

property of the University of Richmond and Worcester Academy, the BEGINNING POINT, said property containing 18.45 acres, more or less, and being more particularly shown on that certain Boundary Survey of Nora Haywood & University of Richmond Worcester Academy Property dated January 25, 1999 and last revised on February 11, 1999 by F. Donald Lawrence & Associates, P.A., reference to which survey is hereby made.

EXHIBIT A (cont)

LEGAL DESCRIPTION
UNIVERSITY OF RICHMOND/WORCESTER ACADEMY PROPERTY

LYING AND BEING in Sandy Ridge Township, Union County, North Carolina and being more particularly described as follows:

BEGINNING at a found pin in the center line of the 60 foot wide right of way of Bonds Grove Road, said pin being in the southwesterly corner of that certain property of Ruby McGuire pursuant to a Deed recorded in Book 157 at Page 286 in the Union County Public Registry and in the northerly boundary of that certain property of Ralph M. Bell pursuant to a Deed recorded in Book 1109 at Page 277 in said Registry; thence with the center line of Bonds Grove Road and the northerly boundary of said Bell property (now or formerly) S 89-53-35 W 646.51 feet to a found pin in the southeasterly corner of that certain property of David McCorkle pursuant to a Deed recorded in Book 316 at Page 341 in said Registry; thence with the easterly boundary of said McCorkle property (now or formerly) and leaving the center line of Bonds Grove Road N 00-28-28 E 334.54 feet to a 24 inch post oak in the northeasterly corner of said McCorkle property; thence N 85-08-39 W 1392.82 feet to a found iron in the boundary of that certain property of G. E. Rogers pursuant to a Deed recorded in Book 228 at Page 588 in said Registry; thence N 02-36-29 E 251.73 feet to a found iron in the southerly boundary of that certain property of Nora Haywood pursuant to that certain Deed recorded in Book 164 at Page 46 in said Registry; thence with the southerly boundary of said Haywood property (now or formerly) S 88-58-15 E 1927.83 feet to a found iron; thence continuing with said boundary of Nora Haywood S 01-35-27 E 25.88 feet to a found iron; thence continuing with said property of Nora Haywood N 88-15-16 E 199.21 feet to a found iron in the northwesterly corner of that certain property of Ruby McGuire pursuant to a deed recorded in Book 157 at Page 286 in said Registry; thence with the westerly boundary of said McGuire property (now or formerly) S 01-26-29 E 650.69 feet (passing a found iron in the northerly right of way margin of Bonds Grove Road at 620.69 feet) to a found pin in the center line of Bonds Grove Road, the BEGINNING POINT, said property containing 19.19 acres, more or less, and being more particularly shown on that certain Boundary Survey of the Nora Haywood & University of Richmond Worcester Academy Property prepared by F. Donald Lawrence & Associates, P.A. dated January 25, 1999 and last revised on February 11, 1999, reference to which survey is hereby made.

EXHIBIT B

**ARTICLES OF INCORPORATION
OF
WILLOW CREEK OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

**ARTICLE I
NAME**

The name of the corporation is WILLOW CREEK OWNERS ASSOCIATION, INC. (hereafter referred to as the "Association").

**ARTICLE II
DURATION**

The period of duration of the corporation is perpetual.

**ARTICLE III
PURPOSES AND POWERS**

The purposes and powers for which the corporation is organized are as follows:

- a. To operate and manage a planned unit subdivision development known as Willow Creek, located in Union County, North Carolina (hereinafter referred to as the "Subdivision").
- b. To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of the Association in accordance with the terms, provisions, conditions and authorizations contained in both these Articles and in the Declaration of Covenants, Conditions and Restrictions for Willow Creek (the "Declaration") which have been recorded in the Public Records of Union County, North Carolina, at such time as the real property and the improvements thereon are submitted to said Declaration.
- c. To make, establish and enforce reasonable rules and regulations governing the use of the subdivision development common elements, land, and other real and personal property which may be owned by the Association itself.

