AMENDED AND RESTATED BYLAWS
OF
THE VILLAS AT COUNTRY CLUB ESTATES HOMEOWNERS' ASSOCIATION, INC.

A NON-PROFIT CORPORATION

ARTICLE 1
NAME AND OFFICE

SECTION 1. NAME. The name of the organization shall be The Villas at Country Club Estates Homeowners' Association, Inc.

SECTION 2. OFFICE. The principal office shall be at the location in High Point, North Carolina which is designated by the Executive Board.

ARTICLE II
DEFINITIONS

For purposes of these Bylaws, the terms specifically defined in the Declaration of Covenants, Conditions and Restrictions for The Villas at Country Club Estates, as recorded in Book 6259, Page 902 of the Guilford County Registry on February 17, 2005 and in Book 1604, Page 734, of the Davidson County Registry on April 18, 2005, (hereinafter referred to as the "Declaration"), and as it may be from time to time amended, shall have the same meaning herein.

ARTICLE III
PURPOSES

The purposes for which the Corporation is organized are:

(a) To administer the operation and management of that certain residential housing development known as The Villas at Country Club Estates Subdivision located on that certain parcel of land in High Point Township, Davidson and Guilford Counties, North Carolina, more particularly described in the formal Declaration;

(b) To undertake the performance of the acts and duties, incident to the administration of the operation and management of said real property in accordance with the terms, provisions, conditions and authorization contained in the Declaration; to maintain a common entry way into The Villas at Country Club Estates Subdivision; and to own, operate, lease, sell, trade and otherwise deal with the real property as may be necessary or convenient in the administration of the same;

(c) To do any and all things necessary in order to realize the purposes herein set forth, and, to the extent consistent with the preceding clause, to engage in any lawful activity or activities for which corporations may be organized under Chapter 55A of the General Statutes of North Carolina; and the foregoing clause shall be construed as both objects and purposes and the foregoing

enumeration of specific objects and purposes shall not limit or restrict in any manner the objects and powers of this corporation.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERS. Every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including Declarant and any affiliated entity, including, without limitations, Country Club Estates Partners, LLC, shall be a voting Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Such Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. On all matters which the Membership shall be entitled to vote, the Member(s) owning each Lot, shall be entitled to one (1) vote. When more than one person holds an interest in any Lot all such persons shall be Members. The vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

SECTION 2. PLACE OF MEETINGS. All meetings of Members shall be held at the principal office of the Corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the Members entitled to vote thereat.

SECTION 3. ANNUAL MEETINGS. The annual meeting of the membership of this Corporation shall be held at such time and place as the Executive Board may prescribe.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the President of the Corporation, or by any Member pursuant to the written request of not less than one-tenth (1/10th) of all the Members entitled to vote at the meeting.

SECTION 5. NOTICE OF MEETINGS. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by hand-delivery or by United States mail, postage prepaid, to the Member's postal mailing address last appearing on the books of the Corporation, or supplied by such Member to the Corporation for the purpose of notice. In addition, the Corporation may give notice of a meeting by electronic mail over the Internet to an electronic mailing address designated in writing by the Member. If the notice is hand-delivered, emailed or mailed by first class, registered or certified mail, the notice must be given at least ten (10) days in advance of the meeting. If the notice is mailed by some means other than first class, registered or certified, the notice must be given at least fifteen (15) days in advance of the meeting. No notice may be given more than sixty (60) days in advance of the meeting. Such notice shall specify the place, day and hour of the meeting, the purpose of the meeting (in the case of a special meeting), and any other matters required by law. Waiver by a Member in writting of the notice required herein, signed by him or her before or after such meeting, shall be equivalent to the giving of such notice.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called, but in the case of an annual or substitute annual meeting,

the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is required by the provisions of the North Carolina Non-Profit Corporation Act.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

SECTION 6. VOTING LISTS. At least ten (10) days before each meeting of Members, the Secretary of the Corporation shall prepare an alphabetical list of the Members entitled to vote at such meeting or any adjournment thereof with the address of and number of shares held by each, which list shall be kept on file at the principal office of the Corporation (or other location as specified by the Executive Board) for a period of (10) days prior to such meeting and shall be subject to inspection by any member at any time during the usual business hours. This list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

SECTION 7. QUORUM. A quorum is present throughout any meeting of the association if persons entitled to cast ten percent (10%) of the votes which may be cast for election of the executive board are present in person or by proxy at the beginning of the 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.

