

**DECLARATION
OF
THE MILL AT TAR BRANCH CONDOMINIUM**

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DECLARATION OF THE MILL AT TAR BRANCH CONDOMINIUM

ARTICLE 1. SUBMISSION; DEFINITIONS

Section 1.1 Submission of Property. Tar Branch Investors LLC, a North Carolina Limited Liability Company ("Declarant"), owner in fee simple of the real estate described in Exhibit "A", located within Forsyth County, North Carolina, hereby submits such real estate, including all improvements, easements, rights and appurtenances thereunto belonging to the provisions of Chapter 47C of the General Statutes of North Carolina, known as the North Carolina Condominium Act ("Condominium Act"), and hereby creates with respect to said real estate a condominium to be known as "The Mill at Tar Branch". ("Condominium").

Section 1.2. Definitions. As used in the Condominium Documents, the following words and phrases shall have the following meanings:

a. "Allocated Interests" means the undivided interest in the Common Elements and Common Expenses liability, and votes in the Association, allocated to Units in the Condominium. The Allocated Interests are described in Article 7 of this Declaration and shown on Exhibit B.

b. "Association" means The Mill at Tar Branch Condominium Owners Association, Inc., a nonprofit corporation organized under Chapter 55A of the General Statutes of North Carolina. It is the Association of the Unit Owners pursuant to Section 47C-3-101 of the Condominium Act.

c. "Bylaws" means the Bylaws of the Association, as they may be amended from time to time.

d. "Common Elements" means all portions of the Condominium other than the Units and Garage Units.

e. "Common Expenses" means the expenses or financial liabilities for the operation of the Condominium. These include:

(i) expenses of administration, maintenance, repair or replacement of the Common Elements;

(ii) expenses declared to be Common Expenses by the Condominium Documents or by the Condominium Act;

(iii) expenses agreed upon as Common Expenses by the Association; and

(iv) such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

f. "Condominium" means the real property described in Exhibit "A", subject to the Declaration of The Mill at Tar Branch.

g. "Condominium Documents" mean this Declaration, the Plats and Plan recorded and filed pursuant to the provisions of the Condominium Act, the Bylaws, and the Rules and Regulations as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Condominium Document is a part of the Condominium Documents.

h. "Declarant" means Tar Branch Investors, LLC, a North Carolina Limited Liability Company or its successors as defined in Section 47C-1-103(9) of the Condominium Act.

i. "Development Rights" means the rights reserved by the Declarant under Article 6 of this Declaration to create Units, Common Elements, and Limited Common Elements within the Condominium and to withdraw real estate from the Condominium.

j. "Declarant Control Period" means the period prior to the earlier of:

(i) one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than a Declarant;

(ii) two (2) years after all Declarants have ceased to offer Units for sales in the ordinary course of business;

(iii) two (2) years after any right to add new Units was last exercised; or

(iv) five (5) years after the first Unit is conveyed to a Unit Owner other than a Declarant.

k. "Director" means a member of the Executive Board.

l. "Eligible Mortgagee" means an institutional lender holding a first mortgage or first deed of trust ("First Mortgage") encumbering a Unit that has notified the Association in writing of its status, stating both its name and address and the Unit number or address of the Unit its First Mortgage encumbers, and has requested all rights under the Condominium Documents. For purposes of Article 16 only, when any right is to be given to an Eligible Mortgagee, such right shall also be given to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmers Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participation in purchasing or guarantying mortgages if the Association has notice of such participation.

m. "Executive Board" means the Board of Directors of the Association.

n. "Improvements" means any construction, structure, fixture or facilities existing or to be constructed on the land included in the Condominium, including but not limited to, buildings, trees and shrubbery planted by the Declarant or the Association, paving, utility lines, pipes, and light poles.

o. "Limited Common Elements" means the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of Section 47C-2-102(2) and (4) of the Condominium Act. The Limited Common Elements in the Condominium are described in Article 3 of this Declaration.

p. "Majority or Majority of Unit Owners" means the owners of more than fifty percent (50%) of the votes in the Association.

q. "Manager" means a person, firm or corporation employed or engaged to perform management services for the Condominium and Association.

r. "Notice and Comment" means the right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 22.1 of this Declaration.

s. "Notice and Hearing" means the right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 22.2 of this Declaration.

t. "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal commercial entity.

u. "Plats and Plans" means the Plats and Plans recorded simultaneously with this Declaration in the Condominium Book 5, Pages 102 through 103, and constituting a part hereof, as the same may be amended from time to time.

v. "Property" means the land, all Improvements, easements, rights and appurtenances, which have been submitted to the provisions of the Condominium Act by this Declaration.

w. "Public Offering Statement" means the current document prepared pursuant to Section 47C-4-103 of the Condominium Act as it may be amended from time to time, and provided to purchasers prior to the time of executions of a purchase agreement.

x. "Rules and Regulations" means Rules and Regulations for the use of Units and Common Elements and for the conduct of persons within the Condominium, adopted by the Executive Board pursuant to this Declaration.

y. "Security Interest" means an interest in real estate or personal property, created by contract or conveyance which secures payment of performance of an obligation. The term includes a lien created by a mortgage, deed of trust, contract for deed, land sales contract, lease intended as security, assignment of lease of rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

z. "Special Declarant Rights" means the rights reserved for the benefit of a Declarant to:

(i) complete Improvements indicated on the Plats and Plans filed with the Declaration;

(ii) exercise any Development Right;

(iii) maintain sales offices, management offices, signs, advertising the Condominium, and models;

(iv) use easements through the Common Elements for the purpose of making Improvements within the Condominium or within real estate that may be added to the Condominium; or

(v) appoint or remove any officer of the Association or any executive Board member during the Declarant Control Period.

a.a "Trustee" means the entity which may be designated by the Executive Board as Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Executive Board from time to time constituted, acting by a majority vote, as executed by the president and attested by the secretary.

b.b.1 "Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 2.2 of this Declaration.

b.b.2 "Garage Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 2.2 of this Declaration.

c.c. "Unit Owner" means the Declarant or other Person who owns a Unit, some owning Garage Units as well. Unit Owner does not include any person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

ARTICLE 2. MAXIMUM NUMBER OF UNITS; BOUNDARIES

Section 2.1 Maximum Number of Units. The Condominium upon creation contains eighteen (18) Units and eight (8) Garage Units. As additional Units are added, it contains the number of Units listed in the most current Exhibit B. The legal description of Phase I is set out in Exhibit C attached hereto. The Declarant reserves the right to create up to fifty (50) Units and forty (40) Garage Units.

Section 2.2 Boundaries. Boundaries of each Unit created by this Declaration are shown on the Plats and Plans as numbered Units with their identifying number and are described as follows:

a. Upper Boundary: The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams, and rafters and of closed fireplace dampers, extended to an intersection with the vertical perimeter boundaries.

b. Lower Boundary: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors extended to an intersection with the vertical perimeter boundaries and open, horizontal, unfinished surfaces of trim, sill and structural components.

c. Vertical Perimeter Boundary: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of the masonry walls; the unfinished surfaces of the interior trim, fireplaces, and thresholds along perimeter walls and floors; the unfinished inner surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate Units.

d. Inclusions: Each Unit will include the spaces and Improvements lying within the boundaries described in the Subsections 2.2a, b, and c, above, and will also include the spaces and Improvements within such spaces containing any space heating, water heating and air conditioning apparatus, smoke detector systems and all electrical switches, wiring, pipes, ducts, conduits, smoke detector systems and television, telephone, and electrical receptacles and light fixtures and boxes serving that Unit exclusively, the surface of the foregoing being the boundaries of such Unit, whether or not such spaces are contiguous.

e. Exclusions: Except when specifically included by other provisions of Section 2.2, the following are excluded from each Unit: The spaces and Improvements lying outside of the boundaries described in Subsections 2.2a, b, and c, above, and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

f. Non-Contiguous Portions: Certain Units may include special portions, pieces or equipment such as air conditioning compressors, meter boxes, utility connection structures and storage portions situated in buildings or structures that are detached or semidetached from the buildings containing the principal occupied portion of the Units. Such special equipment and storage portions are a part of the Unit notwithstanding their non-contiguity with the residential portions.

g. Inconsistency with Plats and Plans: If this definition is inconsistent with the Plats and Plans, then this definition will control.

ARTICLE 3. LIMITED COMMON ELEMENTS

The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

a. If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column, or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit, and any portion thereof serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

b. Any shutters, awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios and each exterior door and window or other fixture designed to serve a single Unit that is located outside of the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited to that Unit.

c. Stoops and steps at the entrances to each building, which provide access to less than all Units, the use of which is limited to the Units to which they provide access.

d. Attic space above each Unit with an attic, the use of which is limited to the Unit beneath it.

e. Stairways, the use of which is limited to certain Units as shown on the Plats and Plans.

f. Chimneys, the use of which is limited to the Unit in which its fireplace, if any, is located. In the event of a multiple flue chimney, each flue will be a Limited Common Element allocated to the Unit containing its fireplace while the chimney will be a Limited Common Element allocated to both Units.

g. Utility areas, the use of which is limited to the Unit or Units as shown on the Plats and Plans.

h. Storm windows and storm doors, if any, will be Limited Common Elements of the Unit to which they service.

i. Certain patios and decks, the use of which is limited to the Unit or Units which they adjoin as shown on the Plats and Plans.

j. Exterior doors and windows will be Limited Common Elements allocated to the Units sheltered.

k. Mailboxes, nameplates, and exterior lighting affixed to the building will be Limited Common Elements allocated to the Unit served.

ARTICLE 4. MAINTENANCE, REPAIR AND REPLACEMENT

Section 4.1 Common Elements. The Association will maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by the Declaration to be maintained, repaired or replaced by the Unit Owners.

Section 4.2 Units. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof to be maintained, repaired or replaced by the Association.

Section 4.3 Limited Common Elements. Any Common Expense associated with the maintenance, repair or replacement of heat exchanger, heat outlet, enclosures and mechanical attachments will be assessed against the Unit or Units to which the Limited Common Element is assigned.

Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on or a part of the patios, decks, balconies, exterior doors and windows will be assessed against the Unit or Units to which the Limited Common Element is assigned. No additional component or element may be attached without consent of the Executive Board upon approval by the covenants control committee, if any. In the event such additional component or element becomes deteriorated or unsightly or is inconsistent with conditions of installation it may be removed or repaired at the Unit Owner's expense as a Common Expense assessment under this Section, after Notice and Hearing.

If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element will be assessed equally among the Units to which is assigned.

Common Expenses associated with the cleaning, maintenance, repair or replacement of all other Limited Common Elements will be assessed against all Units in accordance with their Allocated Interests in the Common Expenses.

Each Unit Owner shall be responsible for removing all snow, leaves and debris from all patios, decks, and balconies which are Limited Common Elements appurtenant to his or her Unit. If any such Limited Common Elements is appurtenant to two or more Units, the owners of those Units will be jointly responsible for such removal.

Section 4.4 Access. Any Person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installation, alteration or repairs, and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided that such requests for entry are made in advance and that any such entry is at a time reasonable convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 4.5 Repairs Resulting from Negligence. Each Unit Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit. The Association will be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements. If such expense is caused by misconduct, it will be assessed following Notice and Hearing.

Section 4.6 Garages. The Declarant has constructed in the Condominium eight (8) garages located in three (3) separate buildings. These garages are more particularly described herein and in Condominium Book 5, Page 102 through 103, Forsyth County Registry. The upkeep, maintenance and cost of insurance will be a Common Expense.

These Garage Units may not be leased, used or owned by anyone other than a Unit Owner. This does not prohibit the Owner of a Garage Unit from selling his or her Garage Unit to another Unit Owner.

ARTICLE 5. SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Those portions of the Common Elements now or hereafter improved as parking spaces may be subsequently allocated as Limited Common Elements in accordance with Subsection 6.1c and Article 10 of this Declaration, or may be assigned by Rules and Regulations to visitors only.

ARTICLE 6. DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 6.1 Reservation of Development Rights. The Declarant reserves the following Development Rights:

- a. The right by amendment, to withdraw real estate from the Condominium in the location shown on Exhibit "A" except for Phase I which must be built.
- b. The right by amendment, to add and create Units, Garage Units, Common Elements, and Limited Common Elements in the locations shown on Exhibit "A".
- c. The right by amendment, to allocate as Limited Common Elements not more than forty-eight (48) parking spaces in all phases as shown on Exhibit "A" attached hereto and assign them to particular Units. No assurance is given that such spaces will be allocated, however.
- d. The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the land anywhere in the Condominium for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the land designated "Development Rights Reserved in Phase I" and "Development Rights Reserved in Phase II" on the Plats and Plans. The declarant also reserves the right to grant easements to public utility companies to convey Improvements within those easements anywhere in the Condominium for the above-mentioned proposes. If the Declarant grants any such easements, Exhibit "A" will be amended to include reference to the recorded easement.
- e. No Development Rights may be exercised unless approved pursuant to Section 16.5 of this Declaration.

Section 6.2. Limitations on Development Rights. The Development Rights reserved in Section 6.1 are limited as follows:

- a. The Development Rights may be exercised at any time but not more than seven (7) years after the recording of the initial Declaration.
- b. Not more than forty (40) additional Units and thirty-two (32) Garage Units may be created under the Development Rights.
- c. The quality of construction of any buildings and Improvements to be created on the Property shall be consistent with the quality of those constructed pursuant to this Declaration as initially recorded.
- d. All Units and Common Elements created pursuant to the Development Rights will be restricted to residential or commercial use.
- e. No Development Rights may be exercised unless approved pursuant to Section 16.5 of this Declaration.

Section 6.3 Phasing of Development Rights Phase I shown on the map entitled "Phase I The Mill at Tar Branch" recorded in Condominium Book 5, Page 102 through 103 must be built. The area shown in said Condominium Book designated as "Future Condominiums - Phase II" do not have to be developed and/or built and no assurances are made by the Declarant regarding this future development. The area designated as Phase II may be developed or withdrawn. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions, but no part of a portion may be withdrawn after a Unit in that portion has been conveyed to a purchaser.

Section 6.4 Special Declarant Rights. The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Condominium.

- a. To complete Improvements indicated on the Plats and Plans filed with the Declaration;
- b. To exercise a Development Right reserved in the Declaration;
- c. To maintain sales offices, management offices, signs advertising the Condominium, and models;
- d. To use easements through the Common Elements for the purpose of making Improvements with the Condominium;
- e. To appoint or remove an officer of the Association or an Executive Board member during the Declarant Period subject to the provisions of Section 6.9 of this Declaration.

Section 6.5 Models, Sales Offices and Management Offices. As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representative and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model unit or sales office or management office.

Section 6.6 Construction; Declarant's Easements. The Declarant reserves the right to perform repairs and construction work, and to store materials in secure areas, in Units and Common Elements, and the further right to control all such work and repairs, and the right to access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations for exercising Special Declarant Rights, whether arising under the Condominium Act or reserved in the Declaration. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State of North Carolina, riparian owners or upland owners to fulfill the plan of development.

Section 6.7 Signs and Marketing. The Declarant reserves the right to post signs and displays in the Common Elements to promote sale of Units, and to conduct general sales activities, in a manner as will not unreasonably disturb the rights of Unit Owners.