- d. To make, levy and collect assessments against lot owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the recreation, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas and facilities thereon, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the maintenance of insurance in accordance with the Bylaws of the Association (the "Bylaws"), including the employment of attorneys to represent the Association when necessary for such other needs as may arise.
- e. To maintain, repair, replace and operate the properties for which the Association is responsible.
- f. To enforce by any legal means, the provisions of the Declaration, the Bylaws and the rules and regulations for the use of the Association property.
- g. If deemed in the best interest of the Association by the Board of Directors, to contract for the management of the recreational property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Board of Directors or the membership of the Association.
- h. To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration and all powers reasonably necessary to implement the purposes of the Association.
- i. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.
- j. To borrow money, and with the assent of eighty percent (80%) of each class of members, mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.
- k. To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association's members. No such dedication or

transfer shall be effective unless an instrument has been signed by eighty percent (80%) of each class of members, agreeing to such dedication, sale or transfer.

1. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area which is not provided for in the Declaration, provided that any such merger, consolidation or additional annexation shall have the assent of two-thirds (2/3) of each class of members;
- m. The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Association shall be distributed, upon dissolution or otherwise, to any member, director or officer of the Association. If the Association is dissolved, the assets shall be dedicated to a public body, or conveyed to a non-profit organization with similar purposes.

ARTICLE IV MEMBERSHIP

1. The membership of the Association shall consist solely of the owners of lots in the Subdivision, and the owners of any other lands which may be added thereto pursuant to the Declaration. Membership shall be established by acquisition of fee title to a lot in the Subdivision whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a lot designated shall be terminated. Membership shall be appurtenant to, and inseparable from, ownership of a lot. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.
2. Neither one's membership in the Association nor a member's share in the funds and assets of the Association may be assigned, hypothecated or transferred in any manner except as an appurtenance to the applicable lot owned by a member in the Subdivision.
3. The members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which the right to vote is given to members under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina; the voting rights of the members being more particularly described in the Declaration and in the Bylaws of the Association.

**ARTICLE V
VOTING RIGHTS**

The voting rights of the Membership shall be appurtenant to the ownership of Lots (as defined in the Association's Bylaws) and shall be divided into two classes of voting membership as follows:

(a) Class A Members. Class A members shall be all owners of Lots with the exception of those Lots owned by a Declarant, as hereafter defined. Each Class A lot shall entitle the Owner(s) of said Lot to one vote. When more than one person holds an interest in any Lot, all such persons or entities shall be considered members. The vote for such Lot shall be exercised as such parties determine, but in no event shall more than one vote be cast with respect to any such Lot. For purposes hereof, the "Declarant" shall mean and refer to Willow Creek of NC, LLC and also shall mean and refer to any person, firm or corporation which shall also be designated as a "Declarant" by Willow Creek of NC, LLC hereafter when such designee becomes vested with title to two or more undeveloped Lots for the purpose of causing dwellings to be constructed thereon, and any such designee shall be a Declarant during such period of time as said party is vested with title to two or more such Lots (whether undeveloped or developed and un conveyed), but no longer; provided, however, if such designee thereafter defaults under its applicable agreement to purchase Lots from Willow Creek of NC, LLC, then the designation of "Declarant" for such party shall be automatically terminated.

(b) Class B Members. Class B member shall be the Declarant as defined in the Declaration. The Class B memberships shall be converted to Class A memberships on the happening of any of the following events, whichever occurs earlier: (i) when the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership, (ii) January 29, 2006, or (iii) when the Declarant voluntarily relinquishes majority control of the Association by a duly recorded instrument. The Declarant shall be entitled to three (3) votes for each Class B Lot owned by it.

**ARTICLE VI
DIRECTORS**

1. The number of Directors and the method of election of the Directors shall be fixed by the Bylaws; however, the number of Directors shall not be less than three.

