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WISTERIA PLACE HOMEOWNER'S ASSOCIATION
DECLARATION OF COVENANTS, CONDITIONS, AND
USE RESTRICTIONS

THIS DECLARATION is made this 4th of March 2006, by the Wisteria Place Homeowner's Association, Inc., hereinafter referred to as the Declarant or HOA.

ARTICLE I

DEFINITIONS

Section 1. "HOA" or "Declarant" shall mean and refer to the WISTERIA PLACE HOMEOWNERS ASSOCIATION, INC., a non-profit North Carolina corporation, its successors and assigns.

Section 2. "Common Area" shall mean and refer to all real property owned or acquired by the Association for the common use and enjoyment of the Owners, together with any common area designated on each map recorded for WISTERIA PLACE. Common area may be conveyed to the Association, as additional phases are added to WISTERIA PLACE or otherwise. Common area shall not include any property acquired by the Association as a result of foreclosure or deed in lieu of foreclosure of an Owner's property for nonpayment of assessments, taxes or any security interest against the property or acquired in any other way, unless the Association elects to retain such property and use it as common area.

Section 3. "Development" shall mean and refer to the whole of the planned residential development to be known as WISTERIA PLACE which shall consist of all the real property, which has been subdivided into lots shown on maps of WISTERIA PLACE, referred to hereinabove, the common elements, plus the improvements to the common elements, as described hereinabove.

Section 4. "Lot" shall mean and refer to any of the numbered lots on each map of property within WISTERIA PLACE as is recorded in the New Hanover County Registry, with the exception of the common areas.

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

Section 6. "Properties" shall mean and refer to that certain real property hereinabove described, and such phases or additions thereto as may hereafter be brought within the jurisdiction of the Association by Declarant.

ARTICLE II

PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OR ENJOYMENT: Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;

BILL O'BRIEN (MAIL)
5824 GARDENIA LN
WILMINGTON NC 28409

FOR REGISTRATION REGISTER OF DEEDS
REBECCA P. SMITH
NEW HANOVER COUNTY, NC
2006 APR 06 03:27:50 PM
BK:5003 PG:1700-1721 FEE:\$74.00
NS:\$25.00
INSTRUMENT # 2006019245

- B. The right of the Association to dedicate or transfer all or 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. Except for the grant or conveyance of a standard utility easement in order to obtain utility service to the common area, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded, provided, however, that the Association has the authority to dedicate the streets to the public. With respect to a standard utility easement permitting utility service to the common area, the Board of Directors may authorize the officers to execute such a grant or conveyance of the standard utility easements to the utility company without a vote of the membership of the association;
- C. The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

Section 2. DELEGATION OF USE: Any Owner may delegate, in accordance with the By-Laws but subject to the provisions of this document, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

HOMEOWNERS ASSOCIATION. MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot, which is subject to assessment, shall be a member of the WISTERIA PLACE Homeowners Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot, which is subject to assessment. Each owner has the duty to comply with and obey these Articles, the Bylaws of the Association and the Rules and Regulations of the Association.

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

CLASS "A". Class A members shall be all owners. There shall be one Class "A" vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE IV
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENT:

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 the Association:

- A. Annual assessments or charges; and
- B. Special assessments for capital improvements, exterior maintenance and insurance in connection with common area property, such assessments to be established and collected as hereinafter provided; and a pro rata share of ad valorem taxes levied against the common area.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the persons who were the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them; provided, however, such assessment shall always be a lien upon the land until paid, and no sale shall extinguish such assessment, except a foreclosure sale.

It is expressly provided, however, that in consideration of the Declarant's prior construction of the amenities and improvements on the real estate that is to constitute the common area in this development, that the DECLARANT shall be exempt from and shall not have to pay assessments on any lots owned by it within this development.

Section 2. PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties, for the improvements and maintenance of the common area, to include but not limited to maintenance of the roads as shown on that map of WISTERIA PLACE, as hereinabove referenced and to obtain and pay for insurance where authorized or required by this document, the corporate charter, the Bylaws, Action of the Board of Directors or members of the association.

Section 3. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The Board of Directors shall establish the due dates and the Board of Directors shall have the authority to require the assessments to be paid in annual installments or to divide the annual assessment and have it paid in periodic installments throughout the year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid and for what period.