Section 6.8 Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in the sales, management construction and maintenance of the premises that has not been represented as Property of the Association. The Declarant reserves the right to remove from the Property, and all of the goods and Improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 6.9 Declarant Control of the Association.

a. Subject to Subsection 6.9b, during the Declarant Control Period, a Declarant or persons designated by the Declarant may appoint and remove the officers and members of the Executive Board. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before the termination of the Declarant Control Period, but in that event the Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

b. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than a Declarant, at least one member and not less than twenty-five (25%) of the

members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than a Declarant, not less than thirty-three percent (33%) of the members of the Executive Board members and officers shall take office upon election.

c. Not later than the termination of the Declarant Control Period, the Unit Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect officers. The Executive Board members and officers shall take office upon election.

d. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under Section 47C-3-108 of the Condominium Act, the Unit Owners, by a sixty-seven percent (67%) vote of all persons present and entitled to vote at a meeting of the Unit Owners at which a quorum is present, may remove a member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 6.10 Limitations on Special Declarant Rights. Unless sooner terminated by an amendment to the Declaration executed by the Declarant, any Special Declaration Right may be exercised by the Declarant until the earlier of the following:

(i) so long as the Declarant holds a Development Right to create additional Units or Common Elements or to withdraw real estate from the Condominium; or

(ii) so long as the Declarant owns any Unit; or

(iii) seven (7) years after recording this Declaration.

Section 6.11 Interference with Special Declarant Rights. Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

ARTICLE 7. ALLOCATED EXPENSES

Section 7.1 Allocation of Interests. The table showing Unit numbers and their Allocated Interests is attached as Exhibit "B". These interests have been allocated in accordance with the formulas set out in this Article 7. These formulas are to be used in reallocating interest if Units are added to the Condominium.

Section 7.2 Formulas for the Allocation of Interests. The interests allocated to each Unit have been calculated on the following formulas:

a. Undivided Interest in the Common Elements. The percentage of the undivided interest in the Common Elements allocated to each Unit is calculated by dividing the number 100 by the total number of units in the Condominium. The percentage of undivided interest in the Common Elements is not determined by the square footage of the Units nor the value of the Units. Each Condominium Unit Owner shall own an equal percentage of the undivided interest in the Common Elements.

b. Liability for the Common Expenses. Each Unit in the Condominium shall share equally in the Common Expenses of the Condominium so that the percentage of liability for the Common Expenses allocated to each Unit is calculated by dividing the number one hundred (100) by the total number of Units in the Condominium. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article 17 of this Declaration.

c. Votes. Each Unit in the Condominium shall have one equal vote. Any specified percentage portion or fraction of Unit Owners, unless otherwise stated in the Condominium Documents, means the specified percentage, portion, or fraction of all the votes as allocated in Exhibit "B".

Section 7.3. Assessment of Allocated Interests Upon Creation of Units Pursuant to Exercise of Development Rights. The effective date for assigning Allocated Interests to Units created pursuant to Section 6.1 of the Declaration shall be the date on which the amendment creating the Units is recorded in the office of the Register of Deeds of Forsyth County, North Carolina.

ARTICLE 8. RESTRICITONS ON USE, ALIENATION AND OCCUPANCY

Section 8.1. Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article 6, the following restrictions apply to all Units and to the Common Elements:

a. Each Unit is restricted to residential use as a single-family residence. A single-family residence is defined as a single housekeeping unit, operating on a nonprofit, noncommercial basis between its occupants, cooking and eating with a common kitchen and dining area. Units in future sections or phases may be used as residential or commercial.

b. The use of Units and Common Elements is subject to the Bylaws and the Rules and Regulations of the Association.

Section 8.2 Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan.

The Declarant has constructed in the Condominium eight (8) garages located in three (3) separate buildings. These garages are more particularly described herein and in Condominium Book 5, Page 102 through 103, Forsyth County Registry. The upkeep, maintenance and cost of insurance will be a common expense.

These Garage Units may not be leased, used or owned by anyone other than a Unit Owner. This does not prohibit the owner of a Garage Unit from selling his Garage Unit to another Unit Owner.

All leases of a Unit shall be deemed to include a provision that the tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Condominium Documents against the tenant, provided the Association gives the landlord notice of its intent to so enforce, and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

ARTICLE 9 . EASEMENTS AND LICENSES

All easements or licenses to which the Condominium is presently subject are recited in Exhibit "A" to this Declaration. In addition, the Condominium may be subject to other easements or license grants by the Declarant pursuant to its powers under Article 6 of this Declaration.

ARTICLE 10. ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENTS

A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to provisions of Article 5 of the Declaration. The allocations will be made by amendments to the Declaration specifying to which Unit or Units the Limited Common Element is allocated.

The Declarant has reserved the right, under Subsection 6.1b of this Declaration, to allocate as Limited Common Elements not more than forty-eight (48) parking spaces. If any such parking spaces are so allocated,

they shall be assigned to particular Units by amendment to this Declaration. Any parking spaces which are not allocated as Limited Common Elements at the termination of the Development Rights Period may be so allocated by the Association by amendment to this Declaration. All amendments shall specify to which Unit or Units the Limited Common Element is allocated.

No Limited Common Element depicted on the Plat and Plans may be reallocated by an amendment to this Declaration pursuant to this Article 10 except as part of a relocation of boundaries of Units pursuant to Article 12 of this Declaration. Such amendment shall require the approval of all holders of Security Interests in the affected Units, which approval shall be endorsed thereon. The Person executing the amendment shall provide an executed copy thereof to the Association which, if the amendment complies with the provisions of the Declaration and the Condominium. The parties executing the amendment shall be responsible for the preparation of the amendment and shall reimburse the Association for its reasonable attorneys' fees in connection with the review of the amendment and for the recording costs.

ARTICLE 11. ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 11.1 Additions, Alterations and Improvement by Unit Owners.

a. No Unit Owner will make any structural addition, structural alteration, or structural Improvement in or to the Condominium without the prior written consent thereto of the Executive Board in accordance with Subsection 11.c.

b. Subject to Subsection 11.1a, a Unit Owner:

(i) may make any other Improvements or alterations to the interior of his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium;

(ii) may not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Condominium, without permission of the Association;

(iii) after acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this Subsection is not an alteration of boundaries.

c. A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under Subsection 11.1a or 11.1b (ii). The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its Rules and Regulations.

d. Any applications to any department or to any governmental authority for a permit to make any addition, alteration or Improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor or materialman on account of such addition, alteration or Improvement to any person having any claim for injury to persons or damage to property arising therefrom.

e. All additions, alterations and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premium of any insurance policies carried by the Association or by the Owners of any Units other than those affected by such change.

The provisions of this Section shall not apply to the Declarant in the exercise of any Special Declarant Right.

Section 11.2. Additions, Alterations and Improvements by Executive Board. Subject to the limitations of Sections 17.5 and 17.6 of this Declaration, the Executive Board may make any additions, alterations or Improvements to the Common Elements which, in its judgment, it deems necessary.

Section 11.3 Exterior Improvements and Landscaping Within Limited Common Elements. Unit Owners may make exterior Improvements within or as part of Limited Common Elements constituting decks or balconies or patios consisting of repainting, restaining, addition of architectural detailing, changing of doors and fenestration, planting or gardens, hedges, shrubs, construction of fences, walks, benches, and architectural conceits, provided they are undertaken with the permission of the Executive Board or a covenants control committee established for such purpose, if any, following submission of complete plans prepared by an architect or landscape architect and a review of such board or committee as to consistency with Improvements originally constructed by the Declarant, and consistent with the style and character of the community. No approval will be awarded without Notice and Comment given to the Unit Owners. It is the intent to provide for limited individualization of the appearance of the buildings while retaining a character consistent with the overall plan of the Condominium community.

The applicant will pay for the cost of preparation of the application, the cost of profession review, if deemed required by the review entity, and all costs of permits and fees.

ARTICLE 12 RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

Section 12.1. Application Amendment. Subject to approval of any structural changes and required permits pursuant to Article 11, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the Owners of the Units affected by the relocation. If the Owners of the adjoining Units have specified a relocation between their Units of the Allocated Interests, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty (30) days after receipt of the application, that the reallocations are unreasonable, the Association shall consent to the reallocation and prepare an amendment that identifies the Units involved, state the reallocation and indicates the Association's consent. The amendment must be executed by those Unit Owners and contain words of conveyance between them, and the approval of all holders of Security Interests in the affected Units shall be enforced thereon. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

Section 12.2. Recording Amendments. The Association shall prepare and record plats and plans necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers.

The applicants will pay for the costs of preparation of the amendment and its recording, and the reasonable consultant fees of the Association if it is deemed necessary to employ a consultant by the Executive Board.

ARTICLE 13. AMENDMENTS TO DECLARATION

Section 13.1. General. Except in cases of amendments that may be executed by the Declarant in the exercise of its Development Rights or by the Association under Article 10 of the Declaration and Section 47C-1-107 of the Condominium Act, and except as limited by Section 12.4 and Article 16 of this Declaration, this

Declaration, including the Plats and Plans may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 13.2. Limitation of Actions. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one year after the amendment is recorded.

Section 13.3. Recordation of Amendments. Each amendment to the Declaration must be recorded in every county in which a portion of the Condominium is located, and the amendment is effective only upon recording. An amendment, except an amendment pursuant to Article 12 of this Declaration, must be indexed in the grantee's index in the name of the Condominium and the Association and in the grantor's index in the name of the parties executing the amendment.

Section 13.4. Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Condominium Act, an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of a Unit, the Allocated Interests of a Unit, or the uses to which a Unit is restricted, in the absence of the unanimous consent of the Unit Owners.

Section 13.5. Execution of Amendments. An amendment to the Declaration required by the Condominium Act to be recorded by the Association, which has been adopted in accordance with this Declaration and the Condominium Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose, or in the absence of designation, by the president of the Association.

Section 13.6. Special Declarant Rights. Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 13.7. Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Article 16 of this Declaration.

Section 13.8. Amendments to Create Units or Withdraw Real Estate. To exercise any Development Rights reserved under Section 6.1 of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. The Declarant shall also record with either new Plats and Plans necessary to conform to the requirements of Section 47C-2-109(a), (b), and (c) of the Condominium Act or new certifications of the Plats and Plans previously recorded if those Plats and Plans otherwise conform to the requirements of those Sections.

The amendment to the Declaration shall assign an identifying number to each new Unit created and reallocate the Allocated Interests amount all Units. The amendment shall describe any Common Elements and any Limited Common Elements created thereby and designate the Unit to which each Limited Common Element is allocated to the extent required by Section 47C-2-108 of the Condominium Act.

ARTICLE 14. AMENDMENTS TO BYLAWS

The Bylaws may be amended only by a vote of two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE 15. TERMINATION

Termination of the Condominium may be accomplished only in accordance with Section 47C-2-118 of the Condominium Act.

ARTICLE 16. MORTGAGE PROTECTION

Section 16. 1. Introduction. This Article establishes certain standards and covenants which are for the benefit of Eligible Mortgagees. This Article is supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the case of conflict, this Article shall control.

Section 16.2. Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding First Mortgages in Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units than subject to First Mortgages held by Eligible Mortgagees.

Section 16.3. Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit in which there is a First Mortgage held, insured, or guaranteed by such Eligible Mortgagee, as applicable;
- b. Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a First Mortgage held, insured, or guaranteed, by such Eligible Mortgagee, which remains uncured for a period of sixty (60) days;
- c. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 16.4, and ;
- e. Any judgment rendered against the Association.

Section 16. 4. Consent Required.

a. Changes in the Condominium Documents, notwithstanding any lower requirement permitted by the Declaration or the Condominium Act, no amendment of any material provision of the Condominium Documents by the Association or Unit Owners described in this Subsection 16.4a may be effective without the vote of at least sixty-seven percent (67%) of the Unit Owners (or any greater Unit Owner vote required in this Declaration or the Condominium Act) and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. "Material" includes but is not limited to, any provision affecting:

- (i) Assessments, assessment liens or subordination of assessment liens;
- (ii) voting rights;
- (iii) reserves for maintenance, repair and replacement of Common Elements;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interest in the Common Elements or Limited Common Elements except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding First Mortgages in such Units must approve such action;

(vi) rights to use Common Elements and Limited Common Elements;

(vii) boundaries of Units except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding First Mortgages in such Unit or Units must approve such action;

(viii) convertibility of Units into Common Elements or Common Elements into Units;

(ix) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(x) insurance or fidelity bonds;

(xi) leasing of units;

(xii) imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;

(xiii) establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

(xiv) restoration or repair of the project after a hazard damage or partial condemnation in a manner other than that specified in the Condominium Documents;

(xv) termination of the Condominium after occurrences of substantial destruction or condemnation; and

(xvi) the benefits of Eligible Mortgagees.

b. Actions. Notwithstanding any lower requirement permitted by the Declaration or the Condominium Act, the Association may not take any of the following actions other than rights reserved to the Declarant as special Declarant Rights without the approval of at least fifty-one percent (51%) of the Eligible Mortgagees:

(i) convey or encumber the Common Elements or any portion thereof (as to which an eighty percent (80%) Eligible Mortgagee approval is required). (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium will not be deemed a transfer within the meaning of this clause);

(ii) the establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

(iii) the restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(iv) the termination of the Condominium for reasons other than substantial destruction or condemnation, as to which a sixty-seven percent (67%) Eligible Mortgagee approval is required;

(v) the alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the Owners of Units affected, and Eligible Mortgagee of those Units need approve the action;

(vi) the merger of this Condominium with any other condominium;

(vii) the granting of any easements, leases, licenses and concessions through or over the Common Elements (excluding, however, any utility easements serving or to serve the Condominium and excluding leases, licenses or concessions for no more than one year);

(viii) the assignment of the future income of the Association, including its rights to receive Common Expenses assessments; and

(ix) any action taken not to repair or replace the Property.

c. The Association may not change the period for collection of regularly budgeted Common Expense assessment to other than monthly without the consent of all Eligible Mortgagees;

d. The failure of an Eligible Mortgagee to respond within thirty (30) days to any written request of the Association for approval of a non-material addition or amendment to the Condominium Documents shall constitute an implied approval of the addition or amendment.

Section 16.5. Development Rights. No Development Rights may be exercised or voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the Development Rights consent to the exercise, abandonment, or termination.

Section 16.6. Inspection of Books. The Association shall permit any Eligible Mortgagee to inspect the books and records of the Association during normal business hours.

Section 16.7. Financial Statements. The Association shall provide any Eligible Mortgagee which submits a written request, with a copy of an annual financial statement with ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any Eligible Mortgagee requests it and pays the cost of such audit.

Section 16.8. Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and their successors and may be enforced by any of them in any available means, at law, or in equity.

Section 16.9. Attendance at Meetings. Any representative of an Eligible Mortgagee may attend and address any meeting which a Unit Owner may attend.

Section 16.10. Appointment of Trustee. In the event of damage or destruction under Article 20 or 21 or condemnation of all or a portion of the Condominium, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Subsection 1.2a.a. Proceeds will thereafter be distributed pursuant to Article 21 or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board acting by majority vote through the president may act as Trustee.

ARTICLE 17. ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 17.1. Apportionment of Common Expenses. Except as provided in Section 17.2, all Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as show on Exhibit "B" to this Declaration.

Section 17.2. Common Expenses Attributable to Fewer Than All Units.

a. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed against the Unit or Units to which the Limited Common Element is assigned. If such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned.

b. Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from service.

c. Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against the Unit.

d. An assessment to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was entered, in proportion to the Common Expense liabilities.

e. If Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against the Unit.

f. Fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to the Condominium Documents and the Condominium Act are enforceable as Common Expense assessments.