2. The first election by the members of the Association for Directors shall not be held until after the Declarant has relinquished control of the Association as set out in the Declaration. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the Bylaws. After the Declarant has relinquished control, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new Directors are elected and qualified.

ARTICLE VII INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors shall be three and the names and addresses of the persons who are to serve as the first Board of Directors are as follows:

NAME	ADDRESS
1. William G. Grigg, II	10724 Carmel Commons Blvd. Suite 550 Charlotte, North Carolina 28226
2. Ann Hasty	10724 Carmel Commons Blvd. Suite 550 Charlotte, North Carolina 28226
3. Lisa Black	10724 Carmel Commons Blvd. Suite 550 Charlotte, North Carolina 28226

ARTICLE VII TAX STATUS

The Association shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, the Association hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. The Association shall not carry on any activities prohibited by a corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Association are to be made to members, directors or officers of the Association; provided, however, that members of the Association may receive a rebate of any excess dues and assessments previously paid.

**ARTICLE IX
REGISTERED OFFICE AND REGISTERED AGENT**

The address of the initial registered office of the corporation in the State of North Carolina is 10724 Carmel Commons Blvd., Suite 550, Charlotte, Mecklenburg County, North Carolina 28226 and the name of its initial registered agent at such address is William G. Grigg II.

**ARTICLE X
PRINCIPAL OFFICE**

The address of the principal office of the Association is 10724 Carmel Commons Blvd., Suite 550, Charlotte, Mecklenburg County, North Carolina 28226.

**ARTICLE XI
INCORPORATOR**

The name and address of the incorporator is William B. Kirk, Jr., Kirk Palmer & Thigpen, P.A., 1045 Providence Road, Suite 200, Charlotte, Union County, North Carolina 28207.

**ARTICLE XII
DISSOLUTION**

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

**ARTICLE XIII
AMENDMENTS**

Any amendment to these Articles shall require the assent of seventy-five percent (75%) of each class of membership.

**ARTICLE XIV
FHA/VA APPROVAL**

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Department of Veterans Affairs, as applicable, if either of said Administrations is insuring mortgage loans to purchasers of Lots in the Subdivision: (i) annexation of additional properties other than those defined as "Additional Properties" in the Declaration, (ii) mergers and consolidations, (iii) mortgaging of any portion of the Common Area, (iv) dedication of any Common Areas for public use, (v) dissolution of the Association, or (vi) amendment of these Articles.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 6th day of July, 1999.

William B. Kirk, Jr., Incorporator

EXHIBIT C

BYLAWS OF
WILLOW CREEK OWNERS ASSOCIATION, INC.ARTICLE I
NAME AND LOCATION

Section 1. NAME. The name of the corporation is WILLOW CREEK OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

Section 2. LOCATION. The principal office of the corporation shall be located in Union County, North Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to WILLOW CREEK OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property (including the improvements thereto) and other personal property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association is all of the area labeled as "Common Area" on the Maps and all privately maintained roads and cul-de-sacs thereon, if any.

Section 3. "Declarant" or "Declarants" shall mean and refer to WILLOW CREEK OF NC, LLC, a North Carolina limited liability company, and shall also mean and refer to any person, firm or corporation which shall also be designated as a "Declarant" by WILLOW CREEK OF NC, LLC hereafter when such designee becomes vested with title to two or more undeveloped Lots for the purpose of causing dwellings to be constructed thereon, and any such designee shall be a Declarant during such period of time as said party is vested with title to two or more such lots (whether undeveloped or developed and unconveyed), but no longer; provided, however, such designee's classification as a Declarant shall automatically terminate upon such designee becoming in default under its agreement with Willow Creek of NC, LLC to purchase Lots.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Willow

Creek applicable to the Properties recorded in the Union County Public Registry.

Section 5. "Development" shall mean and refer to Willow Creek, a single-family residential development proposed to be developed on the Properties by the Declarant.

Section 6. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on the Maps with the exception of the Common Areas and public roads and streets.

