

**Information for
Residents of the
Laurelwood
Neighborhood
Association, Inc.
Community:**

**By-laws, Covenants and Restrictions, General Rules and
Regulations and Budget department items and expenses
(including both Operating and Capital).**

GENERAL
INFORMATION
AND
WELCOME
LETTER:

LAURELWOOD NEIGHBORHOOD ASSOCIATION, INC.
GENERAL INFORMATION AND SERVICES
(Updated 2023)

Laurelwood consists of 25 single-family homes located on 10.36 (according to Macon County) acres of land bordering the 11th and 12th holes of the Highlands Falls Country Club golf course. The entrance is from Falls Drive West. The association, founded in 1987, is a North Carolina non-profit corporation (Section 501 (c) (7) which provides certain services and restrictions as defined in its declaration. The residences are primarily used as second homes. The Residences are of frame construction with attached garages. Homes are accessed from three streets within the Laurelwood Property including Laurelwood Ridge, Laurelwood Court, and Laurelwood Drive.

The resident owner has legal title to all property, within the eaves of the home, including any authorized extensions. However, the balance of the property is considered a "Common Area" for all remaining areas outside of the eaves "drip line" of the home and is owned by all the property owners. The "Common Area" of the property belongs to all Owners and any changes/alterations/removals within that area/property require approval from both the Laurelwood Board of Directors and the HFCA ARC Committee and Board.

All owners must belong to the Highlands Falls Community Association, Inc., which maintains the "MAIN" roads, water systems, wastewater systems, and architectural review committee/approval and provides security services for all Highlands Falls property. The streets within Laurelwood, however, are the responsibility of the Laurelwood Neighborhood Association, Inc. Some owners are members of the Highlands Falls Country Club; however, it is not a requirement. Property taxes for each unit are assessed and billed directly to owners by Macon County. The Laurelwood Neighborhood Association Inc. is responsible for taxes on common property only.

HOMEOWNER RESPONSIBILITIES

Each homeowner is responsible for maintaining the appearance and upkeep of the home. The maintenance of the "Common Property" (anything outside the eaves of the home) otherwise known as the yard is maintained by the Landscape Contract, please see Landscape Contract information below. Any additional planting and or trimming must be requested from both the Laurelwood Board and the HFCA Board and is contingent upon approval by the Laurelwood Neighborhood Association Board and HFCA. All owners are responsible for keeping a tidy appearance at the home to reflect favorably on the appearance of the entire subdivision.

In the event the homeowner should fail to meet this requirement, then the Board of Directors has the authority to correct the problem at the owner's expense.

CABLE TELEVISION

Vyve/Northland Cable provides cable service within Laurelwood. The cost is with individual owners. You can reach Vyve/Northland Cable at (828) -526-5675 for more information.

ELECTRICAL

The entranceway lighting located at the entrance in the rock wall planter on Falls Drive West is maintained by the Laurelwood Association. Electrical service throughout the Laurelwood area is offered by one corporation only and that is the Duke Power Company, 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 of the Board of Directors of the Laurelwood Neighborhood Association as well as 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. Please also keep all water hoses, firewood, etc. as tidy as possible.

SPEEDING

Please use extreme caution while driving in the Laurelwood Community. Children, pedestrians, golf carts, and workers are in danger. The speed limit is 15 mph.

KEYS

The Security gatehouse offers a key service to the homeowners which allows for all 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 and/or pre-approval from the homeowner via a telephone call. If someone attempts to access that is not previously authorized, Security will contact the homeowner for approval. Security is required to contact the homeowner for approval to issue the key. The key is logged in a key logbook which includes the name of the person requesting the key, the date and time the key was issued, and when the key was returned. This system is helpful in emergencies such as leaks, and sewer issues, or in the event an owner locks himself/herself out.