Section 17.3. Lien.

a. The Association has a lien on a Unit for an assessment levied against the Unit which remains unpaid for a period of thirty (30) days or longer from the time it is filed of record in the Office of the Clerk of Superior Court of Forsyth County, North Carolina. Fees, charges, late charges, fines and interest charged pursuant to the Condominium Act and the Condominium Documents are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment becomes immediately due and payable when the first installment thereof remains unpaid in such manner, and the full amount of the assessment shall constitute a lien from the time of such filing.

b. A lien under this section is prior to all other liens and encumbrances on a Unit except:

(i) liens and encumbrances (including, but not limited to, a mortgage or deed of trust on the Unit) recorded before the docketing of the lien in the Office of the Clerk of Superior Court; and

(ii) liens for real estate taxes and other governmental assessments or charges against the Unit. This Subsection does not affect the priority of mechanics, or materialmen's liens.

c. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the docketing thereof in the Office of the Clerk of Superior Court.

d. This section does not prohibit an action to recover sums for which Subsection 17.3a of this section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

e. A judgment, decree or order in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.

f. The Association's lien may be foreclosed as a mortgage on real estate under power of sale in Article 2A of Chapter 45 of the General Statutes of North Carolina.

g. If a holder of a first mortgage or first deed of trust of record, or other purchaser of a Unit, obtains title to the Unit as a result of foreclosure of a first mortgage or first deed of trust, such purchasers, and its heirs, successors and assigns, shall not be liable for the assessments against such Unit which became due prior to the acquisition of title to such Unit by such purchaser. Such unpaid assessments shall be deemed to be Common Expenses collectable from all the Unit Owners including such purchaser, and its heirs, successors and assigns.

h. Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due.

Section 17.4. Budget Adoption and Ratification. Within thirty (30) days after adoption of a proposed budget for the Condominium, the Executive Board shall provide a summary of the budget to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) and no more than thirty (30) days after mailing of the summary. Unless at that meeting eighty percent (80%) of all Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board.

Section 17.5. Ratification of Non-Budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in Section 17.2 of this Declaration, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Executive Board shall submit such Common Expense to the Unit Owners for ratification in the same manner as a budget under Section 17.4.

Section 17.6. Certificate of Payment of Common Expense Assessments. The Association upon written request shall furnish to a Unit Owner a statement setting out the amount of unpaid assessments against the Unit. The statement must be furnished within ten (10) days after the receipt of the request and is binding on the Association, the Executive Board and each Unit Owner.

Section 17.7. Monthly Payment of Common Expenses. All Common Expenses assessed under Section 17.1 and 17.2 shall be due and payable monthly.

Section 17.8. Acceleration of Common Expense Assessments. In the event of default for a period of thirty (30) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable.

Section 17.9. Commencement of Common Expense Assessment. Common Expense assessments shall begin on the first day of the month in which conveyance of the fourth unit to a Unit Owner other than the Declarant occurs or on such earlier date as the Executive Board determines.

Section 17.10. No Waiver of Liability for Common Expenses. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use of enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 17. 11. Personal Liability of Unit Owners. The owner of a Unit at the time a Common Element assessment or portion thereof is due and payable is personally liable for the assessment. Person liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

ARTICLE 18. RIGHT TO ASSIGN FUTURE INCOME

Section 19.1. Compliance with Condominium Documents. All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Condominium Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions recorded in the office of the Register of Deeds of Forsyth County, North Carolina are covenants running with the land and shall bind any person having at any time, any interest or estate in such Unit.

Section 19.2. Adoption of Rules and Regulations. The Executive Board may adopt Rules and Regulations regarding the use and occupancy of Units affecting the Common Elements, Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE 20. INSURANCE

Section 20.1. Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will be not maintained, the Executive Board shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at the respective last known addresses.

Section 20.2. Property Insurance.

a. Property Insurance covering:

(i) the project facilities (which term means all buildings on the Property, including the Units, Garage Units, and all fixtures, equipment and any Improvements and betterments whether part of a Unit or a Common Element, and such personal property of Unit Owners as is normally insured under building coverage), but excluding land, excavations, portions of foundations below the under surfaces of the lowest floors, underground pilings, pipes, flues and drains and other items normally excluded from property policies; and

(ii) all personal property owned by the Association.

b. Amounts. The project facilities for an amount (after application of any deductions) equal to one hundred percent (100%) of their actual cash value at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value.

The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement costs of the project facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.

The maximum deductible for insurance policies shall be \$10,000 or one percent (1%) of the policy face value, whichever is less.

The difference between the policy deductible and \$250 shall be paid by the Association as a Common Expense. Of the deductible portion \$250 as per Unit Owner affected shall be paid by each of the Unit Owner(s) suffering a loss.

c. Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured against.

d. Other Provisions. Insurance policies required by this Section shall provide that:

(i) the insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.

(ii) an act or omission by a Unit Owner, unless acting within the scope of a Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

(iii) if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(iv) loss must be adjusted with the Association.

(v) insurance proceeds shall be paid to an insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee.

(vi) the insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(vii) the name of the insured shall be substantially as follows: "The Mill at Tar Branch Condominium Association, Inc. for the use and benefit of the individual owners".

Section 20.3. Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than \$1,000,000 covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

a. Other Provisions. Insurance policies carried pursuant to this section shall provide that:

(i) each Unit Owner is an insured person under the policy with respect to liability arising out of interest of the Unit Owner in the Common Elements or membership in the Association.

(ii) the insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.

(iii) an act or omission by a Unit Owner, unless acting within the scope of a Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

(iv) if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(v) the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 20.4. Fidelity Bonds. A blanket fidelity bond may be provided for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services.

Section 20.5. Unit Owner Policies. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit.

Section 20.6. Workers' Compensation Insurance. The Executive Board shall obtain and maintain workers' compensation insurance to meet the requirements of the laws of the State of North Carolina.

Section 20.7. Directors' and Officers' Liability Insurance. The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the Directors and officers of the Association in such limits as the Executive Board may, from time to time, determine.

Section 20.8. Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 20.9. Premiums. Insurance premiums shall be a Common Expense.

ARTICLE 21. DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 21.1. Duty to Restore. A portion of the Condominium for which insurance is required under Section 47C-3-118 of the Condominium Act or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced promptly by the Association unless;

- a. the Condominium is terminated;
- b. repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or
- c. eighty percent (80%) of the Unit Owners, including each owner of a Unit or assigned Limited Common Element that will be rebuilt, vote not to rebuild.

Section 21.2. Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 21.3. Plans. The Property must be repaired and restored in accordance with either the original plans and specification or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.

Section 21.4. Replacement of Loss Than Entire Property.

a. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium.

b. Except to the extent that other persons will be distributees:

(i) the insurance proceeds attributable to a Unit and Limited Common Elements that is not rebuilt must be distributed to the owner of the Unit and the owner of the Unit to which the Limited Common Elements were Allocated, or to lienholders, as their interests may appear; and

(ii) the remainder of the proceeds must be distributed to each Unit Owner or lienholder, as their interests may appear, in proportion to the Common Element interests of all Units.

c. If the Unit Owners vote not to rebuild a Unit, the allocated interests of the Unit are reallocated upon the vote as if the Unit had been condemned under a Section 47C-1-107(a) of the Condominium Act, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocation.

Section 21.5. Insurance Proceeds. The Trustee, or if there is no Trustee, then the Executive Board of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Unit Owners and lienholders as their interests may appear. Subject to the provisions of Subsection 21.1a through Subsection 21.1c, the proceeds shall be disbursed first for the repair or restoration of the damage property, and the Association, Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Condominium is terminated.

Section 21.6. Certificates by the Executive Board. The Trustee, if any, may rely on the following certificates in writing made by the Executive Board:

a. whether or not damaged or destroyed property is to be repaired or restored.

b. the amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

ARTICLE 22. RIGHTS TO NOTICE AND COMMENT; NOTICE AND HEARING

Section 22.1. Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules and Regulations, whenever the Condominium Documents require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than five (5) days before the proposed action is to be taken. It shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 22.2. Right to Notice and Hearing. Whenever the Condominium Documents require that an action be taken after "Notice and Hearing", the following procedures shall be observed; the party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time, place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to insure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the manner in which notice of the meeting was given.

Section 22.3. Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall

conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE 23. EXECUTIVE BOARD

Section 23.1. Minutes of Executive Board Meeting. The Executive Board shall permit any Unit Owner to inspect the minutes of Executive Board meetings during normal business hours. The minutes shall be available for inspection within fifteen (15) days after any such meeting.

Section 23.2. Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Condominium Act. The Executive Board shall have, subject to the limitation contained in this Declaration and the Condominium Act, the powers and duties necessary for the administration of the affairs of the Association and of the Condominium which shall include, but not be limited to, the following:

- a. adopt and amend Bylaws, Rules and Regulations;
- b. adopt and amend budgets for revenues, expenditures and reserves;
- c. collect assessments for Common Expenses from Unit Owners;
- d. hire and discharge managing agents;
- e. hire and discharge employees and agents, other than managing agents, and independent contractors;
- f. institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Declaration, Bylaws or Rules and Regulations in the Association's matters affecting the Condominium;
- g. make contracts and incur liabilities;
- h. regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- i. cause additional Improvements to be made as part of the Common Elements;
- j. acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 47C-3-112 of the Condominium Act;
- k. grant easements for any period of time including permanent easements, and leases, licenses and concessions for no more than one (1) year; through or over the Common Elements;
- l. impose and receive payment, fee or charge for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Section 47C-2-102(2) and (4) of the Condominium Act, and for services provided to Unit Owners;
- m. impose a reasonable charge for late payment of assessments and, after Notice and Hearing levy reasonable fines for violations of this Declaration, Bylaws, and Rules and Regulations of the Association;

n. impose a reasonable charge for the preparation and recordation of amendments to this Declaration, and resale certificates required by Section 47C-4-109 of the Condominium Act or a statement of unpaid assessments;

o. provide for the indemnification of the Association's officers and Executive Board and maintain directors' and officers' liability insurance;

p. assign the Association's right to future income, including the right to receive Common Expense assessments;

q. exercise any other powers conferred by this Declaration or the Bylaws;

r. exercise any other power that may be exercised in this state by legal entities of the same type as the Association;

s. exercise any other power necessary and proper for the governance and operation of the Association, and

t. by resolution, establish committees and Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 23.3. Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Condominium or to elect member of the Executive Board or determine the qualification, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE 24. CONDEMNATION

If part of all of the Condominium is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with Section 47C-1-107 of the Condominium Act.

ARTICLE 25. MISCELLANEOUS

Section 25.1. Captions. The captions contained in the Condominium Documents are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of the Condominium Documents nor the intent for any provisions thereof.

Section 25.2. Gender. The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural and vice versa, whenever the context of the Condominium Documents so require.

Section 25.3. Waiver. No provision contained in the Condominium Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 25.4. Invalidity. The invalidity of any provision of the Condominium Documents do not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Condominium Documents shall continue in full force and effect.

Section 25.5. Conflict. The Condominium Documents are intended to comply with the requirements of the Condominium Act. In the event of any conflict between the Condominium Documents and the provisions of the Condominium Act, the provisions of the Condominium Act shall control. In the event of any conflict between this Declaration and any other Condominium Document, this Declaration shall control.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executive this 19th day of September 2000.

TAR BRANCH INVESTORS, LLC
A North Carolina Limited Liability Company

By:
ORIGINAL SIGNATURE ON FILE
Norman L. Dancy, Jr., Managing Member

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

I, Jenny Ault Boyles, a Notary Public of Forsyth County, North Carolina, do hereby certify that Norman L. Dancy, Jr. personally came before me this day and acknowledged that he is the managing member of TAR BARANCH INVESTORS, LLC, a North Carolina limited liability company, and that by authority duly given and as act of the company the foregoing instrument was signed in its name by its managing member.

Witness my hand and notarial seal or stamp this 19th day of September, 2000.

ORIGINAL NOTARY SIGNATURE AND SEAL ON FILE
Jenny Ault Boyles, Notary Public

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

The foregoing (or annexed) certificate(s) of Jenny Ault Boyles, Notary Public is (are) certified to be correct. This the 20th day of September, 2000,

ORIGINAL SIGNATURE ON FILE
Dickie C. Wood, Register of Deeds

THE MILL AT TAR BRANCH
EXHIBIT "A"

BEGINNING at the iron stake at the Southwest intersection of Marshall Street and Wachovia Street; thence running with the Western margin of Marshall Street South 7 deg. 43' 20" East 334.42 feet to a nail, placed; said point being the center of the terminus of Maple Street (now closed) as it intersects with Marshall Street; thence running with the center of Maple Street, South 82 deg. 30' 10" West 149.77 feet to a point; thence running South 24 deg. 50' East 14.92 feet to an existing iron; thence running South 82 deg. 40' 20" West 80.52 feet to an existing rebar; thence running South 69 deg. 59' 10" West 30.74 feet to an existing iron; thence running South 62 deg. 52' 20" West 144.78 feet to an iron stake; thence running North 26 deg. 34' 20" West 29.47 feet to an existing iron; thence running North 62 deg. 55' 50" East 28.78 feet to an existing iron; thence running North 25 deg. 42' 40" West 123.71 feet to an existing iron; thence running North 64 deg. 28' 30" East 62.48 feet to a point; thence running North 24 deg. 21' West 122.34 feet to an iron (placed), a control corner in the Southern right of way line of Wachovia Street; thence with the Southern right of way line of Wachovia Street, North 66 deg. 27' East 408.56 feet to the point and place of BEGINNING, containing 2.655 acres, more or less, and being a tract of land designated as "PHASE ONE AND PHASE TWO on the MAP OF PHASE ONE OF THE MILL AT TAR BRANCH" shown on a survey prepared by Gizinski Surveying Company, dated November 1997 and revised August 2000. Said property also being Lot 4 and portion of Lot 115, Block 602, and one-half of a portion of Maple Street (closed), all as shown on the Forsyth County Tax Maps.

EXHIBIT "B"**THE MILL AT TAR BRANCH CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
110	5.555%	5.555%	1
111	5.555%	5.555%	1
112	5.555%	5.555%	1
114	5.555%	5.555%	1
115	5.555%	5.555%	1
210	5.555%	5.555%	1
211	5.555%	5.555%	1
212	5.555%	5.555%	1
213	5.555%	5.555%	1
214	5.555%	5.555%	1
215	5.555%	5.555%	1
216	5.555%	5.555%	1
217	5.555%	5.555%	1
218	5.555%	5.555%	1
219	5.555%	5.555%	1
220	5.555%	5.555%	1
222	5.555%	5.555%	1
223	5.555%	5.555%	1

Designation of Garage Units	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
Building G-1, Unit A	None	None	None
Building G-1, Unit B	None	None	None
Building G-2, Unit C	None	None	None
Building G-2, Unit D	None	None	None
Building G-2, Unit E	None	None	None
Building G-2, Unit F	None	None	None
Building G-3, Unit G	None	None	None
Building G-3, Unit H	None	None	None

**THE MILL AT TAR BRANCH
PHASE ONE
EXHIBIT "C"**

BEGINNING at an iron stake in the Southern right of way line of Wachovia Street, said beginning point being located South 66 deg. 27' West 151.43 feet from the Southwest intersection of Wachovia Street and Marshall Street; thence from said beginning point, running South 7 deg. 37' 50" East 126.58 feet to a point; thence running North 82 deg. 23' 10" East 51.92 feet to a point; thence running South 7 deg. 41' 20" East 166.08 feet to a point in the center of Maple Street (now closed); thence running with the center of Maple Street South 82 deg. 30' 10" West 55.71 feet to a point; thence running South 24 deg. 50' East 14.92 feet to an existing iron; thence running South 82 deg. 40' 20" West 80.52 feet to an existing rebar; thence running South 69 deg. 59' 10" West 30.74 feet to an existing iron; thence running South 62 deg. 52' 20" West 144.78 feet to an iron placed; thence running North 26 deg. 34' 20" West 29.47 feet to an existing iron; thence running North 62 deg. 55' 50" East 28.78 feet to an existing iron; thence running North 25 deg. 42' 40" West 123.71 feet to an existing iron; thence running North 64 deg. 28' 30" East 62.48 feet to a point; thence running North 24 deg. 21' West 122.34 feet to an iron placed (control corner) in the Southern right of way line of Wachovia Street; thence running with said right of way line North 66 deg. 27' East 257.13 feet to the point and place of BEGINNING and being known and designated as PHASE ONE OF THE MILL AT TAR BRANCH as shown on Map entitled "THE MILL AT TAR BRANCH" prepared by Gizinski Surveying Company, dated November 1997, revised August 2000. Also being known as Lot No. 4 and a portion of Lot 115, Block 602 and one-half of a portion of Maple Street (now closed), all shown on the Forsyth County Tax Maps.

