

**Golf Villa “I”
Neighborhood
Association
Documents:**

**General
Information
and Welcome
Letter:**

GOLF VILLAS "I"
NEIGHBORHOOD ASSOCIATION, INC.
GENERAL INFORMATION AND SERVICES

Golf Villas "I" Neighborhood Association (GVNA) consists of 16 single-family homes located on 4.96 (according to Macon County) acres of land which borders the 17th Fairway and 11th Greens of Highlands Falls Country Club golf course. There are three ingress entrances and one egress entrance, all from Falls Drive West. There are two separate roads within Golf Villas: Lake Villa Court and Ridge Lake Circle. The association founded in 1982 is a North Carolina non-profit corporation (Section 501 (c) (7) which provides certain services and restrictions as defined in its declaration.

All owners must belong to the Highlands Falls Community Association, which maintains the roads, water systems, wastewater systems, and architectural review committee/approval and provides security services for all Highlands Falls property. The streets within Golf Villas, however, are GVNA's responsibility. Property taxes for each unit are assessed and billed directly to owners by Macon County. The GVNA is responsible for taxes on common property.

HOMEOWNER RESPONSIBILITIES

Each homeowner is responsible for maintaining the appearance and upkeep of the home and yard planting to reflect favorably on the appearance of the entire subdivision.

If the homeowner fails to meet this requirement, the Board of Directors has the authority to correct the problem at the owner's expense.

CABLE TELEVISION & INTERNET PROVIDER

VYVE Cable provides both cable and Internet service within Golf Villas. The cost is with individual owners. You can reach VYVE Cable at (828) -526-5675. Frontier Communications is another company that offers the Internet, and they can be reached at 1-877-462-8188.

ELECTRICAL

Electrical service throughout Golf Villas is by Duke Power Company and they can be reached at (800) -777-9898.

EXTERIOR OF THE RESIDENCE

Any alteration or change to the exterior of the residence must have prior approval from both the Board of Directors of Golf Villas and the Highlands Falls Community Association before construction. The owner is responsible for the cost and maintenance of the residence.

To maintain a tidy appearance and as a consideration to our neighbors, please do not hang any clothing, towels, swimsuits, mats, etc. outdoors on the railings for airing or drying.

KEYS

The Security gatehouse offers a service to the homeowners to store an additional key for their home at the gatehouse. The key is only issued to those authorized to have access to it via the authorization card located at the gatehouse. Anyone requesting the key not listed on the authorization card security is required to contact the homeowner for approval to issue the key.

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The key is logged in a logbook to include the name of the person requesting the key, the date and time the key was issued as well as when the key was returned. This is helpful in emergency situations such as water, wastewater, etc.

Security

If you have an emergency, please first call 911 and then contact the gatehouse. Highlands Falls uses *Gate Sentry Visitor Management*, accessible at <https://portal.gatesentry.com>. Before creating your new account, HFCA will need to send you an email letter with a one-time personal access code for registering your account, enabling you to enter guests and visitors and notify you via text message upon their arrival. You may also notify Security of expected visitors and service personnel by calling 828-526-4161. Please observe the speed limit and always drive safely – for your safety and the safety of the many pedestrians you are likely to see each day.

TREE TRIMMING AND REMOVAL

Monies are allocated in the budget for the removal of dead and dying trees that may endanger your residence. The Board of Directors for Golf Villas is to be contacted regarding tree requests for removal and/or trimming at the expense of the Association for prior approval and scheduling of a contractor through the Association (for insurance reasons). Trees are not replaced. Periodically extensive pruning is done to maintain the wooded areas and/or allow sunlight in and maintain unwanted moss. All trees/shrubs trimming, and removal MUST HAVE APPROVAL of the G.V.A. Board and the Highlands Falls Community Association, Inc.

PARKING AREA

Streets, driveways, and parking spaces are considered common areas and are maintained by Golf Villas. Please do not park your vehicle so that it obstructs passage to any entranceways to ensure that emergency vehicles can gain entrance if needed.

WATER AND WASTEWATER SYSTEM

The Highlands Falls Community Association, Inc. is responsible for all water lines up to the “cutoff” valve at your residence. The responsibility thereafter is that of the individual homeowners. The cost of the water and sewer service is included in your annual dues to HFCA.

WINTERIZING

Highlands is well known for its cold winters. At times, the temperatures are below zero. To protect your investment **ALL RESIDENCES SHOULD BE WINTERIZED IF YOU ARE NOT A YEAR-ROUND RESIDENT**. You must choose your plumber and caretaker. If you plan to use your unit throughout the winter, it is a good idea to have a home watch service look after your home during the times you are away to help alleviate any potential problems when the temperatures dip below freezing. Turning your water off and leaving the temperature up to 55-60 degrees helps during your absence and reduces the chance of extended damage in the event there is a water leak. If you have any questions, please contact one of your Board members or the Managing Agent. Owners who do not winterize their property risk damage to their property and that of their neighbors and any associated costs.

GARBAGE PICKUP

Golf Villas annual fees include seasonal garbage collection; 6 months @1 time per week. GVA will reimburse you when you send your receipt to the managing agent Jay Finley. The owner is responsible for making arrangements with: *J&B Disposal at (828) 369-2199 to set up an account.*

Trash and garbage cans must be kept out of sight. To avoid problems of attracting animals, trash bags are not to be set outside until the morning of trash pickup has been scheduled. **BURNING OF TRASH IS NOT PERMITTED.**

ROOFS AND GUTTERS

The roofs and gutters are the responsibility of the homeowners, the Association does not cover the cost of replacement or repair of roofs or clean gutters.

INSURANCE

It is the responsibility of the owner to provide insurance coverage on their home. The Association has commercial general liability coverage for common areas as well as Directors and Officers coverage for its responsibility.

LANDSCAPING

The Association contracts with an outside landscaping company (Thompson Landscaping, Inc.) to provide landscaping in the common areas. In the spring, sticks limbs, leaves, and debris are removed. Shrubs, such as rhododendrons and hemlocks are pruned when appropriate. Perennials are trimmed in the fall and divided. A fresh coat of pine straw is placed annually throughout the common areas. Weed control as well as mowing and weed eating are provided periodically from May through October. Plants and shrubs are fertilized when appropriate in the fall season. The leaves are periodically blown off the roads and walkways. The Association plants, annuals, and perennials at the entrance, mailboxes, and street intersections (if funding monies are available). Owners are welcome to plant their own annuals, etc.; however, they must continue the upkeep required by their planting. Additional requests must have prior approval. **PLEASE REQUEST APPROVAL FROM THE GOLF VILLAS BOARD.** The Association will provide for trimming around the exterior walls of the home to keep trees/plants from touching the roof line, catwalks, decks, and exterior walls of the home within 10 ft. high around the home. Anything outside of this would be considered outside of the homeowner's responsibility.

LEASING/RENTAL

The homeowner is responsible for the conduct of lessees/guests. The Community Association and the Golf Villa "I" Neighborhood Association require the names of lessees/guests to provide access through the Security gate. Only one family and their guest may occupy a unit at a time. Time-sharing is disallowed (Article VII, Section 1. a. of covenants). *The rental Policy was approved in 2022, for the Golf Villa Community to allow only for a minimum of one rental every 30 days This does not require a 30-day minimum lease, however, it does mean that once a home is rented it cannot be rented to another person until the 30 days after the first day of the previous rental. The homeowner/Lessee/Guest Registration Packet must be completed by the HOMEOWNER and submitted to the Manager/Board of Directors (2) weeks before guests and lessees arrive in the Community. The information can be made available upon request of the*

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owner to the Manager. The Manager/Board of Directors will be responsible for submitting this to the HFCA Staff members on your behalf. Please request the packet from the Manager.

MAIL

Cluster mailboxes are located near the entrances. Golf Villas does not have extra keys for these boxes and is not responsible for maintaining the keys. It is the owner's responsibility to turn over the mailbox key at the time of closing. If the key is lost, it is the owner's responsibility to replace the missing key or replace the lock (please contact the managing agent Jay Finley who can help you with information on a replacement lock at Reeves Hardware, and then the owner will need to contact the post office to schedule a lock change).

