BOOK PAGE

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RECORDED AND VERIFIED
REBECCA F. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC

DEC 20 4 37 PM '85

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

DECLARATION OF RESTRICTIONS
WINDEMERE, SECTION 10

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned is the owner of all of the interest and equity in that tract of land known as Windemere, Section 10, and it is the desire of G & F CONSTRUCTION, INC. and GREGORY-MURRAY CONSTRUCTION COMPANY, both North Carolina corporations, the Developers of this land, to insure the use of said property for attractive residential purposes only, to prevent nuisances, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each site owner the full benefit and enjoyment of his home with no greater restriction upon the free and undisturbed use of his site than is necessary to insure the same advantages to the other site owners;

THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring any property in Windemere, Section 10, that all of the lots in said subdivision as shown on a map recorded in Map Book 25 at Page 130 of the New Hanover Registry are here made subject to the following restrictions as to the use thereof, running with the land by whomsoever owned, to-wit:

1. All lots shall be known as single-family residential lots, and shall be used for residential purposes only. No structure shall be erected, altered, placed, or permitted to remain on any such lot other than one detached single family dwelling not to exceed 2 1/2 stories in height, and a private garage for not more than 3 cars, and other outbuildings incidental to the residential use of the plot, including servants quarters.

2. No dwelling shall be located on any lot nearer than 50 feet to the front line nor nearer than 10 feet to the side line. No dwelling shall be located nearer than 25 feet to the rear lot line. Unattached garages or out buildings shall be located not nearer than 75 feet to the front line and not nearer than 5 feet to the back and side lot lines. Measurements to determine the distances required by this restriction shall be to the main body of the house, garage or other outbuilding.

3. Attached garages and carports shall open from the side or rear of the residence where practical.

4. No trailer, shack, tent or barn shall be permitted in the subdivision at any time.

5. The minimum floor area of each residence shall be 1,850 feet, excluding porches, garages, terrace and outbuilding.

6. No lot, as shown by the official plan of this subdivision, shall be resubdivided unless each part of the subdivided lot becomes a part of another whole lot. The provisions hereof, however, shall not preclude the Developer from using any such lot for a street or road.

7. Once a structure has been begun, it shall not be permitted to remain in excess of six months in an unfinished condition from the date of the laying of the foundation. If the entire exterior is finished, it shall satisfy the requirements of this restriction.

8. The purchaser of a lot shall have three years from the time of the purchase of the Developer in which to construct a residence; otherwise, the Developers may, at its option, return the price paid by the purchaser from the Developer in exchange for a deed from the owners of the Lot to the Developers.

9. No noxious or offensive trade or activity shall be carried on or maintained on any lot or part of any lot, nor shall any use be made of any portion of said property which may be or become an annoyance or nuisance to the neighborhood., No domesticated farm animals or fowls shall be kept on the property. In the event yards are not properly maintained, they shall be cleaned up at the owner's expense. Unsightly inoperative junk cars and like

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eyesores cannot be maintained on the property either prior to or after the residence has been erected.

10. The design of all buildings which shall be erected on any lot shall be subject to the approval by the Developers or their appointee or appointees. Upon written request of a lot owner for approval of plans, the Developer shall have 10 days to approve or disapprove the plans. In the event of failure to approve or disapprove the plans within the 10-day period, such approval will not be required, provided the design of the proposed building is in harmony with the existing structures in a section and constructed according to these restrictions.

11. Water to be used for human consumption shall be obtained from the community water system unless other sources are approved by the City-County Board of Health and the Developers or their appointee or appointees.

12. The DEVELOPERS have formed an Owners' Association, known as "WINDEMERE SANITATION ASSOCIATION" for the purpose of administering the operation, maintenance and upkeep of a sewage collection, treatment and disposal system serving the lots hereinabove described, which system shall be installed by DEVELOPERS at DEVELOPERS' expense. Every owner of any such lot shall automatically become a member of the Association upon the acceptance and the recording of a Deed to any such lot. The provisions hereof, however, shall not be construed as requiring the Association to install or maintain septic tanks on any of the property subject to these restrictions, nor shall said Association be required to provide lines from any such septic tank so installed to the property line of the lot upon which said septic tank shall be installed. The Association shall, at all times, however, have access to all individual septic tanks installed in the Development for the purposes of inspection and necessary maintenance. A copy of the by-laws for said Association is attached hereto as Exhibit A.

(a) Membership and Voting Rights. The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership, and the voting rights of the members of the Association shall be set forth in the Articles of Incorporation of the Association which are recorded in Book 1293, at Page 728 in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Articles being incorporated herein by reference.

