville NC 27285

(Add appropriate acknowledgment)



**ITEM "H":**

THE FOLLOWING METES AND BOUNDS DESCRIPTIONS ARE GIVEN FOR THE PURPOSE OF COMPLYING WITH FHA REQUIREMENTS.

OUTTER BOUNDARY LINES FOR THE ENTIRE DEVELOPMENT INCLUDING COMMON AREAS LOCATED THEREIN.

BEGINNING at a point, said point being the Northeast corner of Mildred Willard D.B. 1551 P. 740, thence proceeding from said point of beginning N. 89 deg. 17min. 39sec. W. 305.14 feet to a point N. 89 deg. 10 min. 27 sec W. 337.01 feet to a point. N. 00deg. 09 min. 40sec. W. 417.22 feet to a point. S. 89 deg. 10 min. 27 sec. E. 312.24 feet. N. 03 deg. 33 min. 17 sec. W 764.89 feet, N. 77deg. 34 min. 03 sec. E 254.99 feet. N. 03 deg. 43 min. 45 sec. W. 876.94feet.S. 88 deg. 55 min. 03 sec. E 204.49 feet. N. 89 deg. 34 min. 36 sec. E. 30.29 feet to a point. S. 88 deg. 31 min.28 sec. E. 131.13 feet to a point. N. 19 deg. 07 min. 19 sec. E. 154.19 feet to a point. N. 04 deg. 08 min. 55 sec. E. 224.32 feet to a point S. 89 deg. 23 min. 45 sec. E. 261.83 feet to a point. S. 89 deg. 25 min. 19 sec. E. 260.03 feet to a point. S. 89 deg. 26 min. 39 sec. E. 205.05 feet t a point. S. 01 deg. 34 min. 44 sec. W. 3141.84 feet to a point. N. 86 deg. 16 min. 58 sec. W. 957.43 feet to a point. N. 02 deg. 24 min. 23 sec. E. 1027.30 feet to a point to the point and place of BEGINNING.

COMMON AREA KNOWN AS JOHN R. AND FLORENCE R. SMITH PARK CONTAINING 19.319 ACRES is described as follows:

BEGINNING at a point, said point being the Northeast corner of Tax Block 5633 Lot 488. Thence proceeding N. 86 deg. 16 min. 58 sec. W. 957.43 feet to a point. N. 02 deg. 24 min. 23 sec. E. 210.27 feet to a point. N. 72 deg. 54 min. 29 sec. E. 420.55 feet to a point. N. 17 deg. 05 min. 31 sec. W. 604.78 feet. N. 01 deg. 35 min. 06 E. 96.81 feet to a point. N. 77 deg. 72 min. 11 sec. E. 420.49 feet. N. 12 deg. 47 min. 49 sec. W. 160.23 feet to a point. N. 77 12 min. 11 sec. E. 25.00 feet to a point. S. 12 47 min. 49 sec. E. 160.23 feet to a point. N. 77 deg. 12 min. 11 sec. E. 327.62 feet to a point. Thence S. 01 deg.34 min. 44 sec. W. 1242.32 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA KNOWN AS KAREN SMITH PARK CONTAINING 1.125 ACRES is described as follows:

BEGINNING at a point, said point lying on the East line of the 30 foot sanitary sewer easement. Thence S. 01 deg. 35 min. 08 sec. W. 133.18 feet to a point. N. 88 deg. 24 min. 54 sec. W. 169.44 feet to a point. S. 12 deg. 16 min. 52 sec. W. 72.59 feet to a point. S. 26 deg. 29 min. 22 W. 76.14 . S. 48 deg. 50 min. 07 sec. 50.31 feet to a point. S. 73 deg. 23 min. 07 sec. W. 24.14 feet to a point. N. 73 deg. 56 min. 08 sec. W. 23.30 feet to a point. N. 11 deg. 15 min. 48 sec. W. 21.76 feet to a point. N. 01 deg. 34 min. 50 sec. E. 162. 47 feet to a point. N. 26 deg. 18 min.00 sec. E. 18.04 feet to a point. N. 53 deg. 00 min. 15 sec. E. 21.61 feet to a point. N. 74 deg. 52 min. 18 sec. E. 83.97 feet to a point. N. 45 deg 34 min. 40 sec. E. 47.79 feet to a point. N. 18 deg. 48 min. 30 sec. E. 49.58 feet

to a point. S. 88 deg. 24 min. 54 sec. E. 149.52 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA KNOWN AS MICHAEL SMITH PARK CONTAINING 0.133 ACRES.