PARKING

Each homeowner is asked to use the parking space closest to their home. Due to limited parking space and lack of turnaround areas, campers, trailers, motor homes, and trucks (except maintenance trucks) are not permitted. Please note that parking spaces, although typically used near each unit, are all community property. If you have overnight guests during high occupancy, please use the overflow car park near the HOA Office for cars that will remain in place for extended days.

ROADS

All the roads (Ridge Lake Circle and Lake Villa Court) within the confines of the Golf Villas Neighborhood Association are owned and maintained by the GV Association, as well as the parking areas.

PEST CONTROL

Pest control is **NOT** provided by the Association. Each owner is responsible for making arrangements with Terminex or another reputable pest control service and paying for such services if they desire it.

To assist with controlling pests, firewood must be stored in a metal log ring or log rack. Storing firewood in the crawl space is not advisable.

PETS

All pets must be kept under control. Dogs must always be kept on leashes. It is your responsibility to clean up after your dog. Barking dogs may be considered a nuisance, please consider your neighbor's right to peaceful enjoyment of the Community if a barking dog situation arises.

SNOW PLOWING

The Highlands Falls Community Association will plow the main roads only (Ridge Lake Circle and Lake Villa Court) in Golf Villas in the event of snow. If you are in residence and need snow plowing, please notify the HOA manager.

The driveways and catwalks are NOT part of the snow plowing contract. If you need your driveway and catwalk cleared a list of outside contractors is located at the Security gatehouse and the HFCA office.

MANAGING AGENT/REPRESENTATIVE

We are fortunate to have Jay Finley contracted year around, part-time as the Managing Agent of Golf Villas.,” I” Neighborhood Association, Inc. an independent contractor and is not an employee of Golf Villas. **For emergencies** contact the gatehouse or HOA office at 911. If none can be reached, please contact Jay Finley by phone: (828)-421-2434 (Cell). For non-emergencies, please address your concerns by email to Jay@highlandsfallsca.com or by suggestions in writing to the Golf Villas Neighborhood Association, Inc. P. O. Box 123, Highlands, NC 28741.

BOARD OF DIRECTORS

It is the duty of the Golf Villas Neighborhood Association Board to enforce the provisions of these Rules and Regulations and if infractions are not resolved, to impose penalties when necessary.

Golf Course, Lakes, Swimming Pool, Tennis Courts, Fitness Center, Croquet, Pickleball, and Cart Paths

These are owned and operated by the Highlands Falls Country Club for its members. Only Club members and their guests are permitted to use these facilities. PLEASE BE AWARE OF THE DANGER OF ERRANT GOLF BALLS. Highlands Falls Country Club would be delighted to discuss membership with you. Please contact George Thompson, Membership Director, at (828)-526-4118 for more information.

General Information

The gatehouse is operated by staff members 24 hours per day, 12 months per year.

Security Gatehouse	(828) 526-4161
Community Association Office hours	9:00 a.m. to 5:00 p.m.
Telephone	(828) 526-2203
FAX	(828) 526-9751
Email	Jay@highlandsfallsca.com/Jennifer@highlandsfallsca.com
Website	www.highlandsfallsca.com
HFCC- (Club Manager/Membership Director/Golf Superintendent) (828)526-4118	
HFCC-Fred Gehrisch - Club Manager Josh Cantrell- Golf Superintendent -Email:	
fgehrisch@clubhfcc.com or jcantrell@clubhfcc.com	

*The HFCA sends regular emails to inform the property owners about its activities. *

* CONSTRUCTION/SERVICE PERSONNEL WORK HOURS
Monday – Friday 8:00 AM – 6:00 PM Saturday 8:00 AM – 4:00 PM
No construction or related activities are allowed on holidays or Sundays.

Security

If you have an emergency, please first call 911 and then contact the gatehouse. Highlands Falls uses *Gate Sentry Visitor Management*, accessible at <https://portal.gatesentry.com>. Before creating your new account, HFCA will need to send you an email letter with a one-time personal access code for registering your account, enabling you to enter guests and visitors

and notify you via text message upon their arrival. Gate Sentry may be downloaded as a mobile app and on your desktop computer. You may also notify Security of expected visitors and service personnel by calling 828-526-4161. Please observe the speed limit and always drive safely – for your safety and the safety of the many pedestrians you are likely to see each day.

Some helpful telephone numbers:

HFCA 24-Hour Gatehouse	(828) 526-4161
HFCA Office	(828) 526-2203
Highlands Falls Country Club	(828) 526-4118
Highlands Pharmacy	(828) 526-2366
Highlands Post Office	(828)526-2667
Highlands Recreation Park	(828) 526-3556
Highlands-Cashiers Hospital	(828) 526-1200
Hudson Library	(828) 526-3031
J&B Disposal, Trash Pick-Up	(828) 369-2199
Macon County Offices	(828) 349-2000
Duke Energy	(828) 524-2121
Frontier Communications	1-877-462-8188
VYVE Cable TV	(828) 526-5675
Town of Highlands Office	(828) 526-2118
Recycling Center on Buck Creek Road	(828) 526-0393
Highlands Transfer Station Rich Gap Rd	(828) 526-2073

2024 Budget Information:

Golf Villa Association 2025 Budget

Proposed budget is an increase of 0% over 2024

INCOME

2025 Budget

Annual Assessments (16 Villas @ \$2,352.00)

\$37,632.00

Interest/Checking to-date

TOTAL INCOME

\$37,632.00

EXPENSES

2025 Budget

Administrati

Insurance

Maintenance of Common Areas:

Includes: General Landscaping contract

Pine Straw and Fertilizer

Tree Trimming and misc.

Road Maintenance/Snow removal

*Maintenance & Repairs

Office Supplies/Postage/Phone

Tax Preparation

Legal Fees

Reserve Fund Allocation

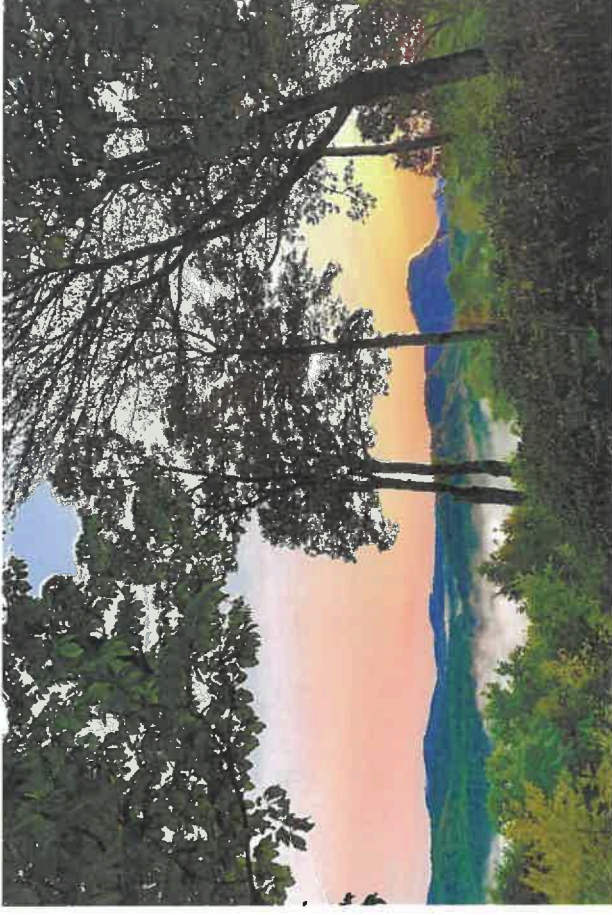
TOTAL EXPENSES

\$0.00

**30 Day Rental
Policy and
Homeowner/L
essee/Guest
Registration
Form:**

Thank you! We hope you enjoy your stay! If you have questions, please feel free to contact the Golf Villa Manager, Jay Finley, on her cell at (828) 421-2434 or via email at jay@highlandsfallsca.com.