(b) Assessments, Liability, Lien and Enforcement. The Association has heretofore been given the authority to administer the operation and management, maintenance and upkeep of the sewage disposal systems, the easements pertaining thereto, and the common areas of the Association, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all lots subject to these restrictions. To properly administer the duties and responsibilities the Association will incur, for the mutual benefit of all the owners of any such lot, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their residential lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the Association's property, which for the purpose of these Articles shall be deemed to include, but not be limited to, the sewage disposal system, easements, and all other improvements, the following shall be operative and binding upon the owners of all lots:

(1) Creation of the Lien and Personal Obligation of Assessments: THE DEVELOPER, for each lot owned and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

(i) annual assessments or charges, and

(ii) special assessments for capital improvements or special assessments as established by the Board of Directors of the

Association, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with the interest, costs, and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

(2) Purpose of Assessments: The assessments levied by the Association shall be used exclusively to operate, maintain and keep up the sewage disposal system, the easements owned in connection therewith, and the common property owned by the Association, including the costs of repairs, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against any of the property of the Association, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors.

(3) Maximum Annual Assessments: The maximum annual assessments for each calendar year shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. The maximum annual assessment for any calendar year may be increased WITHOUT LIMIT by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting called for this purpose.

(4) Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the property of the Association, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly basis.

(5) Notice and Quorum for any Action Authorized Under Sections B. (3) and B. (4): Written notice of any meeting called for the purpose of taking any action authorized under (3) and (4) shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(6) Rate of Annual Assessment: Annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a monthly or quarterly basis. The books and records of the Association will be kept in such a manner that it is possible to determine and ascertain such sums as are expended by the Association for the development, improvement, maintenance and upkeep of all property of the Association; provided, however, that due to the fact that THE DEVELOPER shall not make any use whatsoever of any of the property of the Association, no lots owned by THE DEVELOPER shall be assessed for either annual or special assessments.

(7) Date and Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall be collected on a monthly basis and shall commence as to all lots on the 1st day of March, 1986, and thereafter as to owners other than THE DEVELOPER on the first day of the

month following the conveyance of a lot to any such owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment and send a notice of same to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessments on a specified lot have been paid.

(8) Effect of Nonpayment of Assessments: Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the property of the Association.

(9) Lien: The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of New Hanover County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, or corporation acquiring title to any lot by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said lot subsequent to the date of acquisition of such title, and he shall not be liable for the payment of any assessments which were indefault and delinquent at the time he acquired such title. In the event of the acquisition of title to a lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessments or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all lots as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(10) Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvement by the Association: Upon default by the Association in the payment to any governmental authority entitled thereto of any ad valorem taxes levied against any of the property owned by the Association or assessments for public improvements to Association's property, which default shall continue for a period of six (6) months, each owner of a lot shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of lots hereinabove described. If such sum is not paid by the owner thirty (30) days following the receipt of notice of the amount due, then said sum shall become a continuing lien on the lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may bring either an action at law or may elect to foreclose the lien against the lot of the owner.

(c) Upon the sale of seventy-five percent (75%) of the lots hereinabove described, and 75% of the lots remaining to be developed in Windemere Subdivision in future Sections, THE DEVELOPER will turn over control of the Owners Association to the Board of Directors to be elected by

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the membership in accordance with the By-Laws of the Association. Until such time, however, THE DEVELOPER shall elect the Board of Directors of the Association.

13. It shall be the obligation of each property owner to provide, install and maintain an adequate culvert or drainage pipe beneath his or her driveway as it crosses the ditch line at the front of his or her lot in order that the natural flow of drainage will not at any time be blocked along the street and the culvert or drainage pipe must be of a size determined by the North Carolina Highway Department, but in no instance shall said drainage pipe be less than 12 inches in diameter. It is also required that said pipe be at least 18 feet in length and shall have a masonry retaining wall on either side to prevent the erosion of surrounding soil and the filling of the ditch or pipe.

14. There shall be no fence placed on any lot beyond the front of the residence erected thereon unless said fence shall be that of an ornamental nature.

15. It is not desired that any business shall be conducted from a residence and this shall not be permitted so long as there is any outward evidence that such is being done, such as a sign or signs, commercial vehicles, parked or frequently visiting the residence, materials stacked or stored outside of the residence or a large number of automobiles parked at or near the residence.

16. These covenants are to run with the land and shall be binding on all parties and on all persons claiming under them until January 1, 2005, at which time said covenants shall be automatically extended for successive periods of ten years unless by a vote of the majority of the owners of the lots, it is agreed to change the said covenants in whole or in part.

17. If the parties hereto or any of them, or their heirs and assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said development to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant and either prevent him or them from so doing or to recover damages or other dues for such violation.

18. Invalidation of any one of these covenants by judgments or court order shall in no way affect any of the other covenants herein, which shall remain in full force and effect.