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

Section 5. SPECIAL ASSESSMENTS FOR INSURANCE: The annual assessment shall include a levy against the owners equally an amount sufficient to pay the annual cost of all public liability and common area insurance premiums for the Association and its members, officers, Directors and employees. The Board of Directors (or its designee) shall, on behalf of the Association, as its common expense and at all times, keep the common property insured against loss or damage by fire or other hazards normally insured against at 100% of replacement costs and other risks including public liability insurance, in such terms and in such amounts as may be reasonably necessary from time to time to protect the common property on behalf of the Association. As a part of the annual assessments the Association shall also obtain and pay for such insurance policies and bonds that the Directors of the Association deem necessary or advisable including, but not limited to, officers' and Directors' liability coverage, fidelity bonds, casualty or hazard insurance or any other insurance for the Directors and officers of the Association or otherwise.

Section 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER ARTICLE IV FOR MEMBERSHIP: Written notice of any meeting called for the purpose of taking an action authorized under Article IV for the membership 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 the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. UNIFORM RATE OF ASSESSMENT: Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, annual or other basis as the Homeowners Association Board of Directors determines, save special assessments levied against any lot for casualty insurance as above required.

Section 8. EFFECT OF NON-PAYMENT OF ASSESSMENTS-REMEDIES OF THE ASSOCIATION: Any assessment not paid within sixty (60) days after the due date shall bear interest at the rate of fourteen percent (14%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION: Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of three (3) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing government 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 in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 10. SUBORDINATION OF THE LIEN TO MORTGAGES: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage upon the property. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure of a deed of trust or mortgage, a deed in lieu of foreclosure, or any other proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability or any assessments thereafter becoming due or from the lien thereof.

ARTICLE V USE RESTRICTIONS

Section 1. All lots within the development shall be used for single-family residential purposes only, except for those lots owned by the Homeowners Association and held as common area.

Section 2. No building, fence, wall or other structure shall be commenced or erected or maintained upon any lot nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same, including any requirements for landscaping, sod or seed, shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the HOA Board of Directors, its successors and/or assigns. In the event HOA Board of Directors, or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. All residences shall have landscaping in place within thirty (30) days of the issuance of a certificate of occupancy.

Without limiting the authority of the architectural review committee as designated by the HOA Board of Directors as set forth above, the following specific restrictions shall apply to each lot notwithstanding the failure of the board of Directors or the architectural review committee to act within thirty (30) days after plans or specifications have been submitted to it:

A. No single family residence smaller than 1,500 heated square feet, when measured by exterior surface, which square footage shall be exclusive of porches, steps, walks, garages, carports, storage areas, etc., shall be constructed or located in said subdivision. No structure shall be erected, altered, placed or permitted to remain in said subdivision exceeding two and one-half (2.5) stories in height above ground level, and one or more small accessory buildings (which may include a detached private garage but not garage apartments), provided, that such buildings are not used for any activity normally conducted as a business, and provided further that any such buildings shall be constructed of similar materials and design as the main structure upon such lot. No accessory buildings shall be constructed prior to the construction of the main building on any lot. All homes must be built on a crawl space, or on pilings. There shall be no residence built on a slab, without the express written consent of Declarant.

B. No concrete block, concrete brick, asbestos siding, or cinder block shall be used for the exterior of any residence constructed on any lot nor shall composition tar paper exterior be permitted, it being intended that only conventional frame, wood siding or brick exteriors may be constructed on the lots subject to these covenants.

C. The allowable built-upon area per lot shall be limited to 4,000 square feet inclusive of right-of-way structures, pavement, walkways, or patios of brick, stone, or slate, not including wood decking.

Section 3. No house trailer, mobile home, modular home, prefabricated home tent, shack or temporary structure of any nature shall be used at any time as a residence.

Section 4. No advertising signs or billboards shall be erected on any lot or displayed to the public on any lot, subject to these restrictions, except that one sign of not more than five (5) square feet in area may be used to advertise a complete dwelling for sale or a dwelling under construction. No "For Sale" signs are allowed on any vacant property.

Section 5. No fence, wall, or hedge in excess of six (6) feet in height shall be erected or permitted on any lot without the written consent of HOA Board of Directors. No fence, wall or hedge, or any portion of a fence erected shall be closer to the front line of any lot than the rear corner of any dwelling erected upon said lot. All fences shall be wood, wrought iron or finished aluminum and shall be in a color to complement the house. No stucco, chain link or wire fence shall be allowed.

Section 6. No animals, livestock, pigs or poultry of any kind shall be kept or maintained on any lot 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 and provided further that they are not allowed to run free and are at all times properly leashed.