Security Gatehouse: (828) 526-4161.



Golf Villa “I” Neighborhood Association, Inc. Homeowner/ Lessee/Guest Registration Packet 2025

Jay Finley, Golf Villa Manager (jay@highlandsfallsca.com or cell phone 828-421-2434).

NOTE: All Golf Villa homeowners planning to lease/rent their residence must return the completed form to both the HFCA office and the Golf Villa Manager before the tenant’s arrival. Information for submitting the required documentation can be found on the back of this form.

IMPORTANT: RENTAL POLICY FOR THE GOLF VILLA COMMUNITY IS A (30) DAY POLICY.

The Golf Villa Community is a member of the Highlands Falls Community Association, Inc. which is located at 91 Falls Drive West, Highlands, NC 28741.

TO BE COMPLETED BY THE PROPERTY OWNER OR REAL ESTATE AGENT

Note: No authorization will be granted if registration forms have not been completed and submitted.

Homeowner's Name: _____

Golf Villa Address: _____

Owner or Agent's Contact Number: _____

Names of all lessees or guests in residence: _____

Number of vehicles to be in residence during lease/rental" _____

Dates of occupancy: _____

The homeowner acknowledges that lessees/guests have been given a copy of the Golf Villa "I" Neighborhood Association, Inc. General Information, and Services. The homeowner also acknowledges that lessees/guests have been made aware that the use of amenities of HFCC is not included in any lease/rental and any golf cart use must conform to the rules of HFCC and are for members only.

Signature of Owner or agent _____

Date: _____

TO BE COMPLETED BY LESSEE OR GUEST ONLY

Note: This form must be submitted before arrival at Highlands Falls gatehouse.

The primary name of the lease/rental agreement: _____

Permanent home address: _____

Contact telephone while in Highlands: _____

Email Address: _____

Names of all other occupants while in Golf Villa residence: _____

The number of vehicles and license tags of all to be parked at the residence (maximum of 2 vehicles in the Community for each unit): _____

Arrival date and approximate time: _____

Departure date and approximate time: _____

Contact name and number in case of emergency: _____

Lessee/guest acknowledges that he/she has received a copy of the Golf Villa "I" Neighborhood Association, Inc. General Information, and Services and agrees to abide by all.
Signature of Lessee/Renter _____

Date: _____

By-Laws:

BY-LAWS
OF
GOLF VILLAS "1" NEIGHBORHOOD ASSOCIATION, INC.
As Amended and Restated on September 15, 1999, and Revised August 2005

ARTICLE I - OFFICES

The principal office of the corporation shall be located at Highlands, North Carolina. The corporation may have such other offices at such other locations as the Board of Directors may determine from time to time.

ARTICLE II - MEMBERS

Section 1. Qualifications for Membership

Membership in the Association shall consist of all owners of villas numbered 1 through 16 in the Golf Villas Section of Highlands Falls Country Club.

Section 2. Voting Rights

There shall be one vote for each villa within the Golf Villas Section of Highlands Falls Country Club. When any such villa is owned of record in the name of two or more persons or entities, such owners shall file with the secretary of the Association an instrument in writing signed by all such owners designating one owner to cast the vote which is attributable to such villa. In the absence of such instrument, the Association may assume that a vote cast by any owner IS authorized by the owners thereof. Members who are not qualified to vote may, nevertheless, attend meetings of the Association and in all other ways participate therein.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. Annual Meeting

The Annual Meeting of the Members of the Association shall be held at such time and place as shall be established by the Board of Directors, and, unless otherwise provided, on the third Friday in July each year at Highlands Falls Country Club.

Section 2. Special Meetings

Special meetings of the Association may be called by the President or the Board of Directors. At the request of twenty-five percent (25 %) of the voting Members of the Association, the president shall call a special meeting of the Association; provided, however, that such request must be in writing and not more than thirty nor less than ten days before the requested scheduled date. The notice shall specify the purpose of the special meeting and no other business may be transacted at such meeting except that agreed to by the unanimous vote of the Members present provided there is a quorum. However, if all of the Members entitled to vote shall meet at any time and place and consent to the holding of a meeting, such meeting shall be valid without call or notice.

Section 3. Notice

Notice of regular and special meetings shall be sent by the Secretary or his or her designee by regular mail to every voting member in good standing at his or her address as it appears in the records of the Association not more than thirty nor less than ten days before the scheduled date for any such meeting, giving the date, time and place thereof, and, in connection with a special meeting, the business to be transacted thereat, and by whomever the meeting is called.

Section 4. Quorum

Members authorized to vote representing ten of the villas in the Association shall constitute a quorum, but written proxies of Members authorized to vote, held by other Members may be counted in arriving at a quorum.

Section 5. Order of Business

Order of business to be followed at the Annual Meeting of the Association shall be as follows:

- Roll Call
- Reading of Minutes of the preceding Meeting
- Reports of Officers and Committees
- Election of Directors
- Old Business
- New Business
- Adjournment

ARTICLE IV - BOARD OF DIRECTORS

Section 1. General Powers

The Association shall be managed by its Board of Directors, who shall serve without compensation.

Section 2. Number and Tenure (as amended August 2005)

The Board of Directors shall consist of three (3) members of the Association. The Directors shall serve staggered terms in order to bring stability to the management of the Association. Beginning with the Annual Meeting for the year 2005, three (3) Directors will be elected; 1 Director will be elected to a three-year term, 1 Director will be elected to a two-year term, and the third Director will be elected to a one-year term. At the 2006 Annual Meeting, the Director

who had been elected to a one-year term at the 2005 Meeting will have his or her term expire and his or her successor shall be elected to a three-year term. At the 2007 Annual Meeting, the Director who had been elected in 2005 to a two-year term will be replaced by a successor who will be elected to a three-year term, and at the 2008 Annual Meeting, the Director who was elected to a three-year term at the 2005 Annual Meeting will be replaced by a successor who will be elected to a three-year term. Thereafter, at each successive Annual Meeting, the Director whose term is expiring will be replaced by a successor who will be elected to a three-year term. Nothing herein should be construed as preventing the reelection of a Director who has previously served and it is not intended by this language to create a term limitation on the service of any person as a Director.

Section 3. Meetings of the Board of Directors

Meetings of the Board of Directors may be called by the President or by any two members of the Board of Directors. Two directors shall constitute a quorum.

Section 4. Vacancies

Any vacancy occurring on the Board of Directors shall be filled for the balance of the term by a vote of the remaining members of the Board of Directors.

ARTICLE V - OFFICERS

Section 1. Officers

The officers of the Association shall be a President and a Vice-President who shall be elected by the Board of Directors from its members and a Secretary and Treasurer, who shall be elected by the Board of Directors, but not necessarily from its members.

The Board of Directors may, in its discretion, contract with a person or persons not a member of the Association to perform the duties of the Secretary and/or the Treasurer.

The Board of Directors may elect such other officers, including one or more assistant secretaries or treasurers, as it shall deem desirable, such officers to have the authority and perform such duties as the Board of Directors may prescribe. Each officer shall hold office until his successor has been duly elected.

Section 2, Election and Term of Office

The Officers of the Association shall be elected for a term of one year at the regular Annual Meeting of the Board of Directors, which shall be held as soon as convenient after the regular Annual Meeting of the Association.

Section 3 . Vacancies

A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 4. Powers and Duties

The officers shall have such powers and duties as listed below. The powers and duties of other officers shall be specified by the Board of Directors.

(A) President: the President shall preside at all meetings of the Board of Directors and of the Association and shall have general supervision of the affairs of the Association. He may appoint such committees as he shall deem advisable. The President shall present, at each Annual Meeting of the Association a report of the affairs of the Association. He shall, in addition, have such powers as may reasonably be construed as belonging to the chief executive of such. an organization.

(B) Vice-President: the Vice-President shall discharge the duties of the President in the event of absence or disability of the President.