In the absence of a quorum at the opening of any meeting of Members, such meeting may be adjourned from time to time by a vote of the majority of the Members voting on the motion to adjourn and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

SECTION 8. PROXIES. Votes may be cast either in person or by one or more agents authorized by a written proxy executed by the Members or by his duly authorized attorney in fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution unless the person executing the proxy specifies a shorter term. A proxy is void if not dated.

SECTION 9. INFORMAL ACTION BY MEMBERS. Any action which may be taken at a meeting of Members may be taken without a meeting if a consent in writing setting forth the action 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 Corporation to be kept as a part of the corporate records.

ARTICLE V
EXECUTIVE BOARD

SECTION 1. GENERAL POWERS. Except as otherwise provided in the Articles of Incorporation or in these Bylaws, all the corporate powers shall be and are hereby vested in and shall be exercised by the Executive Board. The Executive Board may by general resolution delegate to committees of their own number or a management agent such powers as they may see fit.

SECTION 2. NUMBER, NOMINATIONS, ELECTIONS AND TERM.

(a) Number and Qualification: The number of Executive Board Members shall be five (5) Members of the Executive Board must be Members of the Corporation.

(b) Nominations: At least fourteen (14) days prior to the Annual Meeting, the Nominating Committee shall present to the Executive Board a slate of the nominees to be elected to serve on the Executive Board at the Annual Meeting. Other candidates may be nominated by the membership from the floor to be added to those selected by the Nominating Committee, provided that the nominee's willingness to serve has been determined in advance of the nomination.

(c) Election: The Members by a majority vote, shall have the right to designate and select the Executive Board of the Corporation in accordance with Article V, Section 2(d) below. Board Members shall be elected at the Annual Meeting of the membership by the vote of a majority of the Members voting in person or by proxy.

(d) Term: Members of the Executive Board shall take office at the Annual Meeting at which they are elected and shall serve terms of three (3) years. Board Members may serve unlimited terms. In the event of the death, resignation, retirement, removal or disqualification of a Board Member during his elected term or office, his successor shall be elected to serve such term consistent with these Bylaws.

(e) Vacancies: Any vacancy occurring in the Executive Board may be filled at any time by the affirmative vote of a majority of the remaining Board Members even though less than a quorum, or by the sole remaining Board Member. A Board Member so elected to fill a vacancy shall serve such term consistent with these Bylaws.

SECTION 3. RESIGNATIONS. Board Members may resign at any time by giving written notice of such resignation to the Chairman of the Executive Board

SECTION 4. REMOVAL. Removal of Board Members elected by the Members shall be by the affirmative vote of a majority of the Members voting in person or by proxy at any regular or any special meeting called for that purpose.

SECTION 5. PRESIDING OFFICER. The President shall preside at all meetings of the Executive Board and at all meetings of the membership. Additionally, the President shall perform all other such duties as are incident to his/her office or may properly be required of him/her by the Executive Board. He/She shall be, ex officio, a member of all committees.

ARTICLE VI
STANDING COMMITTEES

SECTION 1. NOMINATING COMMITTEE. The Executive Board Members shall appoint a committee of three (3) Members to act as a Nominating Committee for purposes of nominating a slate of proposed Board Members for election consistent with the provisions of these Bylaws. The Nominating Committee shall prior to nominating determine any nominee's willingness to serve as a Board Member of this Corporation.

SECTION 2. ARCHITECTURAL CONTROL COMMITTEE. The Executive Board of the Association may appoint an Architectural Control committee consisting of three or more persons. The Architectural Control Committee shall designate a chairman among them.