Section 7. No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within the main dwelling house, within any accessory building, within a screened area, or buried underground.

Section 8. All radio, television, or other electrical equipment of any kind or nature installed or used in each lot shall fully comply with all rules, regulations, requirements, or recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction, and the lot or homeowner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in or on such lot or dwelling. Satellite dishes and other large antennae are prohibited; except satellite dishes not exceeding 24" with the location approved by the Architectural Review Committee.

Section 9. It shall be the responsibility of each lot owner to prevent the development of any unclean, unsightly, or unkempt conditions of buildings or grounds on such lot that would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

Section 10. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. No yard sales or garage sales shall be allowed on any lot in said Subdivision without the written consent of HOA Board of Directors,

Section 11. No boat, motor boat, dune buggy, camper, trailer, recreational vehicle, automobile on cinder blocks, tractor-trailer truck or cab or similar type vehicles shall be permitted to remain on any lot at any time.

Section 12. No vehicle belonging to an owner or to a member of the family, or guest, tenant, or employee of the owner shall be parked in such a manner as to impede or prevent ready access to another owner's lot. The owners, their employees, servants, agents, visitors, licensees and the owner's family will obey the parking regulations posted on the streets and drives and any other traffic regulations promulgated in the future for the safety, comfort, and convenience of the owners.

Section 13. Any damage caused to common areas caused by guests, or owners themselves shall be repaired at the expense of said owner.

Section 14. No rentals or sub-rentals of any residences will be permitted for a period of less than twelve (12) months. The HOA Board of Directors must be given a copy of all leases prior to tenant occupancy.

Section 15. Limited commercial business may be conducted in a residence. Allowable business uses include a home office, craftwork, music lessons, tutoring, and other small business uses. Prohibited uses include motor vehicle repair or body shop, day care center, warehousing and distribution, animal kennels, any business that occupies more than 50% of the first floor area of a residence or requires a sign outside the residence, or any business the significantly affects the residential character of Wisteria Place.

Section 16. Discharging of firearms, fireworks, or firecrackers of any type is prohibited.

Section 17. No lot may be subdivided, or its boundary lines changed except with the prior written consent of the HOA membership established by vote.

Section 18. Each lot owner shall provide receptacles for garbage and all cans, carts and bags must be kept in a screened area, accessory building or other storage facility, and not visible from the street, except on garbage pick-up days.

Section 19. (a) Construction activity on a lot shall be confined within the boundaries of said lot. Each lot owner shall have the obligation to collect and dispose of all rubbish and trash resulting from the construction on his lot. Upon a lot owner's failure to collect and dispose of such trash within thirty (30) days after receipt of a written notice from the Homeowners Association, the Homeowners Association may collect and dispose of such rubbish and trash at the lot owner's expense. Any expense incurred by the Homeowner's Association pursuant to this paragraph shall constitute an assessment of the Homeowner's Association against said lot owners and the lot involved in the clean up, and said assessment shall be enforceable pursuant to the provisions of Article IV hereinabove, expressly including the right of the Homeowners Association to create a lien upon the lot to enforce collection of said assessment.

(b) The exterior of any structure under construction on any lot must be completed with nine (9) months after the beginning of construction, acts of God notwithstanding.

(c) No trees larger than six inches in diameter measured at four and one half feet above the ground may be removed from a lot without the prior written permission of the HOA Board of Directors. Any tree within 15 feet of a residence or any tree determined to be dead or diseased is exempt.

(d) All damage to lots caused by the moving or carrying of any article thereon shall be paid by the owner responsible for the presence of such article.

Section 20. Water and sewer to all lots will be provided by public utility service. Shallow wells for the purpose of watering lawns and not for human use, may be permitted in accordance with applicable regulations. Any such well and pump house must be located no closer to the front lot line than the back corner of the residence constructed on said lot.

Section 21. Nothing shall be altered or constructed in or removed from the General Common Area or Elements, except upon the prior written consent of the HOA Board of Directors.

Section 22. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown and designated on the plat of the said property. All maintenance within said easements shall be the responsibility of Homeowners Association. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easements area of each lot and all improvements in it shall be maintained continuously by the maintenance crew hired by the Association for the maintenance of the common area and entrance.

Section 23. Invalidation of anyone of these covenants by judgments or court order shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

Section 24. If the parties thereto, 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 the WISTERIA PLACE HOA or any person or persons, owning any real property situated in said WISTERIA PLACE to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violations.