(C)Secretary: the Secretary shall safely and systematically keep all books, papers, records and documents belonging to the Association or pertaining to the business thereof; shall keep a roll of Members of the Association, including their names, addresses and phone numbers, and including a roll of those entitled to vote; shall countersign all deeds, leases, and conveyances executed on behalf of the Association, shall file any reports or certificates required by law; shall give notice to the Members of the Association and the Board of Directors, and shall carry out the correspondence of the Association and discharge any other duties incident to the office. The Secretary shall keep the minutes of all meetings of the Association and such meetings of the Board of Directors as he or she may be required to attend. Such minutes shall consist of a record of which members are present, reports given or received from officers or committees, elections and the votes thereon, motions made by the Members and actions taken thereon and all business transacted at such meetings.

(D)Treasurer: the Treasurer shall keep an account of all monies, credits and property of any kind which shall come into his or her hands and render such accounts of monies received and disbursed and property on hand as the Board of Directors may require.

ARTICLE VI - COMMITTEES

The term of each committee shall be one year, or less, if sooner terminated by the Board of Directors. The function of all committees shall be advisory, unless the Board of Directors shall specifically authorize certain action to be taken by them.

ARTICLE VII - CONTRACTS DEPOSITS ETC.

Section 1. Contracts

The Board of Directors may authorize any officer or officers, agent or agents of the Association to enter into contracts or execute instruments in the name of and in behalf of the Association. Such authority may be general or may be confined to specific instances.

Section 2. Checks Drafts Etc.

The Board of Directors may authorize officers or agents of the Association to sign all checks, drafts or orders for the payment of money, notes or evidence of indebtedness issued in the name of the Association, provided, however, that all such checks, drafts or orders for payment of money, notes or evidence of indebtedness for \$1,000.00 or more, shall be signed by a Board member and the Secretary or Treasurer.

Section 3. Deposits

All funds of the Association shall be deposited in such depository institution as the Board of Directors shall determine. When the Association holds funds in an account determined by the Board of Directors in its discretion to be sufficient for investment, such sums may be invested as determined by the Board of Directors.

Section 4. Gifts

The Board of Directors may accept or reject, on behalf of the Association, any contribution, gift, bequest or devise for any purpose of the Association.

Section 5. Fiscal Year

The Board of Directors shall establish a fiscal year for the Association, and unless and until changed, such fiscal year shall be the calendar year. .

Section 6. Annual Statements

The President shall at each Annual Meeting present a statement showing the assets and liabilities, revenues and expenses of the Association at the close of the previous year. Such statement shall be furnished to each Member of the Association, in person or by mail

Section 7. Annual Budget

The Board of Directors shall prepare and make available to all members, at least sixty days prior to the beginning of each fiscal year, a budget outlining anticipated receipts and

expenses for the following fiscal year. The financial books of the Association shall be available for inspection by all members at all reasonable times.

ARTICLE VIII - FUNCTIONS OF THE ASSOCIATION

Section 1. Maintenance of Common Properties and Services Provided by the Association

The Board of Directors shall have the responsibility for the management of the Association and shall have the power to do any and all lawful acts on behalf of the Association in connection with the ownership and maintenance of the common properties and services provided by the Association as set forth in the "Declaration of Protective Covenants and Restrictions Providing for the Association"; and to incur expenses necessary to the performance of its functions.

Section 2. Residential Golf Villa Restrictions

The Board of Directors shall have the responsibility for the enforcement, on behalf of the Association, and shall have the power to do any and all lawful acts in connection therewith, as shown in the "Declaration of Protective Covenants and Restrictions Providing for the Association" and as may otherwise be provided by law.

ARTICLE IX - ASSESSMENTS

Section 1. Regular Annual Assessments

The regular annual assessment shall be used exclusively for the improvement, maintenance, repair, enhancement and operation of the common properties of the Association and to provide services which the Association is authorized to provide. The Treasurer shall bill the members for the Assessment in February of each year and payment shall be due on June 1 of each year. If any assessment is not paid by the due date thereof, the Board of Directors shall take such actions as provided in the Declaration of Covenants and Restrictions, or any other action provided by law, for its collection, together with interests and costs, including attorney's fees, if any.

Section 2. Reserve Funds

The Board of Directors shall establish reserve funds from its regular annual assessments to be held in an interest bearing account or investments as a reserve for (a) a major rehabilitation or major repairs of common properties, landscaping and to the sewage disposal system, (b) for emergency and other repairs required as a result of storms, fire, flood, wind, natural disasters, or other casualty loss, (c) initial costs of any new service to be performed by the Association.

Section 3. Amount of Regular Annual Assessment

The regular annual assessment shall be established by the Board of Directors but may be increased each year by an amount not in excess of five percent per year over the previous year.

Provided, however, that if the Board of Directors determines that it is necessary to permanently raise the maximum regular annual assessment, it may call a meeting of the Association to vote on the question, at which a favorable vote of three-fourths of the votes cast by the Members present (provided there is a quorum) shall be required for approval of the increase,

ARTICLE X - INDEMNIFICATION

Any person, who at any time, serves or has served as a director, or officer for the Golf Villa Neighborhood No. " I " Association shall be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorney's fees actually and necessarily incurred by him in connection with any threatened, pending, or complete action, suit or proceeding seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) payments required of him in satisfaction of any judgment, money decree, fine or penalty, against him in any such action, suit or proceeding.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to make any payments required by this provision to the extent needed, making a good faith evaluation of the manner and reasonableness in which the claimant for the indemnity acted on behalf of the Members of the Association.

Any person who at any time after December 31, 1985, serves or has served in any of the aforesaid capacities for or on behalf of the Association, shall be deemed to be doing or have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit or the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Article,

ARTICLE XI - COVENANTS AND RESTRICTIONS

These By-Laws are subject to the Declaration of Protective Covenants and Restrictions Providing for the Golf Villa 'I I' Neighborhood Association, Inc. made on May 12, 1982, and recorded in Deed Book L-14, Page 180, of the Register of Deeds of Macon County, North Carolina, as amended.

ARTICLE XII

It is of mutual interest and benefit to all Owners that each Villa Unit be maintained in good physical condition so as to present a uniformly neat and attractive Neighborhood Area appearance. To this end each Owner binds himself, his heirs and assigns not to permit excessive deferred maintenance such as would constitute an unsightly nuisance to an adjoining Owner or neighbor.

Each Owner of a Villa Unit herewith binds himself, his heirs and assigns that in the event of damage to or destruction of his unit by fire or other casualty, he will expeditiously have such Villa Unit repaired or rebuilt under plans and specifications reasonably similar to the original structure so as to restore the overall compatibility of quality and appearance to the Neighborhood Area. Extensive repair or reconstruction will, of course, be subject to prior approval of the Architectural Review Committee of the Highlands Falls Country Club and the Golf Villa "I" Neighborhood Association.

Each villa Owner agrees to keep his villa insured for an amount not less than replacement cost and to provide the Association Board of Directors with evidence of insurance at least annually or more frequently if the Board of Directors so direct. Each villa Owner recognizes that the Association has an insurable interest in his/her villa in order to protect other villa Owners and the integrity of the neighborhood.

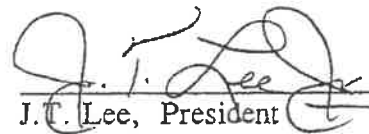
The Owners agree that the failure of any Owner to comply with the provisions of this section shall provide the basis for legal recourse by the Association, and if successfully prosecuted by the Association, agrees to be liable to the Association for all damages, including attorney's fees.

ARTICLE XIII - AMENDMENTS

These By-Laws may be amended or repealed and new By-Laws may be adopted by a majority of the voting Members present at any regular or special meeting, if at least fifteen days written notice is given of intention to take such action,

Adopted unanimously at the special meeting of the Association on September 15, 1999 by unanimous vote of all members present or represented by proxy.





J.T. Lee, President

Attest:



Donna Linsin, Secretary

Covenants and Restrictions:

AMENDED DECLARATION OF PROTECTIVE COVENANTS PROVIDING
FOR THE GOLF VILLA "I" NEIGHBORHOOD ASSOC., INC.