Section 7. "Maps" shall mean and refer to the map of the Phase I Property as described in Section 1 in Article II of the Declaration, and any map of the additional properties, as described in Section 2 in Article II of the Declaration (if all or any part of said additional properties are annexed pursuant to Article II of the Declaration) which may be recorded by Declarant in the Union County, North Carolina, Public Registry hereafter.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 9. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 10. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including the Declarant if it owns any Lots and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Properties" shall mean and refer to the "Phase I Property" as described in the Declaration as well as any additional real estate which may hereafter be made subject to the Declaration and brought within the jurisdiction of the Association, as provided for in Section 2 in Article II of the Declaration.

ARTICLE III ASSOCIATION MEMBERS

Section 1. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members shall be held at the principal office of the Association, at an hour to be fixed by the President, on the second Tuesday in January of each year (with the first annual meeting to occur on the second Tuesday in January, 2000) for the purpose of electing directors and for the transaction of such

other business as may be brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2. SUBSTITUTE ANNUAL MEETING. If the annual meeting shall not be held on the day designated in these Bylaws, a substitute annual meeting at the principal office of the Association may be called in accordance with the provisions of Section 3 of this Article III. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 3. SPECIAL MEETINGS OF MEMBERS. Special meetings of the Members may be held in the principal office of the Association, or elsewhere by consent of the Members, whenever called in writing by the President or any member of the Board of Directors of the Association or by Members representing twenty percent (20%) of the membership entitled to vote.

Section 4. NOTICE OF MEETING. Written or printed notices stating the time and place of meeting shall be mailed or delivered by the Secretary to each Member of record at the Member's last known address. The notice of each meeting shall be mailed or delivered by the Secretary not less than thirty (30) days nor more than sixty (60) days prior to the date set for such meeting and as to special meetings, the Notice shall indicate the purpose or purposes thereof.

Section 5. QUORUM. Unless otherwise specified in the Declaration, at any meeting of the Members, ten percent (10%) of the members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes. If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 6. ORGANIZATION. The President, or, in his or her absence, the Vice President, shall preside over all meetings of Members and the Secretary of the Association shall act as Secretary at all meetings of the Members; provided, however, in the Secretary's absence the President may appoint a Secretary for the meeting of the members.

Section 7. VOTING. Each Member of the Association, as defined in the Articles of Incorporation of said Association, shall be entitled to one vote on each matter submitted to a vote at a meeting of Members. The vote of a majority of the Members at a meeting of members at which a quorum is present shall be the

act of the Members on that matter, unless the vote of a greater number is required by law or by the Declaration, the Association's Articles of Incorporation or these Bylaws. Cumulative voting shall not be allowed.

Section 8. VOTING BY PROXY. The vote allocated to a Member may be cast pursuant to a dated written proxy signed by the Member. A Member may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

Section 9. WAIVER OF NOTICE. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 10. INFORMAL ACTION BY MEMBERS. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE IV BOARD OF DIRECTORS

Section 1. NUMBER AND TERM OF OFFICE. The business and affairs of the Association shall be managed by a Board of Directors of no less than three (3) persons, who need not be Members of the Association. Each director shall serve for a term of one (1) year or until his or her death, resignation, retirement, removal, disqualification or his or her successor is elected and qualified.

Section 2. COMPENSATION. No director shall receive compensation for any service he or she may render to the Association. However, with the prior approval of the Board, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 3. NOMINATION. After the first election of directors, nominations for election to the Board shall be made by

a Nominating Committee. Nominations may also be made from the floor at the annual meeting. Nominations at the first meeting will be from the floor. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board 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 as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4. ELECTION. Except as provided in Section 5 of this Article IV, Directors shall be elected at the annual meeting of the Members by 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 shall not be allowed.

Section 5. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

Section 6. ACTION WITHOUT MEETING. The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the directors to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

Section 7. MEETINGS. Meetings of the Board shall be held quarterly without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any director after not less than five (5) days notice to each director.