Section 25. All covenants, restrictions and affirmative obligations set forth in these Restrictions shall be binding on all parties and persons claiming under them for a period of twenty-five (25) years from the date hereof after which time all. said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by the owners of a majority of the lots (not including mortgagees or trustees under deeds of trust) substantially affected by such changes in covenants, has been recorded, agreeing to change said covenants in whole or in part.

Section 26. Any of the above items mentioned which are in violation of City and/or County Code will be reported to the Code Enforcement Agency.

Section 27. These rules may be amended or repealed by a majority vote of the Wisteria Place HOA membership.

ARTICLE VI STORMWATER MANAGEMENT

- a. The allowable built upon area per lot is 4,000 square feet, inclusive of that portion of the right-of-way between the front line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, but not including wood decking;
- b. Any and all covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality;
- c. Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings is strictly prohibited by any persons.
- d. Lots within CMJIA's Area of Environmental Concern may have the permitted built-upon area reduced due to CMJIA jurisdiction within the AEC.

ATTEST:

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, Wilma P. Carter Notary Public in and for the State and County aforesaid, hereby certify that Frank Blackley, President, Wisteria Place HOA, did personally appear before me this day and acknowledge that by the authority duly given him and as an act of the Corporation of Wisteria Place HOA, a North Carolina Corporation, signed the foregoing instrument.

WITNESS my hand and notarial stamp or seal, this the 4th day of April, 2006.



(SEE SIGNATURE ABOVE)
Comm Exp: 8/14/09

Frank Blackley
Frank Blackley, President

BY-LAWS
OF
WISTERIA PLACE HOMEOWNER'S ASSOCIATION
(A NON-PROFIT CORPORATION)

ARTICLE I
GENERAL

Section 1. TITLE TO LOTS. Title to Lots may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 2. APPLICABILITY OF BY-LAWS. The provisions of these By-Laws are applicable to WISTERIA PLACE, and its common elements and to the use and occupancy thereof. The term "WISTERIA PLACE" and its common elements as used herein shall include the land, the buildings and all other improvements thereon, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

Section 3. APPLICATION . All present and future owners, mortgagees, lessees and occupants of Lots and their employees and any other persons who may use the facilities in any manner are subject to these By-Laws, the Declaration and Rules and Regulations pertaining to the use and operation of the Lots. The act of occupancy of a Lot shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

Section 4. OFFICE. The Office of the Owner's Association and the Board of Directors shall be located at 5824 Gardenia Lane, Wilmington, NC, 28409-5811.

ARTICLE II
BOARD OF DIRECTORS

Section 1. OWNERS' EASEMENTS OR ENJOYMENT: Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area,
- B. The right of the Association to limit the number of guests of members.
- C. The right of the Association to suspend the voting rights and

right to use of the facilities by an owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed Sixty (60) days for an infraction of its published rules and regulations,

D. The right of the Association to dedicate or transfer all or 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. Except for the grant or conveyance of a standard utility easement In order to obtain utility service to the common area, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of members agreeing to such dedication or transfer has been recorded, provided, however, that the Association has the authority to dedicate the streets to the public. With respect to a standard utility easement permitting utility service to the common area, the Board of Directors may authorize the officers to execute such a grant or conveyance of the standard utility easements to the utility company without a vote of the membership of the Association,

E The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Section 2. POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Lots and Common Elements except such powers and duties as by law or by these By-Laws may not be delegated to the Board of Directors by the Lot owners. The powers and duties to be exercised by the Board of Directors shall Include, but not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the common elements;
- B. Determination of the amounts required for operation, maintenance and other affairs of the Lots and Common Elements,
- C. Collection of the common charges from the Lot owners,
- D. Employment and dismissal of personnel as necessary for efficient maintenance and operation,
- E . Adoption and amendment of rules and regulations covering the details of the operation and use of the Lots and Common Elements,
- F. Establishing fines and assessments for Use Restriction violations,
- G. Obtaining insurance for the Lots and Common Elements pursuant to the provisions of Article V, Section 2 hereof,
- H . Making repairs, additions and improvements to, or alterations of, the property and repairs to and restoration of the property in accordance w ith the provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings,

I. Establishing Committees and Review Boards and appointing their members to assist in the operation of the Association.

J. Opening of bank accounts on behalf of the Owners Association and designating the signatures required therefore.

Section 3. ELECTION AND TERM OF OFFICE. The Board of Directors shall be elected at the first annual meeting of the Lot owners. Only full-time residents of Wisteria Place are eligible for election. The term of office of the members of the Board of Directors shall be fixed at three (3) years. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until the homeowners shall have elected their respective successors.