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, which enables you to enter guests and visitors and will also 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. All guests and visitors must have prior authorization to be allowed entry onto the property. Please add their names to your list or notify Security. 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

The Board of Directors designates funding “monies” that are allocated in the budget for the removal of dead and dying trees that may endanger residences (please note a certain amount of money is allocated every year if available to use per (25) homes). The Manager and/or the

2/26/2024

Board of Directors for Laurelwood are to be contacted regarding tree requests for removal and/or trimming to be at the expense of the Association for prior approval and scheduling of a contractor through the Association (for insurance reasons). Trees are often not replaced. If the Board of Directors does not approve the expense of the tree at the time of the request the homeowner can request the expense of the removal at their expense if approved by the Board of Directors. Periodically (every other year and/or every 4-5 years) extensive pruning is done to maintain the wooded areas and/or allow sunlight in and maintain unwanted moss. **All trees/shrubs/plant trimming and removal MUST HAVE APPROVAL from both the Laurelwood Board and the Highlands Falls Community Association, Inc. Violation of this requirement is subject to a fine at Laurelwood Neighborhood discretion up to \$500.00 per occurrence. Please contact the Manager, Jay Finley, and/or any Board member to request approval for any trimming/removal.**

TREE TREATMENTS

The Laurelwood Board of Directors has an itemized budget to include tree treatments of priority trees such as Hemlocks and Spruce trees which would be expensive to remove or dangerous if they were to fall on homes and/or roads. The budget item is a set amount budgeted for (19) total trees treated every (2) years. The trees are treated routinely every two years, and we ask that no resident removes the treatments from any of the trees as the contractor who installs them also removes them as part of the contract and removal is dangerous.

PARKING AREA

Streets and driveways are considered common areas and are maintained by the Laurelwood Association. The boulders bordering all driveways and/or road shoulders are maintained by the Laurelwood Neighborhood Association, Inc. Please do not park your vehicle so that it obstructs passage to the entranceway to ensure that emergency vehicles can gain entrance if needed. Please do not park on neighbors' driveways without permission from said neighbor.

WATER AND WASTEWATER SYSTEM

The Highlands Falls Community Association, Inc. is responsible for all water lines up to the main "cutoff" valve for HFCA at your residence. If there is an area of water piping in between the area of the HFCA valve to the main cut-off valve for your home located near your home the responsibility is the Laurelwood Neighborhood Association until your main cut-off valve, 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.

The Wastewater system for the Laurelwood Community is gravity-fed and is maintained by the Highlands Falls Community Association office and staff members and is their responsibility to maintain it and/or repair it.

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. It is advised to choose a plumber and a caretaker. If you plan to use your unit throughout the winter, it is a good idea to have a caretaker look after your home

2/26/2024

during the times you are away to help alleviate any potential problems when the temperatures dip below freezing. Turning your water off during your absence reduces the chance of extended damage in the event there is a water leak. If you have any questions, please contact your Manager, Jay Finley, or one of your Board members. Owners who do not winterize their property risk damage to their property and that of their neighbors and any associated costs. If you are interested in a caretaker and/or plumber for your home, please contact the HFCA office for the service provider list of referenced contractors who work in the Community.

GARBAGE PICKUP

Each homeowner must decide to have their garbage picked up PLEASE NOTE: the Laurelwood Neighborhood Association **DOES NOT** offer this service and it is not part of the annual dues or annual budget. You can contact J & B Disposal Service directly at (828) -369-2199 to discuss your options. 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. **IMPORTANT: BURNING OF TRASH IS NOT PERMITTED.**

ROOFS AND GUTTERS

The roofs and gutters are the responsibility of the homeowner, the Association **does not** cover the cost of replacement or repair of roofs. The Association **does not** pay to clean gutters, this cost is the cost of the individual homeowners to maintain. However, the manager, Jay Finley can be contacted for a service provider list of local contractors who can help at the homeowner's expense.

Budget and Assessments

The Laurelwood Board of Directors oversees the setting of the annual "Dues"/Regular Assessments and keeps control of the Budget for the Laurelwood Neighborhood Association, Inc. The Board decides each year at the regular Board meeting in May or June for the following year's fees which are announced at the annual meeting held each year. The Board bases the "DUES"/Regular Assessments each year on the needs of the Community, planned projects, additional items added throughout the year, annual expenses, reserve projects, unforeseen items (such as tree removal and/or storm cleanup), and adjusts for increases in the cost of living as needed each year. The budget is precise and clear as to what expenses are incurred each year for both Operating and Reserve monies. The money collected has a specific plan and/or reason. Any monies not spent throughout the year in Operating roll over into the Operating Account for items that may have been on hold that year and/or additional items expensed in the following year. The monies not spent in the reserve account are rolled out and are kept in the reserve account. The Board would be open to any questions/concerns and/or requests, however, the money collected **does not** always cover all projects, tree work, and/or landscaping desired and/or requested in the Community. If you would like to have a copy of the current budget please contact the Manager, Jay Finley. The Board approves all of the department line items in the budget and has designated funds for each line item each year. Currently, \$20,000 is collected as part of the regular assessments in hopes of transferring into the Reserve account each July.