IN TESTIMONY WHEREOF, THE DEVELOPERS, have caused this instrument to be executed, this the 20th day of December, 1985.

G & F CONSTRUCTION, INC.

BY: W. H. Grathwol
President

ATTEST:

Anne P. Grathwol
Secretary

(CORPORATE SEAL)

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GREGORY-MURRAY CONSTRUCTION COMPANY

BY: Paul E. Gregory
President

ATTEST:

Martha H. Gregory
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Dale B. Covil, a Notary Public of said County and State, do hereby certify that Ann F. Bathurst, personally came before me this day and acknowledged that he/she is Secretary of G & F CONSTRUCTION, 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 ~~himself~~/herself as its Secretary.

WITNESS my hand and notarial seal this 20th day of December, 1985.

Dale B. Covil
Notary Public

My Commission Expires:
3/16/86

(NOTARIAL SEAL)

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Dale B. Covil, a Notary Public of said County and State, do hereby certify that Martha H. Gregory, personally came before me this day and acknowledged that ~~he~~/she is Secretary of GREGORY-MURRAY CONSTRUCTION COMPANY, 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 ~~himself~~/herself as its Secretary.

WITNESS my hand and notarial seal this 20th day of December, 1985.

Dale B. Covil
Notary Public

My Commission Expires:
3/16/86

(NOTARIAL SEAL)

/WIND-DEC

STATE OF NORTH CAROLINA
New Hanover County
The Foregoing Certificate of
Dale B. Covil,
Notary Public
is certified to be correct.
This the 20 day of Dec 1985

Rebecca P. Tucker, Register of Deeds
By Mary Sue Otte, Asst.

EXHIBIT "A"

BY-LAWS
OF
WINDEMERE SANITATION ASSOCIATION

A corporation not for profit under
the laws of the State of North Carolina

1. IDENTITY: These are the By-Laws of WINDEMERE SANITATION ASSOCIATION, a nonprofit corporation under the laws of the State of North Carolina, the Articles of Incorporation of which were filed in the Office of the Secretary of State on June 21, 1985. WINDEMERE SANITATION ASSOCIATION, hereinafter called "Association", has been organized for the purpose of administering the operation and maintenance of a sewage collection, treatment and disposal system serving 22 residential lots in Windemere Subdivision, Section 10, a map of same to be recorded in the New Hanover County Registry, one lot in Windemere Subdivision, Section 9, and various and sundry other lots to be developed as a part of the total Windemere Subdivision complex from bonds held and owned by WINDEMERE DEVELOPMENT COMPANY, all in New Hanover County, North Carolina. Nothing herein, however, shall preclude the Association from furnishing said services to properties other than those set forth herein. In such event, any properties to which said services are extended will become subject to the provisions of that DECLARATION OF RESTRICTIONS pertaining to WINDEMERE SUBDIVISION, SECTION 10.

A. The provisions of these By-Laws are applicable only to the lots described in Paragraph 1. hereof, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorization contained in the Articles of Incorporation and which may be contained in Declarations of Restrictions which will be recorded in the Public Records of New Hanover County, North Carolina, from time to time, the terms and provisions of said Articles of Incorporation and Declarations of Restrictions to be controlling wherever the same may be in conflict herewith.

B. All present or future owners, of any of the lots set forth in Paragraph 1. hereof, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declarations of Restrictions.

C. The office of the Association shall be at 620 Market Street, Wilmington, North Carolina, 28401.

D. The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Project, the fiscal year shall commence with the closing of the sale of the first lot.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES:

A. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article VI of the Articles of Incorporation of the Association, the provisions of which said Article VI of the Articles of Incorporation are incorporated herein by reference.

B. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the owners of a lot owned by more than one person or by a corporation or other entity shall be cast by the one person named in a certificate signed by all of the owners of the lot and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

D. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

E. Approval or disapproval of a lot owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who cast the vote of such owner if in an Association meeting.

F. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, or Declarations of Restrictions or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

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3. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP:

A. The first annual meeting shall be held within one (1) year from the date of incorporation of the Association. Until such time, the Association shall be managed and controlled by the initial Board of Directors as provided for in Article IV hereinbelow. The annual member's meeting shall thereafter be held at such hour and place designated by the Board of Directors, on the first Tuesday of each June of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members, provided, however, that if the day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Tuesday.

B. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from members of the Association owning a majority of the lots.

C. Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or other officer of the Association in absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than fifteen (15) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association (register of owners) as of the date of mailing such notice, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice and, when filed in the records of the Association whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the

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membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or Declarations of Restrictions) the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

D. The order of business at annual members' meetings and, as far as practical, at any other members' meetings, shall be:

i) Calling of the roll and certifying of proxies;
ii) Proof of notice of meeting or waiver of notice;
iii) Reading and disposal of any unapproved minutes;
iv) Reports of officers;
v) Reports of committees;
vi) Appointment of inspectors of election by Chairman;
vii) Unfinished business;
viii) New business; and
ix) Adjournment.