Section 8. QUORUM. A majority of the 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 shall be regarded as the act of the Board.

Section 9. CHAIRMAN. A Chairman of the Board shall be elected by the Directors and shall preside over all Board meetings until the President of the Association is elected.

Thereafter, the President of the Association shall serve as Chairman. In the event there is a vacancy in the office of Presidency, a Chairman shall be elected by the Board of Directors and shall serve until a new President is elected.

Section 10. LIABILITY OF THE BOARD. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

The Association's indemnity of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his or her behalf by the Association, or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

Section 11. POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS.

Subject to the provisions contained herein and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

(a) To adopt rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

(b) To suspend the voting rights and right of 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; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period of not to exceed 60 days;

(c) To declare the office of a director to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board;

(d) To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribe their duties;

(e) To procure, maintain, and pay premiums on, insurance policy(s) and equitably assess the Members for their pro rata portion of such expense;

(f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Areas or elements other than for service provided to Members;

(g) To employ attorneys to represent the Association when deemed necessary;

(h) To grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Areas without the ascent of the membership when such easements are requisite for the convenient use and enjoyment of the Properties;

(i) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as the Board may deem expedient;

(j) To exercise all other powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(k) To exercise any other powers necessary and proper for the governance and operation of the Association; and

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

Section 12. DUTIES OF THE BOARD OF DIRECTORS. It shall be the duty of the Board to do the following:

(a) To cause the Common Areas to be maintained, repaired, and replaced as necessary, and to assess the Members to recover the cost of the upkeep of the common elements;

(b) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by 25% of the Members;

(d) To supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(e) As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot at least thirty (30) days before January 1 of each year based on the projected budget for the annual assessment period;

(f) To send written notice of each assessment to every Member at least thirty (30) days in advance of the due date for each annual assessment;

(g) To foreclose any unpaid assessments and liens resulting therefrom 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 Member personally obligated to pay the same;

(h) To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(i) To procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association and officers and directors thereof; and

(j) To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V OFFICERS

Section 1. OFFICERS. The officers of the 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. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification, or his or her successor is elected and qualifies.

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 by 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 or she 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. COMPENSATION. No officer shall receive any compensation from the Association for acting as such.

Section 9. POWERS AND DUTIES OF THE OFFICERS.

(a) The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board; 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 on behalf of the Association.

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

(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 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.

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

**ARTICLE VI
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 Articles of Incorporation, Declaration and Bylaws 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 VII COMMITTEES

The Association shall appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE VIII 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 six percent (6%) 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 applicable Lot; and interest, costs and reasonable attorneys' 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 non-use of the Common Area or abandonment of his or her Lot.

ARTICLE IX FORMS OF PROXY AND WAIVER

Section 1. FORMS OF PROXY. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

WILLOW CREEK OWNERS ASSOCIATION, INC.

Know all men by these presents that the undersigned member of Willow Creek Owners Association, Inc. (the "Association") hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meetings of the members of the Association, at which I am not present, until the secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting

unto said attorney and proxy full power of substitution and revocation.

Dated: _____, _____.

Member

Witness:

Section 2. FORM OF WAIVER OF NOTICE. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

WILLOW CREEK OWNERS ASSOCIATION, INC.

We the undersigned (Board or Association Members) of Willow Creek Owners Association, Inc. do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the Board or Association members) of the said association, and consent that same be held at _____ on the _____ day of _____, _____ at _____ o'clock ____ M., and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated this _____ day of _____, _____.