INSURANCE

It is the responsibility of the owner to provide insurance coverage for their home. The

2/26/2024

Association has commercial general liability coverage ONLY for all common areas, as well as Directors and Officers coverage.

LANDSCAPING

The Laurelwood Association contracts with an outside landscaping company (as of 2022-Old Rock Outdoors, LLC. is the contract Landscaping Company for the Laurelwood Community), the Landscape company provides landscaping in all 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. Plants and shrubs in the front of all homes and along street shoulders are trimmed as often as possible up to 10 ft. per the contract.

A fresh coat of pine straw is placed annually throughout the common areas as approved and designated every April, (in the front of homes only or where visible from the streets/main roads and golf course only). **IMPORTANT: PLEASE NOTE THIS IS COMPLETED AT ALL HOMES AND IS PART OF OUR SIGNED CONTRACT.** 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. However, this can change as designated by the needs of the Association per the Manager and/or Board Members. The Association plants annuals and perennials are placed at the entrance, mailboxes, and street intersections (if funding monies are available). Owners are welcome to plant their annuals, etc.; **however, they must request permission first** and they must continue the upkeep required by their planting at their cost.

The landscaping company can be hired and is recommended to be hired, if possible, by the homeowner for additional items such as planting, trimming, etc., however, approval must be requested by the Board of Directors first. The Manager Jay Finley is always available to help with contacting the Landscape company on the owner's behalf to schedule a meeting as well as requesting approval from both HFCA and the Laurelwood Board. Please feel free to contact her.

The landscapers are working under a contract and can only provide those services outlined in the contract with the Laurelwood Neighborhood Association. Additional requests not outlined in their contract must have prior approval and must be paid for directly by the owner requesting the work. **PLEASE REQUEST APPROVAL FROM THE MANAGER AND/OR THE LAURELWOOD BOARD OF DIRECTORS BEFORE REQUESTING THE LANDSCAPE COMPANY COMPLETE ANYTHING OUTSIDE THE SIGNED YEARLY CONTRACT.** The contract requires trimming of up to 10 ft. around the exterior walls/roofs of the home to keep trees/plants from touching the roof line, catwalks, decks, and exterior walls of the home, anything outside of this would be considered outside of the contract. A copy of the contract is available upon request of the homeowner. Please request a copy from our manager, Jay Finley.

*Please note the landscape HOURS: Approved Hours designated to the landscape contract for Laurelwood OFF-SEASON (December-March), (bi-weekly), (3) men @ (3) hours @ total of (9) man-hours/ (2) days a month. Approved Hours designated to the landscape contract for Laurelwood SEASON (April-November), (1) day each week (4) visits a month (3) men @ (5) hours each visit a total of (15) Hours each weekly visit. Spring and fall cleanups have a budget as well as fertilization and landfill fees. If owners have a handful of sticks that they pick

2/26/2024

up and or move, they can place those at the edge of the driveway for the weekly pickup during the season if off-season the pickup would be twice a month. Please let the Manager know if you have any questions or concerns regarding the landscape contract. Reminder: ALL TRIMMING MUST BE APPROVED!

LEASING/RENTAL

The homeowner is responsible for the conduct of lessees/guests. The Community Association and the Laurelwood 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 as of January 1, 2021, for the Laurelwood Community to allow only for a (30) day minimum policy. 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 owner to the Manager. The Manager/Board members 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 entrance to Laurelwood from Falls Drive West, across the street from #20 Laurelwood Drive. The Laurelwood Neighborhood Association and/or Manager *does not* house or hold any additional or extra keys for these boxes, and it 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 manager first for replacement lock information and instructions), the post office will need to be contacted to schedule the lock change after speaking with the manager first. To ensure prompt and accurate delivery of your mail, new owners, guests, and lessees must complete the necessary paperwork at the Highlands Post Office.

PARKING

Each homeowner is asked to use the parking space provided in their driveways. Due to limited parking space and lack of turnaround areas, campers, trailers, motor homes, and trucks (except maintenance trucks) are not permitted in the Laurelwood area. Please check with your neighbor before parking in a neighbor's driveway. Please ONLY Park in your designated driveway.

