

BY-LAWS OF
ASH CIRCLE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

Name and Location. The name of the corporation is Ash Circle Homeowners' Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 3106 South Memorial Drive, Greenville, North Carolina 27834 but meetings of members and directors may be held at such places within the State of North Carolina, County of Pitt, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Ash Circle Homeowners' Association, Inc., its successors and assigns.

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

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

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

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

Section 6. "Declarant" shall mean and refer to Preferred Properties of Greenville, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

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

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

ARTICLE III

MEETING OF MEMBERS

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

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

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

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these

By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

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

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect directors for terms of three years to succeed those directors whose terms have expired.

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

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

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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

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

ARTICLE VI

MEETINGS OF DIRECTORS

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

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

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

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

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

- (1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
- (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

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

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

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

(g) cause the Common Area to be maintained.

(h) cause the exterior of the dwellings to be maintained.

OFFICERS AND THEIR DUTIES

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

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

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

President

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

Vice-President

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

Secretary

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

Treasurer

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

ARTICLE IX

COMMITTEES

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

ARTICLE X

BOOKS AND RECORDS

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

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Ash Circle Homeowners' Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, and such amendments may be done from time to time, as the members of the Association deem appropriate.

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

ARTICLE XIV

MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the directors of the Ash Circle Homeowners' Association, Inc., have hereunto set our hands this 9th day of June, 1983.

H. T. Chapin, Jr. (SEAL)
H. T. Chapin, Jr.

Helen S. Chapin (SEAL)
Helen S. Chapin

Tommie L. Little (SEAL)
Tommie L. Little

Marilee Little (SEAL)
Marilee Little

Vicky C. Benson (SEAL)
Vicky C. Benson


NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day H. T. Chapin, Jr.; Helen S. Chapin; Tommie L. Little; Marilee Little; and Vicky C. Benson, Directors of Ash Circle Homeowners' Association, Inc., of the foregoing instrument, and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this 9th day of June, 1983.

Peggy M. Woodruff
Notary Public



My commission expires:

Jan. 7, 1986

NORTH CAROLINA: PITT CO. *Peggy M. Woodruff* N.P. of *Pitt Co. NC*
The foregoing certificate of *Peggy M. Woodruff* is certified to be correct.
Filed for registration at 4:28 o'clock P M this 10 day of June, 1983.
BY *Annal S. Holder, Asst.* Register of Deeds

AMENDMENT TO BY-LAWS OF ASH CIRCLE HOMEOWNERS'
ASSOCIATION, INC.

Whereas, at a special meeting of the members of Ash Circle Homeowners' Association, Inc., held on August 29, 1983, it was determined that pursuant to the provisions of Article XIII of the By-Laws of Ash Circle Homeowners' Association as the same appear of record in Book W-51, page 750, of the Pitt County Public Registry, that said By-laws should be amended as is hereinafter set forth; and, whereas, the undersigned consists of a majority of the members of Ash Circle Homeowners' Association present and voting;

NOW, THEREFORE, the By-laws of Ash Circle Homeowners' Association, Inc. be, and the same are hereby amended, pursuant to the provisions of Article XIII of said By-laws recorded in Book W-51, page 750 of the Pitt County Public Registry as follows:

That the provisions of Article XIII of the By-laws of Ash Circle Homeowners' Association, Inc. as the same appear of record in Book W-51, page 750 of the Pitt County Public Registry shall be stricken and in lieu and in place thereof a new Article XIII shall be inserted as follows:

ARTICLE XIII

AMENDMENTS

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


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

That except as amended herein the By-Laws for Ash Circle Homeowners' Association, Inc. as appear of record in Book W-51, page 750 of the Pitt County Public Registry shall remain in full force and effect.

This the 29th day of August, 1983.


PREFERRED PROPERTIES OF
GREENVILLE, INC.

By: H. T. Chapin, Jr.
President


L. Little
Secretary

CHAPIN & ASSOCIATES, INC.

By: H. T. Chapin, Jr.
President

ATTEST:

Helen S. Chapin
Secretary

MEMBERS OF THE ASSOCIATION

H. T. Chapin, Jr. (SEAL)
H. T. CHAPIN, JR.

Helen S. Chapin (SEAL)
HELEN S. CHAPIN

L. Little (SEAL)
LOMMIE L. LITTLE

Marilee Little (SEAL)
MARILEE LITTLE

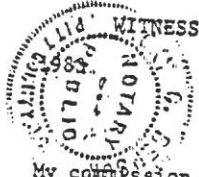
Vicky C. Benson (SEAL)
VICKY C. BENSON

BOARD OF DIRECTORS OF ASH CIRCLE
HOMEOWNERS' ASSOCIATION, INC.

NORTH CAROLINA

PIIT COUNTY

I, Vicky C. Benson, a Notary Public of the County of Pitt and State of North Carolina, certify that Donnie L. Little personally came before me this day and acknowledged that he is the Secretary of Preferred Properties of Greenville, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by as its Secretary.



WITNESS my hand and Notarial Seal this 1 day of September,

Vicky C. Benson
Notary Public

My commission expires: 12-7-86

NORTH CAROLINA

PIIT COUNTY

I, Vicky C. Benson, a Notary Public of the County and State aforesaid, certify that Helen S. Chapin personally came before me this day and acknowledged that she is the Secretary of Chapin & Associates, 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, sealed with its corporate seal and attested by her as its Secretary.