EXHIBIT "D"

Original State of North Carolina Secretary of State verification of a
true copy of

ARTICLES OF INCORPORATION
OF
THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.

Filed at the Department of the Secretary of State Office
1st day of September, 2000

ORIGINAL SECRETARY OF STATE SIGNATURE AND SEAL ON FILE

**ARTICLES OF INCORPORATION
OF
THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a nonprofit corporation and hereby certifies:

**ARTICLE I
Name**

The name of the corporation is THE MILL AT TAR BRANCH CONDOMINIUM ASSOCIATION, INC., hereafter call the "Association".

**ARTICLE II
Office**

The principal and registered office of the Association is located at 112 Brandon Place, Winston-Salem, North Carolina 27104.

**ARTICLE III
Registered Agent**

J. Frank Morris, whose address is 112 Brandon Place, Winston-Salem, North Carolina 27104, is hereby appointed Registered Agent of this Association.

**ARTICLE IV
Purposes**

This Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Association shall be to operate and manage The Mill at Tar Branch, a condominium project, buildings have been located in the existing factory mill upon the property situated, lying and being in Winston-Salem, North Carolina, and described in Exhibit "A" attached to The Mill at Tar Branch Condominium Declaration recorded or to be recorded in Forsyth County Registry.

Such purposes shall include the following:

(a) To 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 Condominium, hereinafter called the "Declaration" applicable to the property and recorded or to be recorded in the Office of the Forsyth County Register of Deeds and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in length;

(b) To 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) To 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) To borrow money, and with the assent of Unit Owners owning in the aggregate at least 80% undivided interest in the common areas and facilities, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed and debts incurred;

(e) To dedicate, sell or transfer all of 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 Unit Owners owning in the aggregate at least eighty percent (80%) undivided interest in the common areas.

(f) To 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 Unit Owners owning in the aggregate at least eighty percent (80%) undivided interest in the common areas and facilities.

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

(h) To contract for the management of the condominium and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the membership.

ARTICLE V Membership

There shall be one class of members. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association, including contract seller, 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 Unit which is subject to assessment by the Association.

ARTICLE VI Voting Rights

The members of the Association shall have the right of vote for the election and removal of Directors and upon such other matters with respect to which the right to vote is given to members under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina, the voting rights of the members being more particularly described in the Declaration and the Bylaws attached thereto; provided, however, that certain rights are reserved to Declarant in the Declaration and Bylaws of the Association with respect to the election of the Board of Directors and amendment of the Declaration and Bylaws.

ARTICLE VII Board of Directors

The affairs of this Association shall be managed by a Board of Directors consisting of three (3) Directors, and the initial Board of Directors will consist of three (3) persons, who shall serve until the first annual meeting of the membership of the Association. Directors need not be members of the Association. The names and addresses

of the three persons who are to serve as Directors until the organizational meeting of the membership of the Association, or until their successors are elected and qualified are:

Stephen C. Leverton
PO Box 1263
Beaufort, South Carolina 29901-1263

J. Frank Morris
112 Brandon Place
Winston-Salem, North Carolina 27104

Norman L. Dancy, Jr.
PO Box 375
Winston-Salem, North Carolina 27102

Each Director shall hold office for a one-year term. No director shall serve more than three consecutive terms.

The Directors shall elect such officers of the Association as shall be provided in the Bylaws.

ARTICLE VIII Dissolution

The Association may be dissolved with the assent given in writing and signed by Unit Owners owning in the aggregate at least eighty percent (80%) of the units. 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 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 similar purposes,

ARTICLE IX Duration

The corporation shall exist perpetually.

ARTICLE X Amendments

Amendment of these Articles shall require the assent of eighty percent (80%) of the Unit Owners.

ARTICLE XI Incorporation

The name and address of the incorporator is as follows:

William L. Nelson
101 Charlois Boulevard, Suite 102
Winston-Salem, North Carolina 27103

IN WITNESS WHEREOF, for the purposes of forming this corporation, under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 30th day of August, 2000.

ORIGINAL SIGNATURE ON FILE

William L. Nelson, Incorporator

NORTH CAROLINA
FORSYTH COUNTY

I, Sue H. Nelson, a Notary Public for Forsyth County, North Carolina certify that William L. Nelson personally appeared before me and acknowledged his execution of the foregoing instrument.

Witness my hand and official seal this 30th day of August, 2000.

ORIGINAL SIGNATURE AND SEAL ON FILE

EXHIBIT "E"
BYLAWS
OF
THE MILL AT TAR BRANCH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
Offices

Section 1. Plan of Unit Ownership. The property located in the City of Winston-Salem, Forsyth County, North Carolina, and more particularly in the Declaration to which Bylaws are attached (hereinafter "Declaration") has been submitted to the provisions of Chapter 47C of the North Carolina General Statutes entitled "North Carolina Condominium Act". The Declaration is being recorded in the Office of the Register of Deeds of Forsyth County, North Carolina.

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the property of the condominium and to the use and occupancy thereof. The term "property" as herein used shall include the land, the building and all other improvements and structures thereon and all easements, rights and appurtenances belonging thereto, all of which are intended to be submitted to the provisions of Chapter 47C of the North Carolina General Statutes.

Section 3. Application. All present and future owners, mortgagees, lessees, occupants and units and employees or owners and tenants and their families and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws and rules and regulations made pursuant hereto and any amendment to these Bylaws upon same being passed and duly set forth in Amended Declaration, duly recorded.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute as an agreement that these Bylaws and provisions of Declaration as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II
Unit Owners

Section 1. Organizational Meeting. If not held before, the initial meeting of the Association shall be held on the second Tuesday in January, 2001.

Section 2. Annual Meetings. The annual meeting of the Unit Owners for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at 10 o'clock, a.m., on the second Tuesday in January in each year, commencing with the year 2001 if not a legal holiday, and if a legal holiday, then on the next secular day following. Unless otherwise scheduled, the Unit Owners shall vote at each annual meeting to ratify the proposed annual budget for the Association for the following year.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in the manner provided for the call of a special meeting in accordance with the provisions of Section 4 of this Article II and a substitute annual meeting so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

Section 4. Special Meetings. Special meetings of the Unit Owners may be called at any time by a majority of the members of the Board of Directors, or upon the written request of Unit Owners having at least twenty percent (20%) of the votes in the Association.

Section 5. Place of Meetings. All meetings of Unit Owners will be held at 301 South Liberty Street, Winston-Salem, North Carolina or at such other place within the City of Winston-Salem as may be designated in the Notice of Meeting.

Section 6. Notice of Meetings. Written or printed notices stating the time and place of a meeting of Unit Owners shall be delivered or mailed not less than ten (10) days or more than thirty (30) days prior to the date of such meeting to each person entitled to vote at such meeting.

In case of a substitute annual meeting, notice of the meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of the Board of Directors on which the vote of the Unit Owners is expressly required by the provisions of the North Carolina Condominium Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 7. Quorum. A quorum shall be deemed present throughout any meeting of the Unit Owners until adjourned if the Unit Owners, in person or by proxy, entitled to cast more than one-quarter (1/4) of the votes are present at the beginning of such meeting.

Section 8. Voting Rights. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "Voting Member". Such Voting Member may be the Unit Owner, or some other person designated by such a Unit Owner to act as proxy on his or their behalf and who need not be a Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or Owners. The total number of votes of all Voting Members shall be eighteen (18) and the Unit Owner of each Unit shall possess one (1) vote. An Owner of more than one (1) Unit shall possess one (1) vote for each Unit owned.

Section 9. Unit Owners. "Unit Owners" shall mean and refer to those persons who own units in the property subject to the Declaration and are entitled to membership as provided in the Declaration.

Section 10. Voting. In all elections for members of the Board of Directors, each Voting Member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the offices to be filed shall be deemed to be elected.

Section 11. Proxies. The votes pertaining to any condominium unit may (and shall in the case of any Unit Owner not a natural person) be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or in the cases where the Unit Owner is more than one (1) person, by or on behalf of all such persons. No such proxy shall be revocable except as written notice delivered to the Association by the Unit Owner or by any other such person. Any proxy shall be void if it is not dated or if it purports to be revocable with notice aforesaid.

Section 12. Presiding Officer. The President, or in his absence, the Vice President, shall serve as chairman of every Unit Owners' meeting unless some other person is elected to serve as Chairman by a majority vote of the votes represented at the meeting. The Chairman shall appoint such person as he deems required to assist with the meeting.

Section 13. Adjournments. Any meeting of the Unit Owners, whether or not a quorum is present, may be adjourned by the holders of a majority of the votes represented at the meeting to reconvene at a specified time or place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned.

At any such reconvened meeting at which a quorum is represented or present, any business may be transacted which could have been transacted at the meeting which was adjourned.

Section 14. Action of Unit Owners Without a Meeting. Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if written approval and consent, setting forth the action authorized, shall be signed by a majority of the Unit Owners entitled to vote on the date on which the last Unit Owners signed such approval and upon the filing of such approval and consent with the Secretary of the Association. Such approval and consent so filed shall have the same effect as a unanimous vote of the Unit Owners at a special meeting called for the purpose of considering the action authorized, except in those specific matters for which a vote greater than a majority vote is required by the North Carolina Condominium Act.

Section 15. Availability of Project Documents. The Association shall assure that current copies of the Declaration, Articles of Incorporation, Bylaws, and other rules concerning the project as well as its own books, records and financial statements are readily available for inspection by Unit Owners or by holders, insurers, and guarantors of first mortgages that are secured by units in the project. These documents will be available during normal business hours.

Section 16. Availability of Audited Financial Statements. Once the Association has been established for a minimum of one full fiscal year, the Association shall provide for the availability of an audited statement for the preceding fiscal year to the holder, insurer, or guarantor of any first mortgage that is secured by a unit in the project on submission of a written request for it.

Section 17. Termination of Legal Status. Following substantial destruction or condemnation of the property, any action by the Association to terminate the legal status of the project shall be agreed to by Unit Owners who represent at least eighty percent (80%) of the total allocated votes in the Association and by eligible mortgage holders who represent at least fifty-one (51%) of the votes of unit estates that are subject to mortgages held by eligible holders.

Any action by the Association to terminate the legal status of the project for reasons other than substantial destruction or condemnation of the property shall be agreed to by Unit Owners who represent at least eighty percent (80%) of the total allocated votes in the Association and by eligible mortgage holders who represent at least sixty-seven percent (67%) of the votes of unit estates that are subject to mortgages held by eligible holders.

Implied approval by an eligible mortgage holder shall be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified mail or registered mail with a "return receipt" requested.

Section 18. Rights of Action. The Association, and any aggrieved Unit Owner, shall have the right of action against the Unit Owners who fail to comply with the provisions of the project Declaration, Bylaws, Articles of Incorporation and other rules properly enacted by the Association. Unit estate owners shall also be granted similar rights of action against the Association.

Section 19. Rights of Condominium Mortgage Holders, Insurers or Guarantors. Upon receipt of written request by a holder, insurer or guarantor of a mortgage on any unit in the project, the Association shall furnish timely written notice regarding the following:

(a) a condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;

(b) any 60-day delinquency in the payment of assessments or charges owed by Unit Owner of any unit on which it holds the mortgage;

(c) a lapse, cancellation or material modification of any insurance policy maintained by the Association;
and

(d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

Any interested mortgage holder, insurer or guarantor shall send a written request to the Association of the unit on which it has (or insures or guarantees) the mortgage.

ARTICLE III Board of Directors

Section 1. General Powers. The property, affairs and business of the Association shall be managed by the Board of Directors.

Section 2. Number, Term of Office and Qualifications. The number of directors shall be three (3), to be elected by the Unit Owners at their initial meeting. Each director shall hold office for a one-year term or until his death, resignation, retirement, removal or disqualification or until his successor is elected and qualifies. No director shall serve for more than three consecutive terms.

Section 3. Election of Directors. Consistent with the provisions of Section 2 of this Article, the directors shall be elected at the annual meeting of the Unit Owners and the persons who shall receive the highest number of votes shall be elected directors.

Section 4. Removal of Directors. Subject to the provision of Section 2 of this Article, the Board of Directors or any individual director may be removed from office with or without cause by a vote of sixty-seven percent (67%) of the Unit Owners at a meeting in which a quorum is present. If any such directors are so removed, new directors may be elected at the same meeting.

Section 5. Vacancies. A vacancy in the Board of Directors created by reason of the removal of a director may be filled for the unexpired term, and until the Unit Owners shall have elected a successor, by affirmative vote of a majority of the directors remaining in office.

Section 6. Compensation for Directors. Directors shall not receive compensation for their service as directors. A director may serve the Association in a capacity other than that of a director and receive compensation as determined by the Board of Directors for services rendered in that other capacity.

Section 7. Powers and Duties. The Board of Directors shall have the powers and duties necessary for all the administration of the affairs of the Condominium and may do all such acts and things except such acts as by law of the Declaration or by these Bylaws may not be delegated to the Board of Directors, but not be limited to the following:

(a) Operation, care, upkeep, and maintenance of the common areas and facilities.

(b) Determination of the common expenses required for the affairs of the condominium, including without limitation, the operation and maintenance of the property.

(c) Levying and collection of the common charges from Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities;

(e) The adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the property, and for the health, comfort, safety and general welfare of the owners and occupants of the property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire property shall at all times be maintained subject to such rules and regulations.

(f) Opening bank accounts on behalf of the Association and designated signatories required, therefore.

(g) Making repairs, additions, improvements or alterations to the property and repairs to and restoration of the property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(h) Procure insurance as required by the Declaration.

(i) Pay ad valorem taxes and public assessments levied against the common areas and facilities.

Section 8. Managing Agent. The Board of Directors for the Association may engage the services of any person, firm, or corporation to act as managing agent at compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers in Section 7 (d) and Section 7 (e) of this Article.

ARTICLE IV Meeting of Directors

Section 1. Regular Meetings. A regular meeting of the Board of Directors may be held immediately after the annual meeting of Unit Owners and if not then shall be held within a reasonable time thereafter.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 3. Place of Meetings. All meetings of the Board of Directors shall be held at any place within the State of North Carolina as the Board of Directors may from time to time establish for regular meetings or as set forth in a duly executed waiver of notice of such meeting or as may be otherwise agreed upon in advance of the meeting by the majority of the directors.

Section 4. Notice of Meetings Regular meetings of the Board of Directors may be held without notice. Special meetings shall be called on not less than five (5) days prior notice. Notice of a special meeting need not state the purpose thereof and such notice shall be directed to each director at his residence or usual place of business by mail, cable, telegram, facsimile or may be delivered personally. The presence of a director at a meeting shall constitute a waiver of notice of that meeting except when such director attends the meeting solely for the purpose of objecting to the transaction of any business thereat, on the grounds that the meeting has not been lawfully called, and does not otherwise participate in such meeting.