BEGINNING at a point, said point being in a gravel road, thence proceeding N. 03 deg. 23 min. 12 sec. E. 95.69 feet to a point. N. 86 deg. 29 min. 30 sec. E. 54.67 feet to a point. S. 03 deg. 30 min. 30 sec. E. 95.00 feet to a point. S. 86 deg. 29 min. 30 sec. W. 66.16 feet to the point of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.049 ACRES.

BEGINNING at a point, said point lying East of the Southeast corner of lot 8, Williamsgate Plat Book 43 page 10. Thence proceeding from said point of beginning S. 01 deg. 35 min. 06 sec. W. 51.39 feet to a point, thence N. 88 deg 24 min. 54 sec W. 75.05 feet to a point. N. 55 deg. 43 min. 07 sec. E. a cord distance of 71.58 feet to a point. N. 62 deg. 33 min. 38 sec. E. 19.51 feet to the point of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.068 ACRES.

BEGINNING at a point, and being South of the KAREN SMITH PARK, thence proceeding S. 01 deg. 35 min. 06 sec. W. 57.68 feet to a point. N. 88 deg. 24 min. 54 sec. W. 87.00 feet to a point. N. 01 deg. 35 min. 06 sec. E. 10.00 feet to a point. N. 62 deg. 33 min. 28 sec. E. 73.98 feet to a point. N. 63 deg. 44 min. 55 sec. E. 25.23 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

COMMON AREA CONTAINING 0.086

BEGINNING at a point, said point being South of tax block 5634, thence proceeding from said point of beginning N. 01 deg. 35 min. 06 sec. E. 45.00 feet to a point. Thence S. 88 deg. 24 min. 54 sec. E. 83.41 feet. Thence S. 01 deg. 35 min. 06 sec. W. 45 feet to a point. Thence N. 88 deg. 24 min. 54 sec. W. 83.41 feet to the point and place of BEGINNING. ALL IS SHOWN ON THE RECORDED PLAT OF SMITH FARM.

21974482.001

ITEM "H" con't.

**MAINTENANCE OF STORMWATER IMPROVEMENTS.** The Association shall maintain, repair or reconstruct any retention or detention ponds, erosion control devices or stormwater control structures located on the Common Area that are required to be maintained by the City of Winston-Salem or other appropriate governmental authority(ies) having jurisdiction for watershed protection as directed by the City of Winston-Salem or such other governmental authority(ies). In the event the Association is dissolved or otherwise defaults on its obligation to maintain any such pond, erosion control device or stormwater control structure, Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay a pro rata share of the cost of the maintenance, repair or reconstruction of such pond, erosion control device or stormwater control structure. If such sum is not paid by an Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of such Owner, his heirs, devisees, personal representatives and assigns, and the