4. BOARD OF DIRECTORS:

A. The first Board of Directors of the Association shall consist of three (3) persons whose terms shall expire on the date of the first annual meeting of the members of the Association stated hereinabove. Each succeeding Board of Directors shall consist of three (3) persons, each of whom must be either an owner, a representative of the Developer, or an employee of a corporate owner. Notwithstanding the foregoing, until December 31, 1985, or until such time as 75% of the lots have been sold and deeded to purchasers, the Developer shall have the right to designate and select the persons who shall serve as members of the Board of Directors of the Association. No director shall be required to be a resident of WINDEMERE SUBDIVISION.

B. Election of Directors shall be conducted in the following manner:

(i) Beginning with the first annual meeting of the membership of the Association, stated hereinabove, all members of the Board of Directors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.

(ii) Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

(iii) At the first annual meeting of the members of the Association, the term of office of the three (3) nominees receiving the highest plurality of votes shall be established at two (2) years, and the term of office of the Directors so elected at the annual meeting of the members shall be for two (2) years expiring at the second annual meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law.

(iv) In the election of Directors, there shall be appurtenant to each lot a total vote equal to the number of Directors to be elected multiplied by one (1); provided, however, that no member or owner of any lot may cast more than one (1) vote for any one person nominated as a Director, it being the intent hereof that voting for Directors shall be noncumulative.

(v) In the event that Developer, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present.

D. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority

of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than seven (7) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

G. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation or these By-Laws or Declarations of Restrictions. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or Declarations of Restrictions, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

H. The presiding officer of Directors' meetings shall be the Chairman of the Board, if such an officer has been elected; and if none, then the President of the Association shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

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I. Directors' fees, if any, shall be determined by vote of the members at any annual meeting of the membership.

J. All of the powers of and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these By-Laws and Declarations of Restrictions. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws, and Declarations of Restrictions, and shall include, without limiting the generality of the foregoing, the following:

(i) To make, levy and collect assessments against members and members' lots to defray the costs of the operating and maintaining said sewage system, as provided in the Declarations of Restrictions, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association. Provided, however, the annual assessment may not be increased more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(ii) To maintain, repair, replace, operate and manage the common areas, easements, and drainage fields wherever the same is required to be done and accomplished by the Association for the benefit of its members; and, further, to approve any expenditures made or to be made for said purposes.

(iii) To reconstruct any part of the system after casualty, and to make further improvement to the system, and to enter into any and all contracts, necessary or desirable to accomplish said purposes.

(iv) To make, amend and enforce regulations governing the use of the system, easements and common areas, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declarations of Restrictions.

(v) To acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, and in accomplishing the purposes set forth in the Declarations of Restrictions, provided that the acquisition of real property shall require the approval of the Association.

(vi) To contract for the management of the sewage system and

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to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declarations of Restrictions to have approval of the Board of Directors or membership of the Association.

(vii) To enforce by legal means or proceedings the provisions of the Articles of Incorporation and By-Laws of the Association, the Declarations of Restrictions and the regulations hereinafter promulgated governing use of the system and common area of the Association.

(viii) To pay all taxes and assessments which are now or may become liens against any part of the system or common area to assess the same against the members and their respective lots subject to such liens.

(ix) To purchase insurance for the protection of the members and the Association against casualty and liability for loss or injury upon common property owned by the Association.

(x) To pay all costs of power, water, and other utility services rendered to the Association and not billed to the owners of the separate lots.

(xi) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the system, including the common area.

K. The initial Board of Directors of the Association shall be composed of the three (3) persons designated to act and serve as Directors in the Articles of Incorporation, which said persons shall serve until their successors are selected or elected at the first annual meeting of the members of the Association provided for hereinabove. Should any member of the initial Board of Directors be unable to serve for any reason, WINDEMERE DEVELOPMENT COMPANY, the DEVELOPER of WINDEMERE SUBDIVISION shall have the right to select and designate a party to act and serve as a Director until the first annual meeting of the members of the Association.

L. The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable Association documents.

M. Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by a vote of the

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members owning a majority of the lots described in Paragraph 1. hereof, at any special meeting called for such purpose, or at the annual meeting; provided, however, that only the Developer shall have the right to remove a Director appointed by it.

5. OFFICERS:

A. The executive officers of the Association shall be a President, who shall be a Director, a Vice President, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be Vice President, Secretary or an Assistant Secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The President shall be the Chief Executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

C. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness.

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