Section 5. Quorum and Manner of Acting. A quorum shall be deemed present through any meeting of the Board of Directors if persons entitled to cast one-half (1/2) of the votes in that body are present at the beginning of the meeting.

Section 6. Vote Required for Action. Except as otherwise provided in this section, the act of a majority of the directors present at the meeting at which a quorum is present at the time shall be the act of the Board of Directors. Vacancies in the Board of Directors may be filled as required in Article II, Section 6 of these Bylaws.

Section 7. Action by Directors Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a unanimous written consent thereto shall be signed by all the directors and such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 8. Adjournments. A meeting of the Board of Directors without a quorum present may be adjourned by the majority of the directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement of the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

Section 9. Minutes. The Board shall keep written minutes of its proceedings.

Section 10. Liability. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent they are Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Association shall incorporate by reference all of the terms and provisions of the said Declaration and these Bylaws. Each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all Unit Owners in the common areas and facilities.

ARTICLE V Officers

Section 1. Number of Officers. The Association's officers shall be the President, Vice President, Secretary and Treasurer, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Any two (2) offices or more may be held by one (1) person, except the offices of President and Secretary, but no officer shall sign or execute any documents in more than one (1) capacity.

Section 2. Election, Term of Office and Qualifications. Each officer shall be chosen by the Board of Directors and shall hold office at the will of the Board of Directors until their successors have been elected and have been qualified or until their early death, resignation, removal, retirement or disqualification. The officers need not be Unit Owners.

Section 3. Removal. Any officer may be removed, either with or without cause, by vote of a majority of the whole Board of Directors at any meeting with respect to which notice of such purpose has been given to the members thereof.

Section 4. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Association's President or Secretary. Any such resignation shall take effect upon its being accepted by the Board of Directors.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal or disqualification, or any other cause shall be filled on the unexpired portion of the term in the manner prescribed by these Bylaws for regular appointments or elections to each office.

Section 6. President. The President shall be the chief executive officer and subject to the instructions of the Board of Directors, shall have general charge of the Association's business, affairs and property and control over its other officers, agents and employees. He shall preside at all meeting of the Unit Owners and of the Board of Directors at which he may be present. The President shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Vice President. At the request of the President, or in his absence or disability, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all restrictions upon the President. The Vice President shall perform such other duties and have such other authority as from time to time may be assigned to him by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of Unit Owners and the Board of Directors, and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the provisions of North Carolina General Statutes Chapter 47C. He shall be custodian of the Association's records, books, reports, statements, certificates and other documents and of the Association's seal, and see that the seal is affixed to all documents requiring such seal. He shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. In general, he shall perform all duties and possess all authority incident to the office of Secretary, and he shall perform such duties and have such other authority as from time to time may be assigned to him by the Board of Directors.

Section 9. Assistant Secretary. The Assistant Secretary, if such an officer is appointed by the Board of Directors, shall be authorized to attest to all documents of behalf of the Association and affix the Association's seal thereto. His duties shall be ministerial only and limited to executing all documents in proper corporate form as from time to time may be necessary.

Section 10. Treasurer. The Treasurer shall have supervision over the Association's funds, receipts and disbursements of the Association. He shall keep full and accurate accounts of the Association's finances in accordance with the generally accepted accounting principles and in accordance with the provisions of North Carolina General Statutes Chapter 47C. The Treasurer shall make reports of same to the Board of Directors upon request. The Treasurer shall perform all duties that may be assigned to him from time to time by the Board of Directors. The reports and records of the Association shall be available for inspection of Unit Owners at convenient hours of working days. The Treasurer shall require that an outside audit be conducted at least one a year on the books and records of the Association.

Section 11. Duties of Officers May Be Delegated. In case of the absence of any officer of the Association or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any director at the time being provided a majority of the entire Board of Directors concurs therein.

Section 12. Salaries of Officers. The compensation of all officers of the Association shall be fixed by the Board of Directors, providing however, that no officers appointed by the Declarant shall receive any compensation from the Association.

ARTICLE VI
Fiscal Management

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association and determine the amount of the common charges payable by the Unit Owners to meet common expenses of the condominium and allocate and assess such common charges among the Unit Owners according to their respective common interests. A common expense shall include among other things, the cost of all insurance premiums and all policies of insurance required to be, or which have been obtained by the Board of Directors, ad valorem taxes, sewer charges, and assessments for public improvement. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the property, for the condominium, and for the general operating reserve, for reserve fund replacements, and to make up any deficit in the common expenses for any prior year. Any increase in the monthly common charge that exceeds ten percent (10%) per annum will require the consent of a majority of all Unit Owners.

The Board of Directors shall advise all Unit Owners promptly in writing of the amount of common charges payable by each of them respectively as determined by the Board of Directors and shall furnish copies of each budget on which such common charges are based, to all Unit Owners.

Section 2. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the purpose of Section 1 of Article VI at such time or times as the Board shall determine.

Section 3. Collection of Assessments. The Board of Directors shall assess the common charges against the Unit Owners from time to time and shall take prompt action to collect any common charge due for any Unit Owner which remains unpaid for more than thirty (30) days from the date due.

Section 4. Default in Payment of Common Charges. In the event of default by an Unit Owner in paying to the Board of Directors the common charges as determined by the Board, each Unit Owner shall be obligated to pay interest from the date due thereof together with all expenses, including attorney's fees incurred by the Board in any proceeding to collect such unpaid common charges.

In any action brought by the Board to foreclose on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of such unit and the Plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The Board acting on the behalf of all Unit Owners, or on behalf of one or more individual owners, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with same, subject to applicable restrictions of record.

Section 5. Maintenance and Repair. All maintenance and repair to any unit, structural or non-structural, ordinary or extraordinary, and maintenance of and repairs and replacements to the common areas and facilities contained therein shall be made by the Board and charged to all Unit Owners as a common expense.

Section 6. Utility Expense. The Board shall own and be responsible for the repair, maintenance, and upkeep of all equipment which serves the common areas. Unit Owners shall be individually responsible for the repair, maintenance and upkeep of all equipment such as water heaters and heating and air conditioning equipment which exclusively serves their unit.

Section 7. Additions and Alterations. No Unit Owner shall make any structural addition, alteration or improvement in or to his unit without the prior written consent by the Board. The Board shall have the obligation to answer any written request by a Unit Owner for consideration of a proposed structural addition, alteration or

improvement brought by a Unit Owner. Failure to do so within forty-five (45) days from the day on which the written request shall first have been made to the Board shall constitute a consent by the Board to the proposed addition, alteration or improvement.

Section 8. Use of the Units and Common Areas. The use of the property of the condominium shall be in accordance with the following provisions:

The buildings and each of the units (eighteen [18] total) shall be used for the following purposes only:

(a) All eighteen (18) shall be used only for residential purposes.

(b) All eight (8) Garage Units shall be used as garages and/or storage.

The use of the building and units are further restricted by these Bylaws of the Association. No unit may be subdivided into smaller unit or any portions thereof, sold or otherwise transferred without first amending these Bylaws to show the changes in the units to be affected thereby.

No Garage Unit can be sold, transferred, purchased, leased or owned by anyone who does not own a unit.

No more than two (2) persons over the age of eighteen (18) unrelated by blood or marriage shall reside in any single residential condominium unit for more than thirty (30) days in any one consecutive year.

The common areas and facilities shall be used only for the purposes for which they are intended and the furnishing of services for the enjoyment of the units.

No noxious or offensive activity shall be conducted upon any unit nor shall anything be done thereon which may be or may become an annoyance or nuisance or shall interfere with the peaceful possession and quiet enjoyment of property by Unit Owners.

No animals, livestock or poultry of any kind shall be kept or maintained in any unit or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes. All household pets shall be kept on a leash at all times when outside units.

No outside radio or television antennas, including satellite dishes or receivers, shall be erected on any unit unless and until permission for the same has been granted by the Association.

No signs shall be permitted on or about the residential condominium units. Any signs on or about the commercial units shall conform to all laws and regulations of the City of Winston-Salem.

All window coverings (i.e., curtains, blinds, draperies, shades, etc.) shall be installed and maintained in accordance with the provisions of the Association.

Unit Owners shall not park or store any motorcycle, camper, trailer, trailer vehicle, or similar vehicle anywhere on the premises. No trucks shall be permitted except for standard two (2) ton or less pick up trucks or smaller sized trucks.

Any lease or rental agreement involving the units shall be in writing and shall be subject to the requirements of the Association documents and Association rules and regulations governing same. Any lease or rental agreement shall particularly incorporate all restriction and requirements set forth in this Section 8.

Section 9. Right of Access. All Unit Owners shall grant a right of access to his unit to the Board or their designee for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or common area or facility, or for the purpose of performing installations, alterations, replacement, or repairs to common areas and facilities in the unit or elsewhere in the building. Such inspections shall be made at reasonable times. In case of emergencies such right of entry shall be immediate whether the Unit Owner is present at the time for not.

Section 10. Rules of Conduct. Rules and regulations concerning the use of the units and the common areas and facilities may be promulgated by and amended by the Board with approval of eighty percent (80%) of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner on request.

Section 11. Annual Audit. Within one hundred twenty (120) days or less following the end of each fiscal year, the Association shall provide an annual audit prepared by an independent accountant available for inspection by Unit Owners or others as provided by Article II, Section 16 of these Bylaws.

Section 12. Working Capital Fund. The Association shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. The working capital fund shall be funded initially by the payment by each Unit Owner of an initial payment to the Association of two months estimated monthly assessment for each unit. Any amounts paid into the funds shall not be considered advance payments of regular assessments.

ARTICLE VII Amendment of Bylaws

Section 1. These Bylaws may be amended by a vote of an affirmative vote of at least two-thirds (2/3) of the Unit Owners cast in person or by proxy at a meeting held in accordance with the provisions of the Bylaws. No such amendment shall be effective until set forth in an amended Declaration and duly recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. Upon recording, all the Unit Owners and their successors and assigns, shall be bound by said amendments.

Section 2. Amendments of a Material Nature to Bylaws. Amendments of a material nature shall be agreed to by Unit Owners who represent at least eighty percent (80%) of the total allocated votes of units in the Association and by eligible mortgage holders who represent at least fifty-one percent (51%) of the votes of unit estates that are subject to mortgages held by eligible holders. Unit Owner votes may be cast in person or by proxy at a meeting held in accordance with provisions of the Bylaws. No such amendments shall be effective until set forth in an amended Declaration and duly recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. Upon recording, all Unit Owners and their successors and assigns, shall be bound by said amendments.

A material change shall be considered as one which changes any of the following:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessments liens, or the priority of assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of common elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the general or limited common elements or vice versa;

(f) expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;

(g) hazard or fidelity insurance requirements;

(h) imposition of any restrictions on the leasing of units;

(i) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her unit;

(j) a decision by the Association to establish self-management if professional management had been required previously by the Association documents or by an eligible mortgage holder;

(k) restoration or repair of the project (after damage or partial destruction) in a manner other than that specified in the documents; or

(l) any provisions that expressly benefit mortgage holders, insurers or guarantors.

Implied approval by an eligible mortgage holder shall be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified mail or registered mail with a "return receipt" requested.

ARTICLE VIII Compliance

Section 1. These Bylaws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47C of the General Statutes of the State of North Carolina. In the event that any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing was adopted as the Bylaws of The Mill at Tar Branch Condominiums at the first meeting of the Board of Directors of The Mill at Tar Branch Condominium Owners Association, Inc.

ORIGINAL SIGNATURE ON FILE
Secretary - Katherine Rhew

APPROVED:

ORIGINAL SIGNATURE ON FILE
President - Norman L. Dancy, Jr.

**FIRST AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM
EXISTING DEVELOPMENT RIGHTS TO CREATE ADDITIONAL UNITS**

TAR BRANCH INVESTORS, LLC, a North Carolina General Limited Liability Company (the "Declarant") under Declaration of Condominium dated September 19, 2000 and recorded in Book 2134, at Pages 3497 through 3560, in the Office of the Register of Deeds of Forsyth County, North Carolina (the "Declaration"), pursuant to Section 47C-2-105 (a) (8) of the North Carolina Condominium Act and pursuant to Reservation of Development Rights reserved in Article 6 of the Declaration, does hereby amend the Declaration and does hereby declare:

ARTICLE I

The Declarant, being the owner in fee simple of the property described in the attached Exhibit "A" and incorporated herein by reference (herein "Phase II"), hereby submits such Phase II to condominium ownership pursuant to (i) Chapter 47A of the North Carolina General Statutes, and (ii) the Declaration; and to that end Declarant does hereby publish and declare that all of said Phase II (being a portion of the property described in Exhibit "A" of the Declaration) is and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved, subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth in the Declaration, all of which shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in Phase II, together with improvements located thereon, and their grantees, successors, heirs, personal representative and assigns.

In accordance with the provisions of the Declaration, the Declarant does hereby expand the Condominium and incidental thereto, makes the following amendments to the Declaration:

Filed simultaneously with the first expansion and expressly made a part hereof in Condominium and Unit Ownership Book 5, Pages 171 and 172 is a survey of the land and graphic descriptions and plans of the improvement constituting Phase II of the condominium, identifying the condominium units, common areas and facilities, and limited common areas, as said terms are hereafter defined, and their respective designation, locations, approximate areas, number of rooms, and the immediate common area to which each unit has access and any other data necessary for the proper identification of each condominium unit within Phase II. In addition to the data reflected on such unit ownership file, the layout of each unit and the dimensions thereof are shown on the drawings prepared by Gizinsky Surveying Company, which drawings, together with a copy of said survey, are annexed hereto and expressly made a part hereof. Each condominium unit with Phase II is identified by specific numerical designation as any other condominium unit with Phase I.

ARTICLE II

Exhibit "B" attached to the Declaration is hereby deleted in its entirety and inserted in its place instead, to the same extent as if set forth in the original Declaration, is a new Exhibit "B" attached hereto and made a part hereof.

ARTICLE III

The Declarant has constructed in Phase II of the Condominium six (6) garages located in two separate buildings. These garages are more particularly described herein and in Condominium Book 5, Pages 171 and 172, Forsyth County Registry. The upkeep, maintenance and cost of insurance will be a common expense.

These Garage Units will not be leased, used or owned by anyone other than a Unit Owner. This does not prohibit the Owner of a Garage Unit from selling his Garage Unit to another Unit Owner.

ARTICLE IV

4.1 Units 311, 312, 321, 322, 323, 324, 326, 327 and 328 are restricted to residential use as a single-family residence. A single-family residency is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area.

4.2 Units 155, 313, 314, 318 and 325 may be used for commercial purposes including, but not limited to, offices and retail uses. These five units will be known as "Commercial Units". Each owner of these units may elect to use these as residential as well as commercial.

IN WITNESS WHEREOF, the Declarant has caused this First Expansion and Amendment to Declaration to be executed by its duly authorized member or manager this 2nd day of April , 2002

TAR BRANCH INVESTORS, LLC
A North Carolina Limited Liability Company

BY:

ORIGINAL SIGNATURE ON FILE

Norman L. Dancy, Jr.

ORIGINAL SIGNATURE ON FILE

Beau Dancy, Managing Member

NORTH CAROLINA
FORSYTH COUNTY

I, Sue H. Nelson, Notary Public of Forsyth County, North Carolina, do hereby certify that Norman L. Dancy, Jr., Managing Member of Tar Branch Investors, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 2nd day of April, 2002.