**ARTICLE X
ARBITRATION**

Any claim which shall be made against one or more members of the Board of Directors shall be settled by arbitration except as otherwise provided herein, in the Declaration or under any applicable law, and judgment upon the award may be entered in any court having jurisdiction thereof. Such arbitration shall be commenced upon the delivery of such claim, in writing, to one or more members of the Board; and shall be before one disinterested arbitrator if one can be agreed upon, otherwise before three disinterested arbitrators, one named by the director(s), one by the Owner(s), and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of North Carolina as applied to the facts found by him or them. If the Director(s) or the Owner(s) shall refuse or fail to so name an arbitrator within thirty (30) days after written

notice from the other party requiring the naming of an arbitrator, then the arbitrator so named by the party not in default hereunder shall have the power to proceed to arbitrate and determine the matters in controversy as if he or she were an arbitrator appointed by both parties for that purpose and his or her award in writing signed by him or her shall be final. The rules of procedure for the arbitration hearing may be adopted by the Arbitrators. All arbitration proceedings hereunder shall be conducted in Charlotte, North Carolina.

ARTICLE XI GENERAL PROVISIONS

Section 1. AMENDMENTS. Except as otherwise provided herein or in the Declaration, these Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular or special meeting of the Board and by a majority vote of the Members at a regular or special meeting of the Members at which a quorum is present, except that the Federal Housing Administration or the Department of Veterans Affairs shall have the right to veto amendments while there is Class B membership. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 2. ASSOCIATION SEAL. A seal with the words "WILLOW CREEK OWNERS ASSOCIATION, INC." on the outer circle and the date "1999" within the circle, shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

FILED	Feb 12, 2024
AT	10:09:00 AM
BOOK	08851
START PAGE	0728
END PAGE	0730
INSTRUMENT #	02886
EXCISE TAX	\$0.00

Prepared by/mail to: Harmony W. Taylor, Law Firm Carolinas 1927 S. Tryon St. Suite 100 Charlotte NC 28203

UNION COUNTY
NORTH CAROLINA

**AMENDMENT TO THE DECLARATION
OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR WILLOW CREEK**

This AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WILLOW CREEK is made this 31 day of January, 2024, by Willow Creek Owners Association, Inc.

WITNESSETH:

WHEREAS, the Declarant subjected the Willow Creek subdivision (the "Property") to the Declaration of Covenants, Conditions and Restrictions for Willow Creek recorded in Deed Book 1280, Page 1 of the Union County Registry and amendments to the same;

WHEREAS, the Declaration applies to and runs with the land described in the Plat Books and Pages of the Union County Register of Deeds, including but not limited to the following:

- a) Plat Cabinet F, Pages 603 and 604;

WHEREAS, NCGS § 47F-2-117 states that the declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated, or any larger majority the declaration specifies. The percentage required for passage per the Declaration is seventy-five percent (75%), and such approval has been obtained.

NOW THEREFORE, the Declaration is amended as follows:

Article VIII ("RESTRICTIONS") is amended to add a new Section 24 to read as follows:

Section 24. Lease of Lots.

(a) For purposes of this Section, "Leasing" shall be defined as allowing occupants to reside on a Lot for any consideration. Leasing shall also include leasing with an option to purchase or contracts for deed whereby the current occupant is not the Owner of the property.

(b) All leases shall be in writing and shall provide that they are subject to all terms of the Articles of Incorporation, Declaration (as amended), Bylaws and any other governing documents or rules of the Association. Leases shall provide that failure to comply with all terms of the Articles of Incorporation, Declaration (as amended), Bylaws or rules of the Association shall constitute a default under the lease for which the lease may be terminated.

(c) No lease shall be for a period of less than twelve (12) months, and Owners shall be prohibited from advertising or otherwise holding their Lot out for leases or occupancy for less than twelve (12) months. No Lot may be leased except in its entirety, and sub-leasing is prohibited.