THESE AMENDMENTS, made this 25th day of June, 1987, by Golf Villa "I" Neighborhood Assoc., Inc. to the Declaration of Protective Covenants and Restrictions Providing for the Golf Villa "I" Neighborhood Assoc., inc-, (hereinafter referred to as "Association"), made on May 12, 1982.

WITNESSETH:

WHEREAS, the above entitled Declaration, in Article IX, Section 2, provides for its amendments: and,

WHEREAS, in accordance therewith, Association at a duly called meeting thereof, on June 25, 1987, notice having been given on May 22, 1987, adopted amendments to the Declaration, as follows:

The entire text of the Declaration, as well as the title thereof, and the clauses beginning with the word "WITNESSETH", and proceeding Article I, are deleted and annulled, and the following language is adopted in their place:

WHEREAS, Association is the Owner of the real property described in Article II of this Declaration and desires to maintain thereon a Golf Villa Neighborhood known as GOLF VILLA "I" NEIGHBORHOOD ASSOC., INC.

WHEREAS, Association desires to provide for the preservation of values and for the maintenance of common facilities and services for the administration and enforcement of covenants and restrictions; and

WHEREAS, Association is incorporated under the laws of the state of North Carolina as a non-profit corporation for the purpose of exercising the functions aforesaid, and which are hereinafter more fully set forth.

NOW, THEREFORE, Association declares that the real property described in Article II, Section 1 hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions and* easements, changes, assessments, affirmative obligations, and liens (hereinafter sometimes referred to as "the Covenants") hereinafter set forth.

ARTICLE I
DEFINITIONS

The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) "Association" shall mean and refer to Golf Villa "I" Neighborhood Assoc., Inc., a North Carolina non-profit corporation, its successors and assigns.

(b) "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded to Association and designated in said deed as "Common Properties". The term "Common Properties" shall also include any personal property

acquired by Association if said property is designated a "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, Residents, and their guests, and visiting members of the general public (to the extent permitted by the Board of Directors) subject to the fee schedules and operating rules adopted by the Association. Common Properties shall be "Neighborhood Common Properties" only for the common use and enjoyment of the Owner and Residents of Golf Villa "I" Neighborhood Area.

(c) "Villa Lot", "Residential Villa Lot", or "Villa Site" shall mean any subdivided parcel of land whether improved or not, platted and recorded by the Developer, located within the Property or Residential Villa Unit.

(d) "Golf Villa Unit" or "Residential Unit" shall mean an individually owned Residential Villa Home built on a Villa Lot.

(e) "Member" shall mean and refer to all those Owners who are members of the Association as defined in Section 1 of Article III.

(f) "Owner" shall mean and refer to the Owners as shown by the records in the Macon County, North Carolina, Registry, whether it be one or more persons, firms, associations, corporations or other legal entities, of fee simple title to any Residential Villa Unit, upon the Properties but, notwithstanding any applicable theory of a mortgage or deed of trust, shall not mean or refer to the mortgagee or holder of a deed of trust, its successors or assigns, unless and until such mortgagee or holder of a deed of trust has acquired title pursuant to foreclosure or by a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Macon County, North Carolina, Registry, a long-term contract of sale covering any lot or parcel of land within the Properties the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(g) The "Property" shall mean and refer to the Existing Property described in Article II hereof.

(h) "Resident" shall mean and refer to each Owner and Tenant of an improved Residential Villa Unit together with the members of his family living in such improvements.

(i) "Tenant" shall mean and refer to the lessee under a written agreement for the rent and hire of a Villa Unit in Golf Villa "I" Neighborhood.

(j) "Neighborhood Area" shall be those areas so designated as the property.

(k) "Development" shall mean the Highlands Falls Country Club Community.

(l) "Highlands Falls Community Association, Inc." shall mean the Community Association that exists within the Development.

(m) "Improvement" shall mean all buildings, outbuildings, streets, roads, driveways, parking areas, fences, retaining and other walls, hedges, poles, antennas and any other structure of any type or kind.

ARTICLE II
PROPERTY

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, given, Odonabdd, leased and occupied subject to these Covenants is described as follows:

All the lands, easements, privileges, and appurtenances located in Macon County, North Carolina (containing five acres), as shown on the plat entitled "Golf Villa Neighborhood # 1, Highlands Galls Country Club", recorded in the office of the Register of Deeds for Macon CoUnty, North Carolina, in Plat Cabinet 1, Slide 253, page 7, on November 18, 1982.

All Members of the Association shall be governed and subject to the terms and conditions of the Declaration of Covenants and Restrictions Providing for Highlands Falls Community Association, Inc., as recorded in Book H-13 at page 15 in the Register of Deeds for Macon County, North Carolina, together with amendments thereto.

There shall be no sale, transfer, lease, exchange or other conveyance of a divided interest in a Villa Unit or Villa Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner shall be a member of the Association.

Section 2. Voting Rights. When any property entitling the Owner to membership in Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property or if property is owned by a corporation, then such Owners shall file with the Secretary of Association an instrument in writing signed by all such Owners and designating one Owner (or in the case of a corporation, one of its officers) to cast the vote which is attributable to such property.

The principles of this section shall apply, insofar as possible, to execution of proxies, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.

Section 3. Governance. Association shall be governed by , a Board of Directors. Initially, the Board shall consist of Three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors.as provided for in the By-Laws of the Association. Election of the Board of Directors shall be by the members as provided in the By-Laws.

Section 4. Quorum Required for any Action, authorized by Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at a meeting of the Association shall be the presence at a meeting of members or proxies entitled to cast ten votes. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Article IX, STction 2, shall, govern in that instance.

Section 5. Proxies. All Members of the Association entitled to vote may vote and transact business at any meeting of Association by proxy authorized in writing.

ARTICLE iv
PROPERTY RIWITS IN THE COMMON PROPERTIES

Section 1. Member's Easements of Enjoyment in Common Properties. Subject to the provisions of these Covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Member and every guest or Tenant of any Member shall have an easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Villa Unit.

A member's spouse and dependent children shall have the same easement of enjoyment hereunder as a Member. †

Section 2. Title to Common Properties. As the Owner of fee title to those parcels of land and facilities described in this Article IV, Section 4, or by grant of perpetual easements for the use thereof, Association is responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the association's Board of Directors.

Natural areas, open spaces, roads, drives, paths and parking areas having been conveyed to Association, fire sanitary sewer collection and disposal system into which the effluent from the villa Units is collected and disposed having also become Common Property, the operation and maintenance of the system within the Neighborhood and that portion not on common property of Association is the responsibility of Association.

Section 3. Extent of Member's Easements. The easements of enjoyment created hereby shall be subject to the following:

(a) The right of Association to suspend the rights and easements of enjoyment, except right of access, of any member or Tenant or guest of any member for any period during which the payment of any assessment against property owned by such Member remains delinquent, and for any period not to exceed sixty (60) days for any infraction of its published rules and of any assessment or a breach of the rules and regulations of Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment.

(b) The right of Association to charge reasonable fees for the use of the Common Properties and any facilities included therein.

(c) The right of the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility or drainage easements on any part of the Common Properties.

Section 4. Association holds title by deed or grant of perpetual easement, as Common Properties, those properties listed below. Such holdings shall be subject to all the restrictions and limitations of the various Articles of the Declaration, and any other restrictions and limitations of record.

(a) The roads, drives, paths and parking areas within the Properties and leading from the roads of Highlands Falls Community Association, Inc. to the Property for the use of all Owners, their licenses, invitees, and Tenants for ingress and egress to all Residential villa lots.

(b) Natural areas and open spaces.

(c) The Sanitary Sewage Collection and Distribution System.

(d) All other portions of the property not shown as fee simple on a plat recorded for a Residential Villa Unit.