WITNESS my hand and Official Seal this 1 day of September,

Vicky C. Benson
Notary Public

My commission expires: 12-7-86

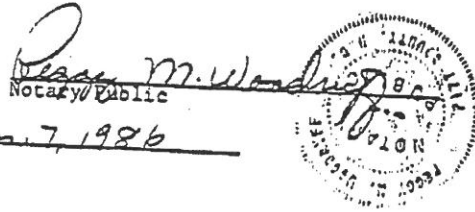
BOOK W 54 - 160

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day H. T. Chapin, Jr., Helen S. Chapin, Tommie L. Little, Marilee Little and Vicky C. Benson, Directors of Ash Circle Homeowners' Association, Inc., and parties of the foregoing instrument and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this 5th day of September, 1983.



My commission expires: Jan 7, 1986

NORTH CAROLINA

PITT COUNTY

The foregoing certificates of _____ and Peggy M. Woodruff Notary Public ~~are~~^{is} certified to be correct.

This the 10th day of September, 1985, 1983.

Elvira J. Allred
Register of Deeds of Pitt County

FILED
ELVIRA J. ALLRED
REGISTER OF DEEDS
PITT COUNTY, N.C.
Elvira J. Allred
SEP 10 4 46 PM '85

AMENDMENT TO BY-LAWS
OF
ASH CIRCLE HOMEOWNERS' ASSOCIATION, INC.

BOOK 755 PAGE 669

WHEREAS, at the regular meeting of the members of Ash Circle Homeowners' Association, Inc., held on November 13, 1995, and pursuant to the provisions of ARTICLE XIII of the By-Laws of Ash Circle Homeowners' Association as the same appears of record in Book W-51, Page 750, as amended at Book W-54, Page 457 of the Pitt County Registry, by a vote of a majority of the quorum of the members present at said meeting in person or by proxy it was resolved and determined that said By-Laws as previously amended should be amended as is hereinafter set forth

NOW, THEREFORE, the By-Laws of Ash Circle Homeowners' Association, Inc are and the same are hereby amended pursuant to the provisions of ARTICLE XIII of said By-Laws as recorded at Book W-51, Page 750 and amended at Book W-54, Page 457 of the Pitt County Registry as follows:

I. That the provisions of ARTICLE VII of said By-Laws as same appear of record at Book W-51, Page 750 as amended at Book W-54, Page 457 of the Pitt County Registry be amended by adding an additional paragraph to be designated as "Paragraph (f)" as follows:

(f) Periodically designate, after analysis of proposals, the lowest most responsible bidder for the hazard insurance coverage for the buildings on the "lots" on the "properties" and thereafter, all owners of "lots" on the "properties", shall secure insurance coverage for their respective "lots" on the "properties" from the agent designated by the Board of Directors for at least the replacement cost thereof, as determined by the Board of Directors from time to time, based on an independent appraisal of the buildings, and shall require a duplicate copy of said policy or a Certificate of Insurance to be filed with the Homeowners' Association naming the Homeowners' Association as insured "as its interest may appear" In those instances and cases where the respective owners of the respective "lots" on the "properties" fail to deposit such certificate or duplicate policy with the Homeowners' Association, the Board of Directors shall procure and pay the premiums on a policy of hazard insurance on such "lot" in an amount sufficient to insure the same for its replacement cost, and shall assess the owner of said "lot" located on the "properties" for such expense, and upon failure of the owner to pay the assessed amount within thirty (30) days from the date of said assessment, a lien shall be impressed on the "lot" on which said building stands in the amount of such unpaid assessment, and which assessment shall bear interest and be enforceable as all other assessments are pursuant to these By-Laws

II That the provisions of ARTICLE VI, Section 1 of the By-Laws of Ash Circle Homeowners' Association, Inc, as the same appear of record at Book W-51, Page 750, as amended at Book W-54, Page 457 of the Pitt County Public Registry, shall be deleted and in place thereof, a new Section 1 of said ARTICLE VI shall be inserted as follows:

ARTICLE VI

MEETINGS OF DIRECTORS

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

Except as amended herein, the By-Laws for Ash Circle Homeowners' Association, Inc., as appear of record at Book W-51, Page 750 and amended at Book W-54, Page 457 of the Pitt County Public Registry, shall remain in full force and effect

The foregoing is certified to be a true copy of the Amendment to the By-Laws of Ash Circle Homeowners' Association, Inc adopted on the 13 day of November, 1995 by a majority of the quorum of members present at the Association's regular meeting held on said date

ASH CIRCLE HOMEOWNERS' ASSOCIATION, INC

BY:

Sarah J. Tucker
/President

ATTEST

Monica G. Hines
Secretary

NORTH CAROLINA
PITT COUNTY

I, Vicky C. Benson, a Notary Public for said County and State, do hereby certify that Monica G. Hines personally appeared before me this day and acknowledged that she is Secretary of ASH CIRCLE HOMEOWNERS' ASSOCIATION, INC, a corporation, and that by authority duly given, and as the act of the corporation, the foregoing instrument was signed by its President, sealed with its corporate seal, and attested by herself as its Secretary

1996 WITNESS my hand and Notarial Seal, this the 7 day of Feb.

Vicky C. Benson
Notary Public

My Commission Expires:

12/7/96

NORTH CAROLINA: Pitt County
The foregoing certificate(s) of

Vicky C. Benson

Notary(ies) Public is (are) certified to be correct Filed for registration at 3:50 o'clock P M this 5 day of September 19 97

ANNIE G HOLDER, Register of Deeds

By

Andy J. Taylor
Assistant/Deputy Register of Deeds