ORIGINAL SIGNATURE AND SEAL ON FILE

EXHIBIT "A"
PHASE II

BEGINNING at a PK nail at the Southwestern intersection of Marshall Street and Wachovia Street; thence running with the Western right of way line of Marshall Street South 7 deg. 43 min 20 sec East 334.42 feet to PK nail in the Western right of way line of Marshall Street, said point being the Northeast corner of Lot 102 Map of Tanner's Park; thence running with the Northern margin of Lot 102, South 82 deg. 30 min. 10 sec. West 94.06 feet to a point; thence running North 7 deg. 41 min 20 sec. West 166.08 feet to a point; thence running South 82 deg. 23 min. 10 sec. West 51.92 feet to a point; thence running North 7 deg. 37 min. 50 sec. West 126.50 feet to a point in the Southern right of way line of Wachovia Street; thence running with said right of line North 66 deg 27 min East 151.43 feet to the POINT AND PLACE OF BEGINNING, CONTAINING .855 ACRES, more or less, and being the same property shown on a map entitled "Phase II, The Mill at Tar Branch Condominiums" dated March, 2002, prepared by Gizinsky Surveying Company.

EXHIBIT "B"

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
110	3.125%	3.125%	1
111	3.125%	3.125%	1
112	3.125%	3.125%	1
114	3.125%	3.125%	1
115	3.125%	3.125%	1
210	3.125%	3.125%	1
211	3.125%	3.125%	1
212	3.125%	3.125%	1
213	3.125%	3.125%	1
214	3.125%	3.125%	1
215	3.125%	3.125%	1
217	3.125%	3.125%	1
218	3.125%	3.125%	1
219	3.125%	3.125%	1
220	3.125%	3.125%	1
222	3.125%	3.125%	1
223	3.125%	3.125%	1
Designation of Unit Number - Phase II	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
155	3.125%	3.125%	1
311	3.125%	3.125%	1
312	3.125%	3.125%	1
313	3.125%	3.125%	1
314	3.125%	3.125%	1
318	3.125%	3.125%	1
321	3.125%	3.125%	1
322	3.125%	3.125%	1
323	3.125%	3.125%	1
324	3.125%	3.125%	1
325	3.125%	3.125%	1
326	3.125%	3.125%	1
327	3.125%	3.125%	1
328	3.125%	3.125%	1

EXHIBIT “B” (continued)**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Garage Units - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
Building G-1, Unit A	None	None	None
Building G-1, Unit B	None	None	None
Building G-2, Unit C	None	None	None
Building G-2, Unit D	None	None	None
Building G-2, Unit E	None	None	None
Building G-2, Unit F	None	None	None
Building G-3, Unit G	None	None	None
Building G-3, Unit H	None	None	None
Designation of Garage Units - Phase II	Percentage of Common Elements	Percentage of Common Expenses	Vote in Affairs of Condominium
Building G-4, Unit J	None	None	None
Building G-4, Unit K	None	None	None
Building G-4, Unit L	None	None	None
Building G-5, Unit M	None	None	None
Building G-5, Unit N	None	None	None
Building G-5, Unit O	None	None	None

**SECOND AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

TAR BRANCH INVESTORS, LLC, a North Carolina General Limited Liability Company (the "Declarant") and Ronald Bruce Beasley and wife, Lynn Joann Beasley ("the Beasleys"), under Declaration of Condominium dated September 19, 2000 and recorded in Book 2134, at Pages 3497 through 3560 and amended in Book 2244 at Pages 1145 through 1151 in the Office of the Register of Deeds in Forsyth County, North Carolina (the "Declaration"), pursuant to Article XIII of the Declaration, and pursuant to a Reservation of Development Rights reserved in Article VI and XIII of the Declaration, do hereby amend the Declaration and do hereby declare:

1. The Declarant and the Beasleys are the owners of all of the condominium units in Phase II of The Mill at Tar Branch Condominiums as recorded in Unit Ownership Book 5, Pages 171 and 172 in the Office of Register of Deeds of Forsyth County, North Carolina.

2. Article IV of the Amendment to the Declaration of the Condominium recorded in Book 2244, Pages 1145 through 1151, is hereby deleted in its entirety and replaced with the following Article:

ARTICLE IV

Section 4.1. Units 311, 312, 321, 322, 323, 325, 326, 327, and 328 are restricted to residential use as a single-family residence. A single-family residence is defined as a single housekeeping unit, operating in a nonprofit, non-commercial basis between its occupants, cooking and eating in a common kitchen and dining area.

Section 4.2 Units 155, 313, 314, and 318 may be used for commercial purposes including but not limited to, offices and retail uses. These five units will be known as "Commercial Units". Each owner of these units may elect to use these as residential as well as commercial.

Section 4.3 The Declarant has entered into a contract to convey Unit 324 to Douglas E. Schaller. Unit 324 is restricted to residential use as a single-family residence, provided, however, Douglas E. Schaller may use this unit for the sale of antique books or similar businesses.

3. Except as amended herein, the terms and condition of the original Declaration of Condominium and the First Amendment of the Declaration of Condominium remain in full force and effect.

IN WITNESS WHEREOF the Declarant has caused this Second Amendment to the Declaration to be executed by its duly authorized member or manager and the Beasleys have set their hands and seals this the 13th day of May, 2002.

Tar Branch Investors, LLC
A North Carolina Limited Liability Company

By:
ORIGINAL SIGNATURE ON FILE
Norman L. Dancy, Jr.

The Beasleys:
ORIGINAL SIGNATURE ON FILE
Ronald Bruce Beasley

ORIGINAL SIGNATURE ON FILE
Lynn Joann Beasley

NORTH CAROLINA
FORSYTH COUNTY

I, Mary D. Ervin, Notary Public of Forsyth County, North Carolina, do hereby certify that Norman L. Dancy, Jr., Managing Member of Tar Branch Investors, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 13th day of May, 2002.

ORIGINAL SIGNATURE AND SEAL ON FILE

NORTH CAROLINA
FORSYTH COUNTY

I, Mary D. Ervin, Notary Public of Forsyth County, North Carolina, do hereby certify that Ronald Bruce Beasley and wife, Lynn Joann Beasley, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 13th day of May, 2002.

ORIGINAL SIGNATURE AND SEAL ON FILE

THIRD AMENDMENT TO DECLARATION OF THE MILL AT TAR BRANCH CONDOMINIUM

TAR BRANCH INVESTORS, LLC, a North Carolina General Limited Liability Company (the "Declarant") under Declaration of Condominium dated September 19, 2000 and recorded in Book 2134, at Pages 3497 through 3560, in the Office of the Register of Deeds of Forsyth County, North Carolina (the "Declaration"), said Declaration was amended pursuant to Section 47C-2-105 (a) (8) and pursuant to Reservation of Development Rights reserved in Article VI of the Declaration, said First Amendment being recorded in Book 2244, Pages 1145 through 1151 inclusive and the Second Amendment recorded in Book 2252, Pages 2692 through 2694, inclusive and pursuant to the authority set above, does hereby amend the Declaration and does hereby declare:

ARTICLE I

1. The plat map of Phase I of The Mill at Tar Branch recorded in Condominium Book 5, Page 102, shows 18 condominium units including Units 216 and 217. The Declaration set out the percentage share of common elements owned by each unit in Phase I as 5.555 percentage of the common area. Prior to the conveyance by the Declarant of Units 216 and 217, these two units were combined into one unit known as Unit 216. Unit 216 and 217 were mistakenly deeded to Nancy Gwaltney Dennis as two separate units when in fact there should have been a deed for the combined unit to be known as Unit 217.

The percentage of the common area owned by each of the 17 units should have been 5.882 rather than 5.555 percentage shown in the Declaration.

2. The First Amendment to the Declaration recorded in Book 2244, Pages 1145 through 1151 amended the Declaration including, but not limited to, the addition of an additional 14 condominium units and reduced the percentage of ownership of the common elements for all units in both Phase I and Phase II to 3.125%. This ownership interest was based on there being 32 units when in fact there were only 31 units.

Upon discovering the error, the Declarant had the map of Phase I of The Mill at Tar Branch Condominium amended to correctly designate Unit 217 which was formerly shown as 216 and 217 and said plat was recorded in Condominium Book 6, Pages 59 and 60 in the Forsyth County Registry.

ARTICLE II

Pursuant to the Reservation of Development Rights reserved in Article VI and XIII of the Declaration and the reservation made in each individual deed to the purchasers of condominium units, the Declaration hereby amends the Declaration and the First Amendment to the Declaration as follows:

Exhibit "B" attached to the First Amendment to the Declaration is hereby deleted in its entirety and inserted in its place instead, to the same extent as if set forth in the original Declaration and the First Amendment to the Declaration is a new Exhibit "B" attached hereto and made apart thereof.

IN WITNESS WHEREOF, the Declarant has caused this Third Amendment to Declaration to be executed by its duly authorized member of manager this the 22nd day of June 2004.

Tar Branch Investors, LLC
A North Carolina Limited Liability Company

By:
ORIGINAL SIGNATURE ON FILE
Norman L. Dancy, Jr.

NORTH CAROLINA
FORSYTH COUNTY

I, Sue H. Nelson, Notary Public of Forsyth County, North Carolina, do hereby certify that Norman L. Dancy, Jr., Managing Member of Tar Branch Investors, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 22nd day of June, 2002.

ORIGINAL SIGNATURE AND SEAL ON FILE

EXHIBIT "B"

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
110	3.2258%	3.2258%	1
111	3.2258%	3.2258%	1
112	3.2258%	3.2258%	1
114	3.2258%	3.2258%	1
115	3.2258%	3.2258%	1
210	3.2258%	3.2258%	1
211	3.2258%	3.2258%	1
212	3.2258%	3.2258%	1
213	3.2258%	3.2258%	1
214	3.2258%	3.2258%	1
215	3.2258%	3.2258%	1
216	3.2258%	3.2258%	1
217	3.2258%	3.2258%	1
218	3.2258%	3.2258%	1
219	3.2258%	3.2258%	1
220	3.2258%	3.2258%	1
222	3.2258%	3.2258%	1
223	3.2258%	3.2258%	1
Designation of Unit Number - Phase II	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
155	3.2258%	3.2258%	1
311	3.2258%	3.2258%	1
312	3.2258%	3.2258%	1
313	3.2258%	3.2258%	1
314	3.2258%	3.2258%	1
318	3.2258%	3.2258%	1
321	3.2258%	3.2258%	1
322	3.2258%	3.2258%	1
323	3.2258%	3.2258%	1
324	3.2258%	3.2258%	1
325	3.2258%	3.2258%	1
326	3.2258%	3.2258%	1
327	3.2258%	3.2258%	1
328	3.2258%	3.2258%	1

EXHIBIT “B” (continued)

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Garage Units - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
Building G-1, Unit A	None	None	None
Building G-1, Unit B	None	None	None
Building G-2, Unit C	None	None	None
Building G-2, Unit D	None	None	None
Building G-2, Unit E	None	None	None
Building G-2, Unit F	None	None	None
Building G-3, Unit G	None	None	None
Building G-3, Unit H	None	None	None
Designation of Garage Units - Phase II	Percentage of Common Elements	Percentage of Common Expenses	Vote in Affairs of Condominium
Building G-4, Unit J	None	None	None
Building G-4, Unit K	None	None	None
Building G-4, Unit L	None	None	None
Building G-5, Unit M	None	None	None
Building G-5, Unit N	None	None	None
Building G-5, Unit O	None	None	None

**FOURTH AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

TAR BRANCH INVESTORS, LLC, a North Carolina General Limited Liability Company (the "Declarant") under Declaration of Condominium dated September 19, 2000 and recorded in Book 2134, at Pages 3497 through 3560, in the Office of the Register of Deeds of Forsyth County, North Carolina (the "Declaration"), said Declaration was amended pursuant to Section 47C-2-105 (a) (8) and pursuant to Reservation of Development Rights reserved in Article VI of the Declaration, said First Amendment being recorded in Book 2244, Pages 1145 through 1151 inclusive and the Second Amendment recorded in Book 2252, Pages 2692 through 2694, inclusive, and the Third Amendment being recorded in Book 2481, Pages 4386 through 4388 inclusive, and pursuant to a resolution passed by the Board of Directors pertaining to this Fourth Amendment, and pursuant to the authority set out above, does hereby amend the Declaration and does hereby declare:

ARTICLE I

1. Unit 110 of The Mill at Tar Branch Condominium, Phase I, recorded in Condominium Book 5, Pages 102 and 103, formerly owned by Winnie L. Kennedy and Unit 111 of said development formerly owned by Larry D. Friedrich and Winnie L. Kennedy are now owned by the Declarant, Tar Branch Investors. Ms. Kennedy and Mr. Friedrich have requested that Tar Branch Investors revise the existing records of the condominium development by combining Units 110 and 111 into one unit to be known as Unit 110, thereby eliminating Unit 111. The Declarant has agreed to this amendment and has had the maps revised reflecting the combination of these two units into Unit 110. Said map being recorded in the Condominium Book 7, Pages 26 and 27, Forsyth County Registry.

ARTICLE II

Pursuant to the Reservation of Development Rights reserved in Article VI and XIII of the Declaration and the reservation made in each individual deed to the purchasers of condominium units, and pursuant to the resolution of The Mill at Tar Branch Condominium Owner's Board of Directors, the Declarant hereby amends the Declaration and prior amendments to the Declaration as follows:

Exhibit "B" attached to prior amendments to the Declaration are hereby deleted in their entirety and inserted in their place instead, to the same extent as if set forth in the original Declaration and the subsequent amendments to the Declaration is a new Exhibit "B" attached hereto and made apart hereof.

IN WITNESS WHEREOF, the Declarant has caused this Third Amendment to Declaration to be executed by its duly authorized member or manager this the 30th day of September, 2004.

Tar Branch Investors, LLC
A North Carolina Limited Liability Company

By:
ORIGINAL SIGNATURE ON FILE
Norman L. Dancy, Jr.

NORTH CAROLINA
FORSYTH COUNTY

I, Sue H. Nelson, Notary Public of Forsyth County, North Carolina, do hereby certify that Norman L. Dancy, Jr., Managing Member of Tar Branch Investors, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 30th day of September, 2004.