ARTICLE V
COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each Owner, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (1) regular annual assessments or use charges; and (2) special assessments for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular annual assessment and special assessment, together with such interest thereon and costs of collection therefore as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided shall also be the personal obligation of the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of a Residential Villa Unit, all such Co-Owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Regular Annual Assessment. The regular annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, repair, enhancement, operation of the Common Properties and to provide services which the Association is authorized to provide. The amount of the Assessment levied by the Association shall be paid to it on or before the date or dates fixed by resolution of the Board. If any assessment is not paid within thirty (30) days of the due date thereof, the amount of such assessment (together with interest computed at the maximum legal rate from and after the due date thereof) and any cost of collection (including reasonable attorney's fees if any) shall constitute and become a lien upon said lots as of the due date thereof upon the filing notice thereof with the County Clerk of Superior Court (which notice shall be filed within one hundred twenty (120) days from the due date of the assessment). In such instance, the service rendered by the Association for the benefit of such lot and for which an assessment is levied shall be deemed to have been performed on the due date of such assessment and to "improve" the subject lands and/or create an "improvement" thereof as defined in Chapter 44A, Article II, Part I of the General Statutes of North Carolina; the lien arising therefrom shall constitute a "lien of mechanics, laborer, and materialmen dealing with Owner", and such lien may be perfected and enforced pursuant to the provisions of said Part I. The lien created hereby shall not, however, be superior to any mortgage or Deed of Trust recorded prior to the filing of the Notice of Claim of Lien or any other statutory lien having priority or otherwise provided by law. Any action to enforce said lien may, at the Association's option, include a prayer for collection of assessments levied against the lot since the filing date of the Notice of claim of Lien. The Association may purchase the property at any sale thereof contemplated under Section 44A-14 of the General Statutes of North Carolina.

Section 3. Application for "Maximum Assessment". The regular annual assessment shall be levied by Association in an amount not to exceed the maximum assessment as set forth in the schedule hereinbelow, as such maximum is annually increased pursuant to the provisions of this Declaration. If the Board of Directors of Association, by majority vote, determines that the functions of the Association may be properly funded by an assessment less than the maximums set out below, Association may levy an

assessment in such lesser amount. The levy of a regular annual assessment less than the maximum regular assessment in one year shall not affect the board's right to levy the maximum regular assessment in subsequent years. If the Board of Directors shall levy less than the regular annual assessment for any assessment year and thereafter, during such assessment year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by majority vote, levy a supplemental regular annual assessment. In no event shall the sum of the initial and supplemental regular annual assessments for that year exceed the applicable maximum regular annual assessments.

If the Board of Association, by majority vote, determines that the important and essential functions of Association will not be properly funded in any one year by the maximum regular annual assessment, it must call a meeting of the Association to vote on the question of approving a specified increase in such maximum assessment for that particular year only. Should three-fourths (3/4) of the votes cast by the Members present at such a duly held meeting be in favor for such specified increase, the proposed increased assessment shall be levied in that year. An increase in the maximum regular annual assessment which is limited to one year shall in no way affect assessments in subsequent years.

(a) The maximum regular annual assessment shall be the sums calculated in accordance with the following schedule as may be increased as herein otherwise provided:

Maximum Regular Annual Assessment = \$1260.00

(b) The regular annual assessment shall be billed annually in January of each year. All regular annual assessment bills shall be due and payable sixty (60) days from the date of mailing of same.

(c) All assessments charged by the Association shall be rounded off to the nearest dollar.

(d) From and after January 1, 1983, the maximum regular annual assessment may be increased each year by an amount not in excess of five (5%) percent per year over the previous year.

(e) If the Board of Directors of Association determines by a majority vote that it is necessary to permanently raise the amount of the maximum regular annual assessment in order to properly fund the important and essential functions of Association, it may call a meeting of Association to vote on the question of approving a specified permanent increase in such maximum regular assessment. An increase in the maximum regular annual assessment shall be made only upon the favorable vote of three-fourths (3/4) of the votes cast by the members present at a duly held meeting.

Section 4. Reserve Funds. The Association shall establish reserve funds from its regular annual assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs of Common Properties, landscaping of the Residential Villa units, and to the sewage disposal system, (b) for emergency and other repairs required as a result of storm, fire, flood, wind, natural disaster, or other casualty loss, (c) initial costs of any new services to be performed by the Association.

Section 5. Quorum of any Action Authorized Under this Article. The quorum required for any action authorized to be taken by Association Members under this Article shall be the presence at the meeting of Members or proxies entitled to cast ten votes.

Section 6 Date of Commencement of Annual Assessments Due Date. Anything herein to the contrary notwithstanding, the regular annual assessment provided for herein shall commence no earlier than January 1, 1982.

Section 7. Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence against all but the owner of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association. If the regular annual assessment of any special assessment is not paid on or before the past due date which shall be established by the Board of Directors, then such assessment shall be come delinquent and shall (together with interest thereon at the maximum annual rate permitted by law from the past due date and cost of collection thereof as hereinafter provided) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owners, his heirs, devisees, personal representatives, tenants, successors and assigns.

If the assessment is not paid within thirty (30) days after the past due date, Association may at its election, bring an action to foreclose its lien on the property as herein provided, or bring an action of law against the Owner personally. If a delinquent assessment is put in the hands of an attorney at law for collection, there shall be added to the amount of such assessment all costs of collection including but not limited to reasonable attorney's fees.

Section 9. Subordination of the Lien to Deeds of Trust. The lien of the assessments provided for herein shall be subordinate to the lien of any deed of trust constituting a first lien upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosures, or any other proceeding or deed in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments accruing after conveyance by the creditor to a subsequent Owner or after the creditor becomes the Owner. Sums collected by foreclosure of such deed of trust shall be applied first to the indebtedness secured thereby and all cost of collection, second to past due assessments and third to assessments which have accrued, but have not become due and payable.

Section 10. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein;

- (a) The grantee in conveyances made for the purpose of granting utility easements;
- (b) all common Properties.

Section 11. Annual Statements. The President, Treasurer, or such officer as may have custody of the funds of the Association (or an independent Auditor) shall annually within ninety (90) days after the close of the fiscal year of the Association, prepare and execute a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, cost and expenses. To

shall be necessary to set out in the statement the name of any creditor of the Association, provided however, that this requirement shall be construed to apply only to creditors of more than Five Hundred and No/100 (\$500.00) Dollars. Such officer shall furnish to each Member of the Association, who may make request therefore in writing a copy of such statement, within thirty (30) days after receipt of such request. Such copy may be furnished to the member either in person or by mail.

Section 12. Annual Budget. The Board of Directors shall prepare and make available to all Members at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. the financial books of the Association shall be available for inspection by all Members at all reasonable times.

ARTICLE VI
FUNCTIONS OF ASSOCIATION

Section 1. Ownership and Maintenance of Common Properties and Services Provided by the Association. Association shall be authorized and required to own, lease and/or maintain Common Properties and improvements devoted to the following uses and to provide the following services:

- (a) For all drives running through the Property.
- (b) Parking areas, paths and walkways from the drives to the Villa Units.
- (c) Natural areas, landscaped areas, and open space.
- (d) The Sanitary Sewer Collection and Disposal System.
- (e) Cleanup of trash, litter and any other unsightly or hazardous conditions around or along all Common Properties and also around and along all drives, walkways, driveway medians, parking areas and all properties which are located within or in a reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole.
- (f) Landscaping of drives and parking areas, sidewalks, and walking paths of Residential Golf Villa Units, and all Common Properties.
- (g) Garbage and trash collection and disposal.
- (10 Insect and pest control to the extent that it is necessary or desirable, in the judgement of the Board of Directors of Association, to supplement any service which may be provided by the state and local governments.
- (i) The services necessary or desirable, in the judgement of the Board of Directors of Association, to carry out the Association's obligations and business under the terms of this document.
- (j) Maintenance and repair of drainage areas, streams, and creeks located within the Properties.
- (k) To take any and all action necessary to enforce all Covenants and Restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any Covenants or Restrictions applicable to the Properties.
- (1) To construct improvements on Common Properties for use for any of the purposes or as may be required to provide the services as authorized in this Article.