(a) Purpose. Pursuant to the authority granted under the Declaration, the Architectural Control Committee shall regulate the external design, appearance, use, location, and maintenance of the Properties and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. To that end, no improvements, alterations, repairs, change of paint color, excavation, change in grade, planting, landscaping or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner shall be made or done without the prior written approval of the Architectural Control Committee. No building, fence, wall, residence, or other structure shall be commenced, erected, maintained or improved, altered, removed, made or done without the prior written approval of the Architectural Control Committee.

(b) Procedure. At least thirty (30) days prior to the anticipated commencement of any landscaping, construction of any structure, repair or improvement on any Lot, the Owner of such Lot (or his duly appointed agent) shall submit to the Chairman of the Architectural Control Committee a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, patios, decks and hallways, and of all improvements that will result in the creation of impervious surfaces as defined by any applicable governmental agency enforcing stormwater or watershed regulations relating to density of construction or allowed impervious surface development. There shall further be provided to the Architectural Control Committee sufficient building elevations and other site plans, including a statement of exterior building materials and proposed exterior colors, to allow the Architectural Control Committee to appropriately and accurately evaluate what is proposed for construction of the Lot. There shall be submitted two copies of all information required to be submitted.

Prior to grading and/or construction on any Lot, a Soil Erosion and Sedimentation Control Plan shall be submitted to the Architectural Control Committee for approval. Any builder and/or homeowner shall comply with the Soil Erosion and Sedimentation Control Plan approved by the Architectural Control Committee. Any clean-up on a Lot shall be the responsibility of the property owner and/or builder.

Within thirty (30) days after receipt of all required information, the Architectural Control Committee shall give in writing to the Owner of the Lot notice about whether or not the requested improvements are approved. Unless a response is given by the Architectural Control Committee within thirty (30) days, the plan shall be deemed approved. The response of the Association may be an approval, a denial, an approval with conditions, or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approval by the Owner of the Lot of the conditions imposed. Approval of any such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be reviewed or rescinded thereafter,

provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested, and the Architectural Control Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Architectural Control Committee and the other shall be returned to the applicant.

As a condition to the granting of approval of any request made under this Article, the Architectural Control Committee may require that the Owner requesting such change be liable for any cost of maintaining or repairing the approved project. If such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Architectural Control Committee. Thereafter, the Owner, and any subsequent Owner of the Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that any cost of maintenance and repair of such improvement shall be a part of the annual assessment or charge set forth in Article X, Section 2, and subject to the lien rights described in said Article X.

SECTION 3. OTHER COMMITTEES. The Executive Board may appoint such committees as it deems advisable, not inconsistent with these Bylaws. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Executive Board, or any member thereof, of any responsibility or liability imposed upon it or him/her by law.

ARTICLE VII
MEETINGS OF THE EXECUTIVE BOARD

SECTION 1. ANNUAL MEETING. An annual meeting of the Executive Board of this Corporation shall take place within ten (10) days following the conclusion of the annual membership meeting.

SECTION 2. QUORUM. A quorum to transact business at any meeting of the Executive Board shall consist of at least a simple majority in number of the members of the Executive Board.

SECTION 3. REGULAR MEETINGS. The Executive Board shall hold regular meetings at such times as are designated by the Chairman of the Executive Board. At least ten (10) days advance written notice shall be given for each meeting, unless such actual notice is not required by the laws of the State of North Carolina or these Bylaws for the validity of the Board Members' actions at such meeting.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Executive Board for a specific purpose may be called at any time by its Chairman or by the request of at least one (1) member of the Executive Board. The specific purpose must be stated in the notice and no other business shall be transacted thereat. Unless actual notice is not required by the laws of the State of North Carolina or these Bylaws for the validity of the Board Members' actions at any such special meeting, notice must be given not less than forty-eight (48) hours prior to any special meeting. Such notice may be given by any usual means of communication. Meetings shall be held at such location as determined by a majority of the Executive Board members.

SECTION 5. ATTENDANCE. All Executive Board members are expected to attend all meetings.