ORIGINAL SIGNATURE AND SEAL ON FILE

EXHIBIT "B"

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
110	3.3333%	3.3333%	1
112	3.3333%	3.3333%	1
114	3.3333%	3.3333%	1
115	3.3333%	3.3333%	1
210	3.3333%	3.3333%	1
211	3.3333%	3.3333%	1
212	3.3333%	3.3333%	1
213	3.3333%	3.3333%	1
214	3.3333%	3.3333%	1
215	3.3333%	3.3333%	1
216	3.3333%	3.3333%	1
217	3.3333%	3.3333%	1
218	3.3333%	3.3333%	1
219	3.3333%	3.3333%	1
220	3.3333%	3.3333%	1
222	3.3333%	3.3333%	1
223	3.3333%	3.3333%	1
Designation of Unit Number - Phase II	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
155	3.3333%	3.3333%	1
311	3.3333%	3.3333%	1
312	3.3333%	3.3333%	1
313	3.3333%	3.3333%	1
314	3.3333%	3.3333%	1
318	3.3333%	3.3333%	1
321	3.3333%	3.3333%	1
322	3.3333%	3.3333%	1
323	3.3333%	3.3333%	1
324	3.3333%	3.3333%	1
325	3.3333%	3.3333%	1
326	3.3333%	3.3333%	1
327	3.3333%	3.3333%	1
328	3.3333%	3.3333 %	1

EXHIBIT “B” (continued)**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Garage Units - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
Building G-1, Unit A	None	None	None
Building G-1, Unit B	None	None	None
Building G-2, Unit C	None	None	None
Building G-2, Unit D	None	None	None
Building G-2, Unit E	None	None	None
Building G-2, Unit F	None	None	None
Building G-3, Unit G	None	None	None
Building G-3, Unit H	None	None	None
Designation of Garage Units - Phase II	Percentage of Common Elements	Percentage of Common Expenses	Vote in Affairs of Condominium
Building G-4, Unit J	None	None	None
Building G-4, Unit K	None	None	None
Building G-4, Unit L	None	None	None
Building G-5, Unit M	None	None	None
Building G-5, Unit N	None	None	None
Building G-5, Unit O	None	None	None

**FIFTH AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

TAR BRANCH INVESTORS, LLC, a North Carolina General Limited Liability Company (the "Declarant") under Declaration of Condominium dated September 19, 2000 and recorded in Book 2134, at Pages 3497 through 3560, in the Office of the Register of Deeds in Forsyth County, North Carolina (the "Declaration"), said Declaration having been amended four (4) times and pursuant to Article XII of the Declaration, and pursuant to a Resolution passed by the Board of Directors of the Tar Branch Condominium Owners Association, Inc. The Declaration is hereby amended as follows:

ARTICLE I

1. Unit Nos. 313, 314, and 318 as shown on the Map of The Mill at Tar Branch Condominium, Phase II, recorded in Condominium Book 5, Pages 171 through 172, are all owned by Tar Branch Investors, LLC, the Declarant, and Tar Branch Investors, LLC has made certain changes and relocation of boundaries between adjoining Units and has had the Map revised reflecting the changes. Said Map being recorded in Condominium Book 7, Pages 26 and 27, Forsyth County Registry.

ARTICLE II

The changes provided for herein do not affect the existing percentage share of common elements nor the percentage share of common expense nor the vote entitled to each Unit.

IN WITNESS WHEREOF, Tar Branch Investors, LLC and The Mill at Tar Branch Condominium Owners Association, Inc. have caused this Fifth Amendment to Declaration to be executed by their duly authorized members or manager and/or corporate executive this the 23rd day of March, 2009.

TAR BRANCH INVESTORS, LLC
a North Carolina Limited Liability Company

BY:
ORIGINAL SIGNATURE ON FILE
Norman L. Dancy, Jr., Managing Member

THE MILL AT TAR BRANCH CONDOMINIUM
ASSOCIATION, INC.

BY:
ORIGINAL SIGNATURE ON FILE
Nola G. Miller, Vice President

NORTH CAROLINA
FORSYTH COUNTY

I, Heather C. Daniel, Notary Public of Davidson County, North Carolina, do hereby certify that Norman L. Dancy, Jr., Managing Member of Tar Branch Investors, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 23rd day of March, 2009.

ORIGINAL SIGNATURE AND SEAL ON FILE

NORTH CAROLINA
FORSYTH COUNTY

I, Sherise M. Medeiros, Notary Public of said County and State, certify that Nola G. Miller personally came before me this day and acknowledged that she is Vice President of The Mill at Tar Branch Condominium Owners Association, Inc., a North Carolina corporation, and that she as Vice President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and notarial seal, this the 23rd day of March, 2009.

ORIGINAL SIGNATURE AND SEAL ON FILE

NORTH CAROLINA
FORSYTH COUNTY

CORPORATE RESOLUTION

BE IT RESOLVED THAT a document entitled "Fifth Amendment to Declaration of The Mill at Tar Branch Condominium" and map entitled "Revision of Units 313, 314 and 318 of Phase II, The Mill at Tar Branch Condominium" have been submitted to the Executive Board and examined by the Board. All of these Units are owned by Tar Branch Investors, LLC and since the reallocation which these documents reflect does not change the percentage of ownership of the common elements nor the percentage share of common expenses nor the vote of any Unit, the Board has approved the "Fifth Amendment" and agrees to execute the Amendment indicating its approval of these documents.

THIS the 23rd day of March, 2009.

ORIGINAL SIGNATURE SEAL ON FILE

Nola G. Miller, Vice President

**SIXTH AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

The Mill at Tar Branch Condominium Owners Association, Inc., a North Carolina Limited Liability Company, being the Condominium Owners Association of The Mill at Tar Branch Condominium pursuant to the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry together with amendments thereto, does hereby amend such Declaration of Condominium as follows:

Section 4.6 of the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry is hereby amended by deleting the last sentence of the first paragraph; to wit "The upkeep, maintenance and cost of insurance will be a Common Expense."

Article III of the First Amendment to the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry is hereby amended by deleting the last sentence of the first paragraph; to wit "The upkeep, maintenance and cost of insurance will be a Common Expense."

Section 20.2 of the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry is hereby deleted in its entirety and the following is substituted in its place:

Section 20.2 Property Insurance

(a) Property to be covered

(i) The Condominium, including the Common Areas, Limited Common Areas, Units and Garage Units.

(ii) All personal property owned by the Association.

(b) Amount of coverage and deductible

(i) The total dollar value of insurance coverage on the Condominium shall be equal to the total market value of all Units and Garage Units as of the start date of the policy.

(ii) The total dollar value of coverage on personal property owned by the Association shall be the replacement cost of such property as of the start date of the policy.

(iii) The Board shall determine the reasonable values or replacement costs of the insured property as of the start date of the policy. The Board may use any commercially reasonable method to determine such value. The cost of valuation shall be a Common Expense of the Association. All unit Owners shall cooperate in any procedures undertaken to determine value.

(iv) The maximum deductible for all insurance policies shall be equal or less than the lesser of ten thousand dollars (\$10,000) or one percent (1%) of the face value of the policy.

(v) The Owners of all Units or Garage Units that suffer a loss in a particular event shall pay an equal share of the deductible up to a maximum of two hundred fifty dollars (\$250) per Unit or Garage Unit. The remainder of the deductible shall be paid as a Common Expense.

Done this 3rd day of May, 2013 as the lawful act of The Mill at Tar Branch Condominium Owners Association, Inc. in accordance with a resolution duly approved by vote of not less than sixty-seven percent (67%) of the Unit Owners and fifty-one (51%) of the Eligible Mortgagees as required by the Declaration.

The Mill at Tar Branch Condominium Owners Association, Inc.

ORIGINAL SIGNATURE ON FILE

Karie Seykora, Vice President

I, Sherise M. Medeiros, a Notary Public in and for Forsyth County, North Carolina, do hereby certify that Karie Seykora did appear before me this day and acknowledged that he/she is the Vice President of The Mill at Tar Branch Condominium Owners Association, Inc. and further acknowledged the due execution of the attached document on behalf of said entity.

WITNESS my hand and notarial seal, this the 3rd day of May, 2013.

ORIGINAL SIGNATURE AND SEAL ON FILE

**SEVENTH AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

The Mill at Tar Branch Condominium Owners Association, Inc., a North Carolina Limited Liability Company, being the Condominium Owners Association of The Mill at Tar Branch Condominium pursuant to the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry together with amendments thereto, does hereby amend such Declaration of Condominium as follows:

Article 7, Section 7.2, Paragraph b of the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry is hereby amended by deleting the paragraph in its entirety and replacing it with the following:

b. Liability for the Common Expenses. The Units shall contribute to the Common Expenses in accordance with the following tier structure:

Tier 1. The following Units shall each pay 2.9722% of the Common Expenses: 112, 115, 155, 210, 211, 212, 213, 214, 215, 218, 220, 222, 311, 312, 321, 322, 323, 326, and 327.

Tier 2. The following Units shall each pay 3.6707% of the Common Expenses: 110, 217, 219, 223, 313, 314, 324, 325, and 328.

Tier 3. The following Units shall each pay 5.2459% of the Common Expenses: 114 and 318.

Exhibit "B" to the 4th Amendment to the Declaration of The Mill at Tar Branch Condominium as recorded at Book 2510, Page 143 is hereby amended by deleting the Exhibit in its entirety and replacing it with Exhibit "B" as attached hereto.

Article VI, Section 1 of the Bylaws of The Mill at Tar Branch Condominium Owners Association, Inc. as recorded as Exhibit "E" of the Declaration of The Mill at Tar Branch Condominium as recorded in Book 2134, Page 3497 of the Forsyth County Registry is hereby amended by deleting the struck text and inserting the text in italics:

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association and determine the amount of the common charges payable by the Unit Owners to meet common expenses of the condominium and allocate and assess such common charges among the Unit Owners ~~according to their respective common interests as set out in the Declaration.~~ A common expense shall include among other things, the cost of all insurance premiums and all policies of insurance required to be, or which have been obtained by the Board of Directors, ad valorem taxes, sewer charges, and assessments for public improvement. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the property, for the condominium, and for the general operating reserve, for reserve fund replacements, and to make up any deficit in the common expenses for any prior year. Any increase in the monthly common charge that exceeds ten percent (10%) per annum will require the consent of a majority of all Unit Owners.

The Board of Directors shall advise all Unit Owners promptly in writing of the amount of common charges payable by each of them respectively as determined by the Board of Directors and shall furnish copies of each budget on which such common charges are based, to all Unit Owners.

DONE THIS 6th day of January, 2014 as the lawful act of The Mill at Tar Branch Condominium Owners Association, Inc. in accordance with a resolution unanimously approved by all Unit Owners and Eligible Mortgagees as required by the Declaration.

The Mill at Tar Branch Condominium Owners Association, Inc.

ORIGINAL SIGNATURE ON FILE

Karie Seykora, Vice President

I, Charlene B. Cole, a Notary Public in and for Forsyth County, North Carolina, do hereby certify that Karie Seykora did appear before me this day and acknowledged that he/she is the Vice President of The Mill at Tar Branch Condominium Owners Association, Inc. and further acknowledged the due execution of the attached document on behalf of said entity.

WITNESS my hand and notarial seal, this the 6th day of January, 2014.

ORIGINAL SIGNATURE AND SEAL ON FILE

EXHIBIT "B"

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
110	3.3333%	3.6707%	1
112	3.3333%	2.9722%	1
114	3.3333%	5.2459%	1
115	3.3333%	2.9722%	1
155	3.3333%	2.9722%	1
210	3.3333%	2.9722%	1
211	3.3333%	2.9722%	1
212	3.3333%	2.9722%	1
213	3.3333%	2.9722%	1
214	3.3333%	2.9722%	1
215	3.3333%	2.9722%	1
217	3.3333%	3.6707%	1
218	3.3333%	2.9722%	1
219	3.3333%	3.6707%	1
220	3.3333%	2.9722%	1
222	3.3333%	2.9722%	1
223	3.3333%	3.6707%	1

Designation of Garage Units - Phase I	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
Building G-1, Unit A	None	None	None
Building G-1, Unit B	None	None	None
Building G-2, Unit C	None	None	None
Building G-2, Unit D	None	None	None
Building G-2, Unit E	None	None	None
Building G-2, Unit F	None	None	None
Building G-3, Unit G	None	None	None
Building G-3, Unit H	None	None	None

EXHIBIT "B" continued

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF OWNERSHIP PERCENTAGE**

Designation of Unit Number - Phase II	Percentage Share of Common Elements	Percentage Share of Common Expenses	Vote in Affairs of Condominium
311	3.3333%	2.9722%	1
312	3.3333%	2.9722%	1
313	3.3333%	3.6707%	1
314	3.3333%	3.6707%	1
318	3.3333%	5.2459%	1
321	3.3333%	2.9722%	1
322	3.3333%	2.9722%	1
323	3.3333%	2.9722%	1
324	3.3333%	3.6707%	1
325	3.3333%	3.6707%	1
326	3.3333%	2.9722%	1
327	3.3333%	2.9722%	1
328	3.3333%	3.6707%	1

Designation of Garage Units - Phase II	Percentage of Common Elements	Percentage of Common Expenses	Vote in Affairs of Condominium
Building G-4, Unit J	None	None	None
Building G-4, Unit K	None	None	None
Building G-4, Unit L	None	None	None
Building G-5, Unit M	None	None	None
Building G-5, Unit N	None	None	None
Building G-5, Unit O	None	None	None

**EIGHTH AMENDMENT TO DECLARATION OF
THE MILL AT TAR BRANCH CONDOMINIUM**

THIS EIGHTH AMENDMENT TO THE DECLARATION OF THE MILL AT TAR BARANCH CONDOMINIUM is made this the 26th day of May, 2015, by The Mill at Tar Branch Owners Association, Inc. (the "Association").

WITNESSTH THAT

WHEREAS, Tar Branch Investors, LLC (the "Declarant") recorded the Declaration of The Mill at Tar Branch Condominium (the "Declaration") in Book 2134, Page 3497 with the Forsyth County Register of Deeds on September 20, 2000.

WHEREAS, the First Amendment to the Declaration of The Mill at Tar Branch Condominium Existing Development Rights to Create Additional Units was recorded on April 2, 2002 in Book 2244, Page 1145 of the Forsyth County Register of Deeds.

WHEREAS, the Second Amendment to the Declaration of The Mill at Tar Branch Condominium Existing Development Rights to Create Additional Units was recorded on May 13, 2002 in Book 2252, Page 2692 of the Forsyth County Register of Deeds.

WHEREAS, the Third Amendment to the Declaration of The Mill at Tar Branch Condominium was recorded on June 23, 2004 in Book 2481, Page 4386 of the Forsyth County Register of Deeds.

WHEREAS, the Fourth Amendment to the Declaration of The Mill at Tar Branch Condominium was recorded on October 4, 2004 in Book 2510, Page 143 of the Forsyth County Register of Deeds.

WHEREAS, the Fifth Amendment to the Declaration of The Mill at Tar Branch Condominium was recorded on March 24, 2009 in Book 2880, Page 2458 of the Forsyth County Register of Deeds.

WHEREAS, the Sixth Amendment to the Declaration of The Mill at Tar Branch Condominium was recorded on May 20, 2013 in Book 3214, Page 223 of the Forsyth County Register of Deeds.

WHEREAS, the Seventh Amendment to the Declaration of The Mill at Tar Branch Condominium was recorded on January 9, 2014 in Book 3162, Page 897 of the Forsyth County Register of Deeds.

WHEREAS, the Declarant recorded the Bylaws of The Mill at Tar Branch Condominium Homeowners Association, Inc. (the "Bylaws") as Exhibit "E" to the Declaration of The Mill at Tar Branch Condominium in Book 2134, starting at Page 3545 with the Forsyth County Register of Deeds.

WHEREAS, Article 13, Section 13.1 of the Declaration provides that the Declaration may be amended by a vote or agreement of Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

WHEREAS, Article 13, Section 13.4 of the Declaration provides that an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of a Unit, the Allocated Interests of a Unit, or the uses to which a Unit is restricted without the consent of one hundred percent (100%) of the Unit Owners.

WHEREAS, Article 14 of the Declaration provides that the Bylaws may be amended by a vote of two-thirds (2/3) of the members of the Executive Board at any meeting duly called for such purpose.

WHEREAS, the Officers of the Association executing this Amendment have certified that the requisite Owner approval has been obtained; said Certification can be found attached hereto as Exhibit "A".

NOW AND THEREFORE, the Declaration and Bylaws shall be amended as follows:

Article 7, Section 7.2 FORMULAS FOR THE ALLOCATION OF INTERESTS of the Declaration shall be deleted in its entirety and replaced with the following:

Each Unit's total undivided interest in the Common Elements shall be used for purposes of assessing liability for any Common Expenses and to allocate votes for any voting purpose. For those Unit Owners who do not own a Garage Unit, each Unit's subdivided interest in the Common Elements shall be calculated by adding column "C" and column "D" as indicated on Exhibit "B". For those Unit Owners that do own a Garage Unit, the undivided interest assigned to the Garage Unit indicated in column "F" on Exhibit "B" shall be added to the Unit Owner's total undivided interest from column "C" and column "D".