(m) To provide administrative services, including, but not limited to: legal, accounting and financial; and communication services informing Members of activities, notice of meeting, etc., incident to the above listed services; the extent practicable.

(n) To the extent possible provide liability and hazard insurance covering improvements and activities on the Common Properties;

(o) To pay all real estate taxes on Common Properties.

Section 2. Maintenance, Repair and Replacement for Residential Golf Villa Units.

(a) The Association, as agent for the Owners shall procure fire and comprehensive insurance in amount sufficient to assure replacement for all Villa Units. The Owners further agree that the failure of any Owner to comply with the provisions of this section, in good faith, shall provide the basis for legal recourse by the Association.

(b) It is of mutual interest and benefit to all Owners that each Villa Unit be **maintained** in good physical condition so as to present a uniformly neat and attractive Neighborhood Area appearance. To this end each owner binds himself, his heirs and assigns not to permit excessive deferred maintenance such as would constitute an unsightly nuisance to an adjoining Owner or neighbor.

(c) Each Owner of a Villa Unit herewith binds himself, his heirs and assigns that in the event, of damage to or destruction of his unit by fire or other casualty, he will expeditiously have such Villa Unit repaired or rebuilt under plans reasonably similar to the original structure so as to restore the overall compatibility of quality and appearance to the Neighborhood Area. Extensive repair or reconstruction will, of course, be subject to prior approval of the Architectural Review Committee of the Highlands Falls Community Association.

ARTICLE VII
GOLF VILLA RESTRICTIONS

Section 1. Residential Golf Villa Restrictions. The following shall be applicable to all Golf Villa Units within the Property and each Owner, as to his Villa Unit, covenants to observe and perform the same:

(a) Golf Villa Units are for single family residential use only.

There shall be no leasing of a portion of a Golf Villa Unit. Only one family, and its guests, may occupy a Golf Villa Unit at any one time. This shall apply to any Owner, guest, usufructuary, and/or lessee of the entire Golf Villa Unit.

There shall be no divided interest ownership or lease, or timesharing of any Golf Villa Unit.

(b) Maintenance of Golf Villa Units. All Villa Units, whether occupied or unoccupied, and the Villa improvements placed thereon, shall at all times be maintained by the Owners thereof, in such manner as to prevent them becoming unsightly, unsanitary or a hazard to health. If not maintained, Association shall have the right, through its agent and employees, to do so, the cost of which shall be added to and become a part of the annual assessment to which such Villa Unit is subject. Neither Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance so performed.

(c) Disposal of Sanitary Waste. All plumbing fixtures, dishwashers, and toilets shall be connected to a septic tank or other sewage system owned by Association and approved by the appropriate governmental authority.

(d) Nuisances. No noxious or offensive activities or nuisances shall be permitted on any Villa Lot or in any Golf Villa Unit, or on the Property. Excessively barking dogs constitute a nuisance.

(e) Signs. No Person, except Association shall erect or maintain upon any Golf Villa Unit or on the Property any sign or advertisement.

(f) Animals. No animals shall be kept or maintained on any Villa Lot or in any Golf Villa Unit or on the Property except the usual household pets which shall be kept reasonably confined so as not to become a nuisance.

(g) Garbage and Refuse Disposal. No Owner shall burn trash, garbage or other like household refuse, nor shall any Owner accumulate on his Villa Lot or on the Property junked vehicles or litter, refuse or garbage, except in receptacles provided for such purposes.

(h) Concealment of Trash Receptacles. Every receptacle for ashes, rubbish or garbage shall be approved by the Association installed underground or be so placed and kept as not to be visible from any street, lake or Common Area within the Development, except at the times when refuse collections are made.

(i) Restrictions on Temporary Structures. No travel trailer, mobile home or tent shall be placed or erected on any Villa Lot or the Property nor shall any overnight camping be permitted on the Property.

(j) Removal of Trees, etc. No tree, shrub or other vegetation may be removed from any Villa Lot or the Property without the prior written approval of the Highlands Falls Community Association, Inc. and the Neighborhood Association and only then may the approved tree, shrub or other vegetation be removed by Highlands Falls Community Association, Inc. or the Association or under their direct supervision.

(k) Water Services. Highlands Falls Community Association, Inc. has caused the construction of a waterworks system in the Neighborhood- Said waterworks system shall be owned and operated by Highlands Falls Community Association, Inc.

In consideration therefore, the Owners of each Villa Unit agree to pay to Highlands Falls Community Association, Inc. an annual fee based on the pro-rata share of costs.

(l) Road Maintenance. The collector roads within the Development are owned and maintained by Highlands Falls Community Association, Inc., which will bill the Villa Lot and the Villa Unit Owners for their pro-rata share of costs on an annual basis.

(m) Outside Storage. The storing of trailers and boats on the Property will not be permitted.

(n) Television, Radio or other antenna. No permanent or temporary antenna of any kind, for television, radio, shortwave, or any other use, may be erected, placed, maintained or located on the outside of any Golf Villa Unit, or upon any Golf Villa Lot or upon the Property.

(0) Architectural Control. 1. No improvements may be constructed or placed on any Golf Villa Lot, and no changes, modifications, alterations, or additions may be made to any Golf Villa Unit unless written approval has been granted by Highlands Falls Community Association, Inc. Such approval shall be granted only after written application has been made to Highlands Falls Community Association, Inc. in the manner and form prescribed by it. The application, to be accompanied by two sets of plans and specifications, shall show the location of all improvements, including the color and composition of all materials and any other information that Highlands Falls Community Association, Inc. may require, including a site plan, engineering and geologic reports and recommendations.

2. Grounds for Disapproval. Highlands Falls Community Association, Inc. may disapprove any application.

a. If such application does not comply with this Declaration.

b. Because of the reasonable dissatisfaction of the Highlands Falls Community Association, Inc. with grading plans, location of the proposed improvements on a lot, finished ground elevation, color scheme, finish, design proportions, architecture, shape, height or style of the proposed additions, improvements, or modifications or the materials used therein, the kind, pitch, or type of roof proposed to be placed thereon; or

c. If, in the judgement of Highlands Falls Community Association, Inc. reasonably exercised, the proposed improvement will be inharmonious with the Neighborhood or with the other Villa Units.

3. Certification of Compliance. At any time prior to completion of construction of an improvement, Highlands Falls Community Association, Inc. may require a certification, upon such form as it shall furnish, from the Contractor, Owner or a licensed surveyor that such improvement does not violate any set-back, ordinance or statute nor encroach upon any easement or right-of-way of record.

4. Liability. Notwithstanding the approval by Highlands Falls Community Association, Inc. of plans and specifications or its inspection of the work in progress, neither it, Association, nor any person acting in behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the Committee, nor for any defects in any plans or specifications or other material submitted to Highlands Falls Community Association, Inc. nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto.

(p) Fences. All property lines shall be kept free and open and no fences, hedges or walls shall be permitted.

ARTICLE VIII EASEMENTS

(a) Reservations. The following easements over the Property and the right to ingress or egress to the extent reasonably necessary to exercise such easements, are reserved to Association and its licensees:

I. Utilities. A ten foot wide strip running along the driveway and parking lines, for the installation, maintenance and operation of utilities, including radio and T.V. transmission cables or to cut, trim or remove trees and plantings wherever necessary upon the Property in connection with such installation, maintenance and operation.

2. Shoreline Maintenance. A 15 foot wide strip running along the inside of all Property lines coincident with the shoreline or any lake or water course in the Property for the purpose of shoreline maintenance.

3. Slope and Drainage. A 30 foot wide easement running along the inside of all Property lines coincident with Community street right-of-way lines for the purpose of cutting, filling, drainage and maintenance of slopes and drainage courses.

4. Flooding Easement. A flowage and flooding easement running along the inside of all Property lines coincident with the shoreline of any lake or water course, of 20 feet in width.