SECTION 6. MANNER OF ACTING. Except as otherwise provided in these Bylaws, the act of the majority of the members of the Executive Board present at a meeting at which a quorum is present shall be the act of the Executive Board. the Executive Board may permit any or all Executive Board Members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Executive Board Members participating may simultaneously hear each other during the meeting. An Executive Board Member participating in a meeting by this means is deemed to be present in person at the meeting.

SECTION 7. PRESUMPTION OF ASSENT. A member of the Executive Board of the Corporation who is present at a meeting of the Executive Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board Member who voted in favor of such action.

SECTION 8. INFORMAL ACTION BY BOARD MEMBERS. Action taken by a majority of the Executive Board without a meeting is nevertheless Executive Board action if written consent to the action in question is signed by all the members of the Executive Board and filed with the minutes of the proceedings of the Executive Board, whether done before or after the action so taken.

ARTICLE VIII
OFFICERS

SECTION 1. OFFICERS. Officers of the Corporation shall consist of a President, Vice President, Secretary and Treasurer and other officers as the Executive Board may from time to time elect.

SECTION 2. NOMINATION. Officers of the Corporation shall be nominated and elected at the annual meeting of the Executive Board.

SECTION 3. ELECTIONS. Officers shall be elected at the Annual Meeting of the Executive Board by a majority in number of the members of the Executive Board present. Officers shall assume their duties immediately after the Annual Meeting and shall serve for a one (1) year term and until their successors are duly elected.

SECTION 4. PRESIDENT. The President shall in general supervise and control all of the business and affairs of the Corporation, shall be an Executive Board Member and shall perform all such other duties as are incident to his/her office or may properly be required of him/her by the Corporation. He/She shall be, ex officio, a member of all committees. The President may enter into an agreement with a management agent to conduct the day-to-day operations of the Association.

SECTION 5. VICE PRESIDENTS. In the absence of the President, or in the event of his death, inability or refusal to act, the Vice Presidents, in the order of their length of service as such,

unless otherwise determined by the Executive Board, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Vice Presidents shall be an Executive Board Member. Any Vice President may sign with the Secretary or an Assistant Secretary certificates for shares of the Corporation; and shall perform such other duties as from time to time may be prescribed by the President or Executive Board.

SECTION 6. SECRETARY. The Secretary shall:

(a) keep the minutes of the meetings of the Executive Board in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; and

(d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Executive Board.

SECTION 7. TREASURER. The Treasurer shall:

(a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever; and deposit all such monies in the name of the Corporation in such depositories as shall be selected in accordance with the provisions of these Bylaws;

(b) prepare, or cause to be prepared, a true statement of the Corporation's assets and liabilities as of the close of each fiscal year, and a statement of the Corporation's gross receipts and all expenses for such fiscal year, all in reasonable detail, which statements shall be made and filed at the Corporation's registered office or principal place of business in the State of North Carolina within three (3) months after the end of such fiscal year and thereat kept available for a period of at least ten (10) years; and

(c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Executive Board, or by these Bylaws.

SECTION 8. ASSISTANT OFFICERS. Vice Presidents, Assistant Secretaries or Assistant Treasurers, as may be elected by the Executive Board, shall perform the duties and exercise the powers of the Secretary or the Treasurer, respectively, in their absence, and shall perform such other duties incident to their office as may properly be required by the Executive Board.

ARTICLE IX
INDEMNIFICATION

SECTION 1. RIGHT OF INDEMNIFICATION. To the fullest extent from time to time permitted by law, every person who at any time serves or has served as a Board Member, officer or employee shall be entitled as a matter of right to be indemnified by the Corporation against liability and litigation expense, including reasonable attorney fees, paid or incurred by such person in connection with any actual, threatened, pending or completed claim, action, suit or proceeding, civil, criminal, administrative, investigative or other, whether brought by or in the right of the Corporation or otherwise (herein called "claim"), in which such person may be involved, as a party or otherwise, arising out of such person's status as such or such person's activities in any of the foregoing capacities. "Liability" shall include amounts of judgments, excise taxes, fines, penalties, and amounts paid in settlement whether before or after any such claim is filed. The Corporation will not indemnify any such person against such liability or litigation expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Corporation.