Common Area of the Association, its successors and assigns, in favor of the City of Winston-Salem or other governmental authority(ies) having jurisdiction for watershed protection, subordinate only to any recorded first lien deed of trust encumbering such Lot or Common Area. In addition, the City of Winston-Salem or such other appropriate governmental authority may foreclose the lien created hereinabove against the Lots and Common Area in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs and reasonable attorney's fees for representation of the City of Winston-Salem or such other appropriate governmental authority in such action or foreclosure shall be added to the debt secured by such lien. The City of Winston-Salem or other appropriate governmental authority may bring an action at law against the Association to maintain or repair such stormwater facilities or to pay all cost incurred by the City of Winston-Salem or other appropriate entity in maintaining or repairing such facilities and the City of Winston-Salem or other appropriate governmental authority may bring an action at law against each Owner for the payment of sums due hereunder as a result of the Association's failure to maintain and repair stormwater facilities located on the Common Area. Each of the City of Winston-Salem and any other appropriate governmental authority having jurisdiction for watershed protection shall be deemed a beneficiary of the provisions of this declaration relating to the maintenance, repair, reconstruction or ownership of any permanent detention or retention pond, erosion control device or stormwater control structure, both for and in its or their own right, and also for the purpose of protecting the interest of the community and other parties, public or private, in whose favor or for whose benefit such provisions have been provided. Such provisions shall run in favor of the City of Winston-Salem and any other appropriate governmental authority having jurisdiction for watershed protection for the entire period during which watershed facilities are required by statute or ordinance to be maintained on the Common Area without regard to whether the City of Winston-Salem or such other governmental entity has at any time been, remains, or is an owner of the Properties or any portion thereof. The City of Winston-Salem and such other governmental authority shall have the right, in the event of any breach of this such provisions, to exercise all the rights and remedies and to maintain any action or suits at law or in equity or other proper proceedings to enforce the curing of such breach to which it or any other appropriate governmental authority may be entitled.

Exhibit

BY-LAWS

OF

Smith Farm Homeowners  
ASSOCIATION

## ARTICLE I

NAME AND LOCATION. The name of the corporation is Smith Farm  
Homeowners Association, hereinafter referred to as the "Association".  
The principal office of the corporation shall be located at 1708 Highway 66 South  
Kernersville, North Carolina 27284 but meetings of members and directors  
may be held at such places within the State of North Carolina,  
County of Forsyth, as may be designated by the Board of Directors.

## ARTICLE II

## DEFINITIONS

Section 1. "Association" shall mean and refer to \_\_\_\_\_  
Smith Farm Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property  
described in the Declaration of Covenants, Conditions and Restrictions, and such  
additions thereto as may hereafter be brought within the jurisdiction of the  
Association.

Section 3. "Common Area" shall mean all real property owned by the Association  
for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any  
recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or  
more persons or entities, of the fee simple title to any Lot which is a part of the  
Properties, including contract sellers, but excluding those having such interest  
merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to C. Edwards & Company, Inc.  
\_\_\_\_\_, its successors and assigns if such successors or assigns  
should acquire more than one undeveloped Lot from the Declarant for the purpose of  
development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants,  
Conditions and Restrictions applicable to the Properties recorded in the Office  
of the Register of Deeds of Forsyth County, North Carolina \_\_\_\_\_.

Section 8. "Member" shall mean and refer to those persons entitled to member-  
ship as provided in the Declaration.

## ARTICLE III

## MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock, P. M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth ( $\frac{1}{4}$ ) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth ( $\frac{1}{10}$ ) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

## ARTICLE IV

## BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

## ARTICLE V

## NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

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

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

- 5 -

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ( $\frac{1}{4}$ ) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.



## ARTICLE VIII

## OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

## ARTICLE IX

## COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## ARTICLE X

## BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

- 8 -

## ARTICLE XI

## ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## ARTICLE XII

## CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Smith Farm Homeowners Association

---

## ARTICLE XIII

## AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

- 9 -

## ARTICLE XIV

## MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the \_\_\_\_\_

Smith Farm Homeowners

Association,

have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, ~~XX~~ 200~~2~~

Sharon Payne

Sharon Payne

John Payne

Mike Hampton

Gayle Hampton

Bill Edwards

Emily Lou Edwards

Charles L. Edwards

Michelle H. Edwards

Lynette Hampton

(Add appropriate acknowledgment)

## CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the \_\_\_\_\_

Smith Farm Homeowners

Association, a North Carolina  
(State)

corporation, and,

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 13<sup>th</sup> day of February, ~~XX~~ 200~~2~~

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 13<sup>th</sup> day of February, ~~XX~~ 200~~2~~

Michelle Edwards  
Secretary