The following section shall be added to Article 25 MISCELLANEOUS of the Declaration:

Section 25.6. Subdivision of Garage Units. Pursuant to North Carolina General Statutes Chapter 47C-2-113, a Unit Owner may apply to the Board of Directors of the Association to subdivide a Garage Unit. The determination of whether subdividing a Garage Unit will be permitted shall be wholly and entirely within the discretion of the Board of Directors based on any criteria and any circumstances the Board chooses to use. Upon written application of a Unit Owner to the Board of Directors to subdivide a Garage Unit, and written consent to do so by the Board of Directors, the Association shall, at the expense of the Unit Owner, prepare, execute, and record an amendment to the Declaration, including the Plats and Plans, subdividing the Garage Unit. The amendment to the Declaration subdividing the Garage Unit shall also be executed by the Owner of the Garage Unit to be subdivided, assign an identifying number to each Garage Unit created, and reallocate the allocated interests formerly allocated to the subdivided Garage Unit to the new units in any reasonable manner.

The following sections of the Declaration shall be amended by deleting the stricken language and by adding the underlined language:

Article 16, Section 16.4. CONSENT REQUIRED

a. Changes in the Condominium Documents, notwithstanding any lower requirement permitted by the Declaration or the Condominium Act, no amendment of any material provision of the Condominium Documents by the Association or Unit Owners described in this Subsection 16.4a may be effective without the vote ~~of~~ by Unit Owners of Units to which at least sixty-seven percent (67%) of the ~~Unit Owners votes in the Association are allocated~~ (or any greater Unit Owner vote required in this Declaration or the Condominium Act) and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration).

Article 17, Section 17.4. BUDGET ADOPTION AND RATIFICATION

Unless at that meeting Unit Owners of Units to which eighty percent (80%) ~~of all Unit Owners of the votes in the Association are allocated~~ reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board.

Article 21, Section 21.1. DUTY TO RESTORE

c. Unit Owners of Units to which eighty percent (80%) of the votes in the Association are allocated ~~Unit Owners~~, including each owner of a Unit or assigned Limited Common Element that will be rebuilt, vote not to rebuild.

Article 21, Section 21.3. PLANS

The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, Unit Owners to which a majority of ~~Unit Owners~~ the votes in the Association are allocated, and fifty-one percent (51%) of Eligible Mortgagees.

Exhibit "B" to the Declaration shall be deleted in its entirety and replaced with:

EXHIBIT "B"

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF UNDIVIDED OWNERSHIP INTEREST IN THE COMMON ELEMENTS**

A	B	C	D
Unit No.	Square Feet	Operating Expense Percentage	Capital Expense Percentage
110	2052	2.222%	1.15%
112	1240	2.222%	0.69%
114	2496	2.222%	1.39%
115	1608	2.222%	0.90%
155	1964	2.222%	1.10%
210	1157	2.222%	0.65%
211	1116	2.222%	0.62%
212	1119	2.222%	0.62%
213	1142	2.222%	0.64%
214	1114	2.222%	0.62%
215	1162	2.222%	0.65%
217	2000	2.222%	1.12%
218	908	2.222%	0.51%
219	1985	2.222%	1.11%
220	1534	2.222%	0.86%
221	1445	2.222%	0.81%
223	2022	2.222%	1.13%
311	1960	2.222%	1.09%
312	1950	2.222%	1.09%
313	2302	2.222%	1.28%
314	2317	2.222%	1.29%
318	4574	2.222%	2.55%
321	2051	2.222%	1.14%
322	1913	2.222%	1.07%
323	2061	2.222%	1.15%
324	2813	2.222%	1.57%
325	2061	2.222%	1.15%
326	1602	2.222%	.089%
327	1909	2.222%	1.07%
328	3846	2.222%	2.15%

EXHIBIT "B" continued

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS ASSOCIATION, INC.
SCHEDULE OF UNDIVIDED OWNERSHIP INTEREST IN THE COMMON ELEMENTS**

E	F
Garage Unit No.	Capital Expense Percentage
Building G-1, Unit A	.075%
Building G-1, Unit B	.151%
Building G-2, Unit C	.075%
Building G-2, Unit D	.075%
Building G-2, Unit E	.075%
Building G-2, Unit F	.075%
Building G-3, Unit G	.075%
Building G-3, Unit H	.151%
Building G-4, Unit J	.075%
Building G-4, Unit K	.075%
Building G-4, Unit L	.075%
Building G-5, Unit M	.075%
Building G-5, Unit N	.075%
Building G-5, Unit O	.151%

The following sections of the Bylaws shall be amended by deleting the stricken language and by adding the underlined language.

Article II, Section 8. VOTING RIGHTS

There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "Voting Member". Such Voting Member may be the Unit Owner, or some other person designated by such a Unit Owner to act as proxy on his or their behalf and who need not be a Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board of the Unit Owner or Owners. ~~The total number of votes of all Voting Members shall be eighteen (18) and the Unit Owner of each Unit shall possess one vote. An owner of more than one Unit shall possess one vote for each Unit owned.~~ The percentage of votes allocated to each Unit Owner shall be as indicated on Exhibit "B" by adding together the operating expense percentage and the capital expense percentage for each Unit owned by a particular Unit Owner, including any Garage Unit expense percentage for a Garage Unit owned by that Owner.

Article II, Section 14. ACTION OF OWNERS WITHOUT A MEETING

Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if written approval and consent, setting forth the action authorized, shall be signed by Unit Owners of Units to which a majority of the Unit Owners the votes in the Association are allocated ~~entitled to vote~~ on the date on which the last Unit Owners signed such approval and upon the filing of such approval and consent with the Secretary of the Association. Such approval and consent so filed shall have the same effect as a unanimous vote of the Unit Owners at a special meeting called for the purpose of considering the action authorized, except in those specific matters for which a vote greater than a majority vote is required by the North Carolina Condominium Act.

Article III, Section 4. REMOVAL OF DIRECTORS

Subject to the provision of Section 2 of this Article, the Board of Directors or any individual director may be removed from office with or without cause by a vote of ~~sixty-seven percent (67%) of the Unit Owners~~ Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated at a meeting in which a quorum is present. If any such directors are so removed, new directors may be elected at the same meeting.

Article VI, Section 1. DETERMINATION OF COMMON EXPENSES AND FIXING OF COMMON CHARGES

The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association and determine the amount of the common charges payable by the Unit Owners to meet common expenses of the condominium and allocate and assess such common charges among the Unit Owners as set out in the Declaration. A common expense shall include among other things, the cost of all insurance premiums and all policies of insurance required to be, or which have been obtained by the Board of Directors, ad valorem taxes, sewer charges, and assessments for public improvement. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the property, for the condominium, and for the general operating reserve, for reserve fund replacements, and to make up any deficit in the common expenses for any prior year. Any increase in the monthly common charge that exceeds ten percent (10%) per annum will require the consent of Unit Owners to which a majority of all Unit Owners the votes in the Association are allocated.

The Board of Directors shall advise all Unit Owners promptly in writing of the amount of common charges payable by each of them respectively as determined by the Board of Directors and shall furnish copies of each budget on which such common charges are based, to all Unit Owners.

Article VI, Section 10. RULES OF CONDUCT

Rules and regulations concerning the use of the units and the common areas and facilities may be promulgated by and amended by the Board with approval of ~~eighty percent (80%) of the Unit Owners~~ Unit Owners of Units to which eighty percent (80%) of the votes in the Association are allocated. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner on request.

Article VII, Section 1. AMENDMENT OF BYLAWS

These Bylaws may be amended by ~~a vote of an affirmative vote of at least two-thirds (2/3) of the Unit Owners~~ an affirmative vote of Unit Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, cast in person or by proxy at a meeting held in accordance with the provisions of the Bylaws. No such amendment shall be effective until set forth in an amended Declaration and duly recorded in the Office of Register of Deeds of Forsyth County, North Carolina. Upon recording all the Unit Owners and their successors and assigns, shall be bound by said amendments.

Article VII, Section 2. AMENDMENTS OF A MATERIAL NATURE TO BYLAWS

Amendments of a material nature shall be agreed to by Unit Owners of Units to which at least eighty percent (80%) ~~who represent at least eighty percent (80%) of the total votes allocated votes of units in the Association are allocated~~ and by eligible mortgage holders who represent at least fifty-one percent (51%) of the votes of unit estates that are subject to mortgages held by eligible holders. Unit Owner votes may be cast in person or by proxy at a meeting held in accordance with provisions of the Bylaws. No such amendments shall be effective until set forth in an amended Declaration and duly recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. Upon recording, all Unit Owners and their successors and assigns, shall be bound by said amendments.

NOW THEREFORE, the changes to the Declaration and Bylaws contained within this 9th Amendment shall be effective as of June 1, 2015.

This the 26th day of May, 2015.

**THE MILL AT TAR BRANCH CONDOMINIUM OWNERS
ASSOCIATION, INC.**

BY:

ORIGINAL SIGNATURE ON FILE

Wesley B. Waters, President

ATTESTED:

ORIGINAL SIGNATURE ON FILE

Barbara Fehribach, Secretary

The Mill at Tar Branch Condominium Owners
Association, Inc.

I, Secretary of The Mill at Tar Branch Condominium Owners Association, certify that Wesley Waters personally came before me this day and acknowledged that he/she is the President of the Mill at Tar Branch Condominium Owners Association, Inc., a North Carolina Corporation, and the he/she, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my signature, this 26th day of May, 2015.

ORIGINAL SIGNATURE ON FILE

Barbara Fehribach, Secretary

NORTH CAROLINA
FORSYTH COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, do hereby certify that Barbara Fehribach did appear before me this day and acknowledged that he/she is the Secretary of The Mill at Tar Branch Condominium Owners Association, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by him/her as its Secretary.

WITNESS my hand and notarial seal, this the 26th day of May, 2015.

ORIGINAL SIGNATURE AND SEAL ON FILE

Donna M. Hendrix, Notary

NORTH CAROLINA
FORSYTH COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, do hereby certify that Wesley Waters did appear before me this day and acknowledged that he/she is the President of The Mill at Tar Branch Condominium Owners Association, Inc., and that he/she, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and notarial seal, this the 26th day of May, 2015.

ORIGINAL SIGNATURE AND SEAL ON FILE

Donna M. Hendrix, Notary

EXHIBIT "A"

CERTIFICATION

I hereby certify, pursuant to Article 13, Section 13.5 of the Declaration of The Mill at Tar Branch Condominium that the required Owner approval has been obtained and is evidenced by written acknowledgement(s) signed by the Owners approving the foregoing Amendment and that evidence is made a part of the minute book of the Association.

This the 26th day of May, 2015.

BY:

ORIGINAL SIGNATURE ON FILE

Wesley B. Waters, President

**RESOLUTION
THE MILL AT TAR BRANCH CONDOMINIUMS**

Rules and Regulations

The following resolution, as of February 4, 2012, has been adopted by The Mill at Tar Branch Condominiums Association, pursuant to the Declaration of Condominium, Bylaws and relevant North Carolina law, at a duly authorized meeting of the Board of Directors.

The Association resolves to open a Capital Reserve Account and deposit funds as budgeted.

ORIGINAL SIGNATURE ON FILE

Paige Greason, President

ORIGINAL SIGNATURE ON FILE

Witness

RESOLUTION
THE MILL AT TAR BRANCH CONDOMINIUMS

Assessment Collection Policy

The following resolution, as of September 16, 2012, has been adopted by The Mill at Tar Branch Condominium Association (hereafter the "Association") pursuant to the Declaration of Condominium Bylaws and relevant North Carolina law, at a duly authorized meeting of the Board of Directors.

Common Expense Collection Policy

1. Owners will be assessed condominium dues on a monthly basis.
2. Dues (assessment payments) are due on the first day of the first month and are considered late if not paid within thirty (30) days of the due date.
3. Owners who do not pay the full dues amount within thirty (30) days of the due date will be charged a twenty dollar (\$20) late fee*. Delinquent owners will receive a statement in the mail, showing their balance owed.
4. Owners who do not pay the full dues amount within forty-five (45) days of each due date will receive a courtesy phone call and an email from Meridian. (NOTE: Owners are still responsible for their dues payments even if Meridian is unable to get in touch with you.)
5. Owners who do not pay dues within sixty (60) days will receive a demand letter from the attorney, demanding full payment of dues, late fees, and any other fees associated with this account. Attorney's fees associated with the demand letter will be charged to the owner.
6. Owners who do not pay full dues owed within seventy-five (75) days of the due date will have a lien filed against them at their expense.
7. The Association may pursue foreclosure against any owner who has not paid the full dues amount, late fees, and legal fees within ninety (90) days of the due date.

*Late fees will apply for balances over \$50.

**RESOLUTION
THE MILL AT TAR BRANCH CONDOMINIUMS**

Resolution Concerning Garbage and Recycling

The following resolution, as adopted by The Mill at Tar Branch Condominiums, Inc. in January 2013 pursuant to the Declaration of Condominium, Bylaws and relevant North Carolina law, at a duly authorized meeting of the Board of Directors.

Trash and Recycling

1. Only residents and owners of condominiums and renters in The Mill at Tar Branch Condominiums may use the trash dumpster and recycling cans that are located in the dumpster enclosure.
2. No trash may be left outside the dumpster.
3. All recycling must be placed inside the blue recycling cans. The City not will be pick up anything that is not inside the can. Anything stacked up beside the cans or left outside will not be removed by the City.
4. All large cardboard boxes must be broken down and flattened before being placed inside the dumpster or recycling cans.
5. Renters in the commercial condominiums may use the dumpster and recycling for their business trash and recycling only. If the trash and recycling that the commercial renter generates becomes excessive, they will be required to take their trash and recycling off-site.
6. The dumpster and recycling cans are to be used only for trash and recycling that is generated on the property. At no time may any resident, renter or owner bring in trash from an off-site location and place it in the dumpster or recycling bins.
7. Fines will be levied for violations of the trash and recycling policy.

Owner Responsibilities for Overseeing Contractors and Agents

It is the responsibility of the Unit Owner to ensure their contractors and agents comply with all applicable rules and regulations during the project's duration.

- . All work must comply with applicable building codes.
- . Hours of work are 8:00am to 5:00pm, Monday through Friday, holidays excluded. Noise-generating activities are permitted only between the hours of 9:00am to 4:00pm.
- . To the extent reasonably practical, the Unit Owner will direct contractors to minimize any noise, vibrations, odors, particulates, and dust infiltration or other intrusion which would disturb building occupants.
- . Building security must be maintained at all times. No open door will be left unattended. The Unit Owner must direct workers not to admit anyone to the building unless that person is attached to the Unit Owner's project. If, in the judgment of the Board, building security is not being maintained, the Board may order the work stopped until security is assured.
- . All contractors and workers must comply with the provisions for parking, storage, and use of Common Areas contained in the Declaration and Bylaws.
- . All contractors must safeguard Common Elements from damage caused by alterations. This may include, but not be limited to, using drop cloths to protect hallway and foyer carpeting and/or tile as well as parking lot asphalt and sidewalks. The Unit Owner is liable for all costs associated with reversing damage caused by her/his contractors and agents during the course of the alterations. This may include, but not be limited to, replacing dented access doors; painting marred walls, trim, access doors, stairs; cleaning or replacing stained carpet or tile.
- . Contractors must responsibly dispose of their debris off-site. Debris may not be disposed in the community dumpster or recycling bins. No construction liquids are to be discharged on plantings in the community. Should workers not follow these rules, the COA will undertake the cleanup at the expense of the Unit Owner.