ROADS

All the roads within the confines of the Laurelwood Neighborhood Community are owned and maintained by the Laurelwood Neighborhood Association, Inc.

PEST CONTROL

Pest control is NOT provided by the Association. Each owner is responsible for making arrangements with Terminix 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. Please make sure to keep the firewood as tidy as

2/26/2024

possible and hidden from the view of your neighbors.

PETS

All pets must be kept under control. **Dogs must be kept on leashes at all times. It is your responsibility to clean up after your dog.** Please keep your pets quiet. Please walk your pets carefully.

SNOW PLOWING

The Laurelwood Neighborhood Association is responsible for clearing the main roads in the Laurelwood Community including Laurelwood Ridge, Laurelwood Court, and Laurelwood Drive. The driveways and walkways are not included in the snow plowing in the Community. The Laurelwood Neighborhood Association contracts with HFCA as the contractor to snowplow all the main roads in the community and spread ice melt and chat. Please try being patient until the HFCA staff members can reach the neighborhood to plow, the HFCA staff cannot plow until the snow stops falling and they can get into the Community). The HFCA office has a list of contractors who can help clear your driveway and catwalk. If you are interested, you can contact that office at the number listed below for more information. Please allow the HFCA staff members to complete their job of plowing in the neighborhood. If possible, please do NOT walk on the main roads or be on the road shoulders during times of snow until the roads have been plowed for safety concerns. Please make sure that your vehicles are not parked alongside the roads of the neighborhood so that the plow and chat trucks can complete the snow plowing safely.

GOLF CARTS

- May Serve as owner's second vehicle and/or third vehicle.
- Plans for the installation of a cart barn must be submitted for approval by the Laurelwood Board of Directors as well as the Highlands Falls Community Association, Inc.
- Please Do Not Allow anyone without a valid driver's license to drive the golf cart.

MANAGING AGENT/REPRESENTATIVE

Jay Finley has contracted year-round, part-time, as the Managing Agent of the Laurelwood Neighborhood Association, Inc. She works as an independent contractor at the direction of the Executive Board and is not an employee of LNAI. For emergencies when a Board member cannot be reached, please contact Jay Finley by phone: (828)-526-2203 (HFCA Office) or (828)-421-2434 (Cell) or by email at jay@highlandsfallsca.com. For non-emergencies, please address your concerns and suggestions in writing via email to Jay Finley, Manager, or to the Laurelwood Neighborhood Association, Inc. P. O. Box 1465, Highlands, NC 28741 to receive prompt attention.

LAURELWOOD NEIGHBORHOOD ASSOCIATION, INC. BOARD OF DIRECTORS

The Laurelwood Neighborhood Association Board must enforce the provisions of these Rules and Regulations and if any infractions are not resolved to impose penalties when necessary.

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

These amenities are owned and operated by the Highlands Falls Country Club for its Members and Associates. Only Club members and their guests are permitted to use these facilities.

2/26/2024

- Walking on golf cart paths is prohibited between 9:00 a.m. and 6:00 p.m. and requires you to be a member of HFCC to do so.

PLEASE BE AWARE OF THE DANGER OF ERRANT GOLF BALLS AND USE CAUTION NEAR THE GOLF COURSE.

Highlands Falls Country Club would be delighted to discuss membership with you. Please contact the Membership Director, at (828)-526-4118 or visit the Highlands Falls Country Clubs website for more information <https://www.clubhfcc.com/>.

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
 Country Club (Club Manager/Membership Director/Golf Superintendent) (828)526-4118
 Website: <https://www.clubhfcc.com/>

*The HOA 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.

Some helpful telephone numbers:

<i>Jay Finley, Laurelwood Manager</i>	(828) 526-2203 ext. 1 or (828) 421-2434
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 Residential	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

BUDGET
DEPARTMENT
LINE ITEMS
AND
EXPENSES:

Laurelwood Neighborhood Community Association, Inc.

2024 Regular Assessment- "Annual Dues"- @ \$3,146.00/each home @ \$78,650.00.

BUDGET EXPENSES

Administrative Fees-Jay Finley

Duke Energy payments

Insurance

Liability Insurance

D & O Insurance

Maintenance of Common Areas

Landscaping Contract

Pine Straw

Trimming/Tree Treatments

Fertilizer, weed control, Etc.

Plants/Beautification Efforts

Additional trimming/repair maintenance