Section 4. VACANCIES. Vacancies on the Board of Directors caused by any reason shall be filled by vote of a majority of the owners at a special meeting of the homeowners held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed.

Section 5. REGULAR MEETINGS. 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 members of the Board of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or electronic mail, at least three (3) business days prior to the day named for such meeting.

Section 6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by any Board member on three (3) business days' notice to each member of the Board of Directors given by mail or electronic mail, which notice shall state the time, place and purpose of the meetings.

Section 7. WAIVER OF NOTICE. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. QUORUM OF BOARD OF DIRECTORS. At all meetings of the Board of Directors, all members thereof must attend to constitute a quorum for the transaction of business and the votes of all of the members of the Board of Directors shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the Board members present may conduct any business which might have been transacted at the meeting originally called and any action consented to by the absent director in writing within ten (10) days of said meeting, shall be deemed valid.

Section 9. COMPENSATION. No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 10. DEADLOCK. Any deadlock in voting shall be resolved by submitting the matter to arbitration in accordance with the Uniform Arbitration Act as set forth in the North Carolina General Statutes, Section 1-567.1 et seq.

ARTICLE III

MEETINGS OF OWNERS

Section 1. PLACE. All meetings of the owners shall be held at the office of the Association or such other place as may be stated in the notice.

Section 2. ANNUAL MEETINGS. The annual meeting of the owners shall be held at a site designated in New Hanover County, North Carolina, in each year commencing in December 2005. At such meeting each owner shall vote to elect the members of the Board of Directors.

A. All annual meetings shall be held at such hour as is determined by the Board of Directors,

B. At the annual meeting, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

Section 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to a member of the Board of Directors by owners in writing a total of at least fifty percent (50%) of the common interest. The notice of any special meeting shall state the time, place and purpose of the meeting. The business transacted at all special meetings shall be confined to the objects stated in the notice unless the Board of Directors unanimously consents to the transaction of business not stated in the notice.

Section 4. NOTICE OF MEETINGS. The Board of Directors shall mail to each owner of record a notice of each annual or special meeting of the homeowners at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the building or at such other address as such homeowners requesting a special meeting shall have designated by notice in writing to the Board of Directors. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. ADJOURNMENT OF MEETINGS. If any meeting of homeowners cannot be held because a quorum has not attended, a majority in common interest of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

Section 6. ORDER OF BUSINESS. The order of business at all meetings of the Unit Owners shall be as follows:

- a. Roll call,
 - b. Proof of notice of meeting,
 - c. Reading of minutes of preceding meeting,
 - d. Report of Board of Directors,
 - e. Reports of Committees,
 - f. Election of members of the Board of Directors (when so required),
 - g. Unfinished business,
 - h. New business, and
- Adjournment.

Robert's Rules of Order shall be applicable to the conduct of all meetings of owners. A copy of Robert's Rules of Order shall be available at all meetings.

Section 7. VOTING. The owner or owners of each Lot, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Lot at all meetings of Lot owners. The designation of any such proxy shall be made in writing to the Board of Directors and shall be revocable at any time by written notice to the Board of Directors by the Owner or Owners so designating. Each Lot shall be entitled to cast one (1) vote at all meetings of the owners. A fiduciary shall be the voting member with respect to any Lot owned in a fiduciary capacity.

Section 8. MAJORITY OF LOT OWNERS. As used in this By-Laws the term "majority of Lot owners" shall mean those Lot owners having fifty percent (50%) plus one of the total authorized votes of all Lot owners in person or by proxy and voting at any meeting of the Lot owners, determined in accordance with the provisions of Section 7 of this Article.

Section 9. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Lot Owners having Sixty percent (60%) of the total authorized votes of all Lot owners shall constitute a quorum at all meetings of the Lot owners.

Section 10. MAJORITY VOTE. The vote of a majority of Lot owners at a meeting at which a quorum shall be present shall be binding upon all Lot owners for all purposes.

Section 11. DEADLOCK. Any deadlock in voting shall be resolved by submitting the matter to arbitration in accordance with the Uniform Arbitration Act as set forth in the North Carolina General Statutes, Section 1-567.1 et seq.

ARTICLE IV OFFICERS

Section 1. DESIGNATION. The principal officers of the Wisteria Place Homeowners Association shall be the President and Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an