5. Private Drives. An easement on, over and under all drives in the Development for the purpose of installing, maintaining and operating utilities thereon or thereunder; for the purpose of drainage control, for access to any Golf Villa unit; and for purposes of maintenance of said drives.

(b) Liability for Use of Easements. No Owner shall have any claim or cause of action against Developer or its licensees reserved hereunder or shown on the Plat except in cases of willful or wanton misconduct.

(c) All easements, and rights of way provided for herein shall upon being opened and placed in use, become permanent and shall not be vacated or affected by a subsequent amendment' or cancellation hereby unless concurred in by all the Owners of Villa Units or others whom would be affected by such change.

ARTICLE IX GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five (25) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year renewal periods. The number of ten (10) year renewal periods hereunder shall be unlimited and this Declaration shall be automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however that there shall be no renewal or extension of this Declaration if during the last year of the initial twenty-five (25) year period, or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, 'setting forth the fact that such a proposal will be considered, shall be given each Member at least thirty (30) days in advance of said meeting: In the event that the Members of the Association vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by Association, the date of the meeting of Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, and the total number of votes cast in favor of such

resolution, and the total number of votes cast against such resolution, said certificate shall be recorded in the Macon County, North Carolina, Registry, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments. All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of Association and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast, at such a meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the members as set forth above, the President and Secretary of Association shall execute an amendment to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event, shall be less than sixty (60) days after the date of the meeting of Association at which such amendment was adopted) the date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be recorded in the Macon County, North Carolina, Registry.

The quorum required for any action authorized to be taken by Association under this Section 7. shall be the presence at the meeting of Members or proxies entitled to cast ten votes.

If the required quorum is not present at such meeting: a second meeting may be called subject to the giving of proper notice and the required quorum at such meeting shall be the presence of Members or proxies entitled to fifty (50%) per cent of the total vote of the Association.

Section 3. Notices. Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the address appearing on the Association's membership list. Notice to one of two or more co-owners or co-tenants of real property in Golf Villa Neighborhood shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of Association in writing of any change of address. Any person who becomes a Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 4. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person, persons, or entity violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these Covenants; and failure by the Association or any members to enforce any covenant or restriction herein contained for any period of time shall not be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 5. Severability. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

in full force and effect

Section 6. Interpretation. The Board of Directors of Association shall have the right to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of this Declaration.

Section 7. Authorized Action. All actions which Association is allowed to take under this instrument shall be authorized actions of Association it approved by the Board of Directors of the Association in the manner provided for in the by-laws of the Association, unless the terms of this instrument provide otherwise.

Section 8. Termination of Association. In the event that this Declaration be declared void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Article VII, Section. 1, all Common Properties owned by the Association at such time shall be transferred to a Trustee appointed by the Superior Court of Macon County, North Carolina, which Trustee shall own and operate said Common Properties as set forth below:

(a) Each Villa Unit located within the Properties shall be subject to an annual assessment which shall be paid by the Owner of each such Lot or parcel to the Trustee, The amount of such annual assessment and its due date shall be determined solely by the Trustee, but the amount of such annual assessment on any particular Villa Lot; or Villa Unit shall not exceed the amount actually assessed against the Villa Lot or Villa Unit in the last year that assessments were levied by Association, subject to the adjustments set forth in subparagraph (b) immediately below.

(b) The maximum annual assessment which may be charged by the Trustee hereunder on any particular Villa Lot or Villa Unit may be automatically increased each year by five (5%) per cent.

(c) Any past due annual assessment, together with interest thereon at the maximum rate of interest permitted by law from the due date and costs of collection, including reasonable attorney's fees, shall be a personal obligation of the Owner at the time annual assessment became past due, and it shall also constitute and become a charge and continuing lien on the Villa Lot or Villa Unit and all improvements thereon against which the assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

(d) The Trustee shall be required to use the funds collected as annual assessments for the operation, maintenance, repair and upkeep of the Common Properties. The Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided. The Trustee shall not have the obligation to provide for operation, maintenance, repair and upkeep of the Common Properties once the funds provided by the annual assessments have been exhausted.

(e) The Trustee shall have the power to dispose of the Common Properties free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51%) per cent of the Owners or in the alternative, shall be found to be in the best interest of the Owners

by the Superior Court of Macon County, North Carolina. The proceeds of such a sale will first be used for the payment of any debts or obligations constituting a lien on the Common Properties, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Properties, then the remainder shall be distributed among the Owners in a proportion equal to the portion that the maximum annual assessment on property owned by a particular Owner bears to the total maximum annual assessments for all property located within the Properties.

IN WITNESS WHEREOF, these amendments were adopted at a duly called meeting of the Association on June 25, 1987, (notice of which having been given on May 22, 1987, at which eleven Members were present, and five additional Members were represented by proxy, sixteen votes having been cast in favor of the amendments and no votes having been cast against the amendments, (twelve votes in favor thereof being necessary to adopt the amendments) to be effective on August 25, 1987, being not less than "sixty days after the date of such meeting.

SCORPORATE SEAL)

GOLF VILLA "I" NEIGHBORHOOD ASSOC., INC.



BY: [Signature]
President

"At: fest:
Alhaazu'Zi, b141141V - - - - -
Secretary

STATE OF NORTH CAROLINA
COUNTY OF MACON

This day of 64.1, 1987, personally came before me, [Signature], Notary Public, 617th sc 1178 - - - - , who being by me duly sworn, says that he is President of GOLF VILLA "I" NEIGHBORHOOD ASSOC., INC. and that the seal affixed to the foregoing instrument is a writing is the corporate seal of said company, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation.

(SEAL)

[Signature]
Notary Public

My Commission expires 8-6-91

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NOR CAROLINA, MACON COUNTY
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N. P. County, State cited by Seal (s)
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at 4:30 o'clock, [Signature] M,
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Register deeds Franklin C.

AMENDED DECLARATION OF PROTECTIVE COVENANTS FOR THE GOLF VILLA "I" NEIGHBORHOOD ASSOCIATION, INC.

THESE AMENDMENTS, made this 15th day of September, 1999, by Golf Villa "I" Neighborhood Association, Inc., to the Declaration of Protective Covenants and Restrictions for Golf Villa "I" Neighborhood Association, Inc. (hereinafter referred to as "Association"), made on May 12, 1982, and amended June 25, 1987.

WITNESSETH:

WHEREAS, the above entitled Declaration, In Article IX, Section 2, provides for its amendment; and,

WHEREAS, in accordance with these provisions, the Association at a duly called meeting thereof on September 15, 1999 (proper notice having been given), adopted amendments to the Declaration as follows:

NOW THEREFORE, Article VI, Section 2(a) is hereby amended by deleting in its entirety Section 2(a), and re-lettering Sections (b) and (c) as (a) and (b).

Article VII, Section 1(o) is amended by deleting said Section 1(o) in its entirety and substituting in Lieu thereof the following:

"(o) Architectural Control. No improvements may be constructed or placed on any Golf Villa lot and no changes, modifications, or corrections or additions may be made to any Golf Villa unit unless written approval has been granted by the Board of Directors of the Golf Villa "I" Neighborhood Association, Inc. and the Highlands Falls Community Association, Inc."

IN WITNESS WHEREOF, these amendments were adopted at a duly called meeting of the association on September 15, 1999 (notice of which meeting had been properly given), at which meeting six members were present in person and seven proxies were received and recorded and said vote being unanimous, the same to be effective on November 30, 1999, being not less than 60 days after the date of such meeting.

GOLF VILLA "I" NEIGHBORHOOD ASSOCIATION, INC.

ATTEST: (Seal)

By: _____
Lee, re ident

i.s.

BOOK 1-2
PAGE(S) 5 - Q
SMR 7

Donna L. Linsin, Secretary

STATE OF NORTH CAROLINA
COUNTY OF MACON

This 22 day of October, 1999, personally came before me, _____, Notary Public J.T. Lee who being by me duly sworn, says that he is President of Golf Villa "I" Neighborhood Association, Inc. and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation.

(Seal)


Notary Public

My Commission Expires: June 17, 20

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