SECTION 2. RIGHT TO ADVANCEMENT OF EXPENSES. To the fullest extent from time to time permitted by law, the Corporation will advance to such person litigation expenses, including reasonable attorneys' fees, as incurred by such person in defending any such action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation against such expenses.

SECTION 3. RIGHT OF SUCH PERSON TO BRING SUIT. If a written claim for indemnification is made under this Article and such written claim is not paid in full by the Corporation within thirty (30) days after such written claim has been received by the Corporation, such person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and, if successful in whole or in part, such person shall also be entitled to recover to the fullest extent from time to time permitted by law from the Corporation such person's reasonable costs, expenses and attorney fees in connection with the enforcement of rights of indemnification granted herein. It shall be a defense to any such action that the conduct of such person was such that under North Carolina law the Corporation would be prohibited from indemnifying such person for the amount claimed, but the burden of proving such defense shall be on the Corporation. The Executive Board of the Corporation (or independent legal counsel appointed by the Executive Board), within thirty (30) days after receipt of a written claim for indemnification shall take all such action as may be reasonably necessary to make a good faith determination as to whether such person is entitled to have the claim for indemnification paid; provided, however, such determination shall not be a defense to any action brought under this Section or create a presumption that such indemnification would be prohibited by law.

SECTION 4. INSURANCE. The Corporation may purchase and maintain insurance to protect itself and any such person against any such liability or expense asserted against or incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability and expense by law or under the provisions of this Article.

SECTION 5. INDEMNIFICATION AGREEMENTS. The Corporation may enter into agreements with any such person, which agreements may grant rights to any such person eligible to be indemnified hereunder or create obligations of the Corporation in furtherance of, different from, or in addition to, but not in limitation of, those provided in this Article upon approval of the Executive Board.

SECTION 6. NON-EXCLUSIVITY, NATURE AND EXTENT OF RIGHTS. The rights of indemnification and advancement of expenses provided for in this Article (i) shall not be deemed exclusive of any other rights, whether now existing or hereafter created, to which those seeking indemnification may be entitled under any agreement, bylaw or charter provision, vote of the Executive Board, or any law or otherwise, (ii) shall be deemed to create contractual rights in favor of such persons entitled to indemnification hereunder, (iii) shall continue as to such persons who have ceased to have the status pursuant to which they were entitled or were denominated as entitled to indemnification hereunder and shall inure to the benefit of the heirs and legal representatives of such persons entitled to indemnification, and (iv) shall be applicable to claims made after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

SECTION 7. PARTIAL INDEMNIFICATION. If any such person is entitled under any provision of this Article to indemnification by the Corporation of a portion, but not all, of the liability and litigation expenses resulting from an actual, threatened, pending or completed claim, the Corporation shall nevertheless indemnify such person for the portion thereof to which such person is entitled.

SECTION 8. LIMITATION OF LIABILITY. To the fullest extent that the laws of the State of North Carolina in effect on the date of the adoption of this Bylaw or as thereafter amended permit elimination or limitation of the liability of any such person who at any time serves or has served as a Board Member, officer or employee of the Corporation, no such person shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as such. The provisions of this Section shall be deemed to be a contract with each such person who serves as such at any time while these provisions are in effect and each such person shall be deemed to be serving as such in reliance on the provisions contained herein.

SECTION 9. SEVERABILITY. If any provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason (i) such provision shall be invalid, illegal or unenforceable only to the extent of such prohibition and the validity, legality and enforceability of the remaining provisions of this Article shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the remaining provisions of this Article shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 10. AMENDMENT, ALTERATION OR. REPEAL. Any amendment, alteration or repeal of this Article which has the effect of limiting the rights granted under this Article shall operate prospectively only and shall not limit in any way the indemnification provided for herein with respect to any action taken or failure to act, occurring prior thereto.