(d) It is the intent of this Section that no more than two (2) of the Lots shall be leased at any time. Beginning as of the date of adoption of this Section, the Association shall maintain a list of all Lots that are being leased. Any Owner leasing their Lot shall provide the Association with a copy of the lease within ten (10) days of the Lot being initially rented, and within ten (10) days upon any renewals or subsequent lease. These leases shall be considered confidential by the Association, and the information on the leases shall not be shared with any third parties. To the extent that any Owners are currently renting their Lot at the time that this Amendment is recorded, those Owners shall provide to the Association a copy of the current lease within thirty (30) days after the recording of this Amendment, and within ten (10) days of any renewals or subsequent lease. Along with any copy of a lease provided to the Association, the Owner shall provide current contact information for themselves and contact information for each adult tenant, if not stated on the lease itself. Both Owner and adult tenant information shall contain, but is not limited to, name, mailing address, phone number(s) and e-mail address(es). Additional contact information shall be provided for after-hours emergency contact if different from normal business hours. Any changes to Owner or adult tenant contact information must be provided to the Association within seven (7) days.

(e) Notwithstanding any other provisions of the Articles of Incorporation, Declaration, Bylaws, or Rules and Regulations of the Association, for each Lot that is conveyed to a new Owner(s) any time after the date of recording of this Amendment, that Owner shall be prohibited from leasing or renting their Lot until they have owned and resided on the Lot for a period of at least twenty-four (24) consecutive months (the "waiting period"). Conveyance of a Lot by an Owner to a legal entity in which the Owner is a principal, or acquisition of a Lot as a result of the death of an Owner, by probate or other means of inheritance, evidence of which shall be provided to the Association, shall not be deemed an interruption of the twenty-four (24) month waiting period, nor shall it necessitate a new waiting period if the Owner had already satisfied the ownership obligation. In the event that a Lot is leased for any period of time in violation of this mandatory waiting period, the waiting period shall be immediately tolled and any time which elapses while the unpermitted lease remains in effect shall not count toward satisfaction of the waiting period.

(f) Beginning as of the date of adoption of this Section, any Owner wishing to lease their Lot must obtain written approval from the Board of Directors. The Board of Directors shall be required to respond to the Owner's request for approval with a decision within thirty (30) days of the written notice being provided to it. Approval shall be given so long as (1) the two Lot threshold required above has not been reached, (2) the Owner has owned the Lot for at least twenty-four (24) months as required in subsection (e) above, and (3) the lease is for a term of at least twelve (12) months. Reasonable evidence shall be provided to the Board of Directors. The Board shall determine whether the threshold has been reached and communicate to the Lot Owner whether the Lot is eligible to be leased.

(g) Any Owner leasing their Lot shall provide the Association with a copy of the lease within seven (7) days of the Lot being initially rented, and within seven (7) days upon any renewals or subsequent lease. To the extent that any Owners are currently renting their Lot at the time that this Amendment is recorded, those Owners shall provide to the Association a copy of the current lease within seven (7) days after the recording of this Amendment, and within seven (7) days of any renewals or subsequent lease. Along with any copy of a lease provided to the Association, the Owner shall provide current contact information for themselves and contact information for each adult tenant. Both Owner and adult tenant information shall contain, but is not limited to, name, mailing address, phone number(s) and e-mail address(es). Additional contact information shall be provided for after-hours emergency contact if different from normal business hours. Any changes to Owner or adult tenant contact information must be provided to the Association within seven (7) days.

(h) The Association Board of Directors shall be entitled to adopt additional reasonable rules to assist in the administration of these terms.

All other terms and conditions contained in the Declaration shall remain unchanged.

WILLOW CREEK OWNERS ASSOCIATION, INC.

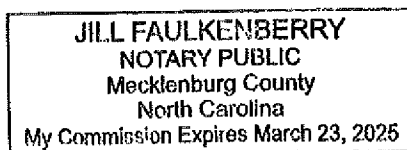
By:

President

STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

I, a Notary Public of the County and State aforesaid, certify that Andrew Smith personally came before me this day and acknowledged that they are the President of Willow Creek Association, and that they, as President, being authorized to do so, executed the foregoing on behalf of the Association.

WITNESS my hand and official stamp or seal, this 31st day of January, 2024.



Jill Faulkenberry
Notary Public
Jill Faulkenberry
Printed Name

My commission expires: March 23, 2025