ARTICLE X
COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL, OBLIGATION OF ASSESSMENTS. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for 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: (a) to the Association: (i) annual and other assessments and charges provided for herein, together with interest and late fees, costs and reasonable attorney's fees; (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and (b) to the appropriate taxing authority: (i) a pro rata share of ad valorem taxes levied against the Common Area; and (ii) a pro rata share of assessments for public improvements to or for the benefit of the Common Area if the Association shall default in the payment of either or both for a period of six (6) months. All assessments and charges provided for herein, together with interest, any late fees, 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 such assessment is made when a claim of lien is filed of record in the Office of the Clerk of Superior Court, Davidson County or Guilford County, North Carolina. Each such assessment, together with interest, any late fees, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENT.

(a) The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area or the Lots, including but not limited to, the costs of repairs, replacement and additions; the cost of labor, equipment, materials, management, and supervision; the payment of any taxes assessed against the Association; the maintenance of streets and open spaces which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way within the Properties), drives and parking areas within the Common Area; the procurement and maintenance of liability insurance in accordance with By-Laws; the maintenance of dams and ponds, including retention or detention ponds, or other bodies of water, if any, located within the Common Area; the maintenance of entrance ways, landscaping and lighting of Common Areas; the cost of operating, maintaining and repairing any streets lights erected by the Association or the Declarant in the right-of-way of streets (whether public or private) or in any other easement provided therefor within the Properties; the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements of the Common Area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expenses.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Properties, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation, and the By-Laws of the Association. As monies of any assessment are paid to the Association by the Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereof or profits derived therefrom shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his Membership interest therein, except as an appurtenance to his Lot. When any Owner shall cease to be a Member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association or which any have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation of the Properties.

SECTION 3. ADOPTION OF BUDGET AND FIXING OF ANNUAL ASSESSMENTS; MAXIMUM ANNUAL ASSESSMENT.

(a) At least thirty (30) days in advance of each annual assessment period, the Executive Board shall establish an annual budget and fix the amount of the annual assessments in advance for the following year. Within thirty (30) days of adoption of any proposed budget, the Executive Board shall provide to all the Members a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Executive Board shall set a date for a meeting of the Members to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting the Owners of a majority of the Lots reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Executive Board.

(b) The maximum annual assessment for each calendar year shall be established by the Executive Board and may be increased by the Executive Board without approval by the Membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. The maximum annual assessment for each calendar year may be increased without limit by a vote of the Members entitled to cast at least two-thirds (2/3) of the votes of the Association who are voting, in person or by proxy, at a meeting duly called for this purpose.

(c) The Executive Board may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 6 of this Article.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair 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 the Members entitled to cast at least two-third (2/3) of the votes of the Association who are voting,

in person or by proxy, at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly, or annual basis as designated by the Association.

SECTION 5. NOTICE AND OUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting called for the purpose of taking action authorized under Section 3 or 4 of this Article shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members or of proxies entitled to cast ten percent (10%) of all votes of the Association 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. The requirement for a quorum shall continue to be reduced by fifty percent from that required at the previous meeting as previously reduced, until such time as a quorum is present.

SECTION 6. COMMENCEMENT OF ANNUAL ASSESSMENTS. The annual assessments provided for herein shall commence as to a Lot as follows:

(a) On the first day of the first month following the date a vacant Lot is conveyed by Declarant. The first annual dues shall be adjusted according to the number of months remaining in the fiscal year. As to a vacant Lot, the amount of the dues shall be one-half (1/2) of the normal annual dues. Houses that are complete and unsold, shall fall under the one-half (1/2) normal annual dues.

(b) Upon issuance of a certificate of occupancy to the builder, or upon conveyance of a lot upon which a residence has been constructed, the amount of the annual dues shall be at the fifty percent (50%) rate of what is normally charged to each property owner and it shall be payable, pro-rated for the calendar year, as of the first day of the first month following such conveyance. When the residence is transferred from the Builder to the Owner, then the above dues are reset at their full value and are pro-rated in the same manner as above.

As to Lots owned by the Declarant or any affiliated entity, including, without limitation, Country Club Estates Partners, LLC, the amount of dues shall be one-fourth (1/4) of the normal annual dues.

SECTION 7. WORKING CAPITAL ASSESSMENTS. In addition to the annual assessments authorized above, at the time of the first sale of each Lot, the first occupant thereof shall pay to the Association an amount equal to two-twelfths (2/12ths) of the then current annual assessment established by the Association. Such funds shall be used by the Association to establish a Working Capital Fund, the purpose of which is to ensure that the Association will have sufficient monies available to meet its operational needs. No such payments made into the Working Capital Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of the Declaration and these Bylaws.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENT; REMEDIES OF TIME ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate from time to time established by the Association not to exceed eighteen

percent (18%) per annum. In addition, the Association may charge a reasonable late fee, the amount of which shall be established from time to time by the Executive Board of the Association, for assessments not paid within thirty (30) days after the due date. After notice and an opportunity to be heard, the Association may suspend privileges or service provided by the Association (except rights of access to Lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer, which suspension may continue without further hearing until the delinquency is cured. The Association may bring an action at law against the Owner personally obligated to pay the same to foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of a mortgage or deed of trust on real estate under power of sale, and interest, late fees, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

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 six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots 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 FOR ASSESSMENTS TO THE LIEN OF FIRST MORTGAGES. When the holder of a first mortgage or first deed of trust of record, or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust or deed in lieu of foreclosure, such purchaser and its heirs, successors, and assigns, shall not be liable for the assessments against such Lot which become due prior to the acquisition of title to such Lot by such purchaser. Such unpaid assessments shall be deemed to be common expenses collectible from all Owners including such purchaser, its heirs, successors and assigns. Such sale or transfer of any Lot which is subject to any such First mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer; provided, however, no such sale or transfer shall relieve such Lot or the Owner thereof from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 11. EXEMPT PROPERTY. All property dedicated to, and accepted by, a public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvement devoted to dwelling use shall be exempt from said assessments.

ARTICLE XI
AMENDMENTS

Amendments to these Bylaws can be made by a majority vote of the Members voting in person or by proxy, in regular meeting assembled, either annual or special, and if special, then the purpose of the meeting with the proposed amendment or amendments must be stated in the call.

ARTICLE XII
DISSOLUTION

Upon the dissolution of the Corporation, the Executive Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner or to such organization or organizations except under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United Stated Internal Revenue law) as the Board Members shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIII
MISCELLANEOUS

SECTION 1. DEBTS. No Officer, Committee, Board Member or employee may incur any expenses or obligation chargeable to the Corporation except as authorized by the Executive Board.

SECTION 2. SEAL. The seal of the Corporation shall be circular in form and shall bear on its outer edge the words "THE VILLAS AT COUNTRY CLUB ESTATES HOMEOWNERS' ASSOCIATION, INC." and elsewhere thereon the words and figures "corporate seal," "2005" and "North Carolina," The Executive Board may change the form of the seal or the inscription thereon at pleasure.

SECTION 3. SALARIES. Board Members shall serve without compensation.

SECTION 4. INVESTMENTS. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner and to invest and reinvest any funds held by it, according to the judgment of the Executive Board, without being restricted to the class of investments which a member of the Executive Board is or may hereafter be permitted by law to make or any similar restriction; provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 528 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

SECTION 5. FISCAL YEAR AND AUDITS.

(a) The fiscal year of the Corporation shall be set by the Executive Board.

(b) The books of the Corporation and of its fiscal agent shall be audited annually as

directed by the Executive Board.

SECTION 6. CONFLICTS WITH DECLARATION. To the extent of any inconsistency or conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control and govern in all events.

This the 01 day of February 2020

APPROVED BY THE EXECUTIVE BOARD THE VILLAS AT COUNTRY CLUB ESTATES HOMEOWNERS' ASSOCIATION, INC.

BY: _____
Board Member

BY: _____
Board Member

BY: _____
Board Member

BY: _____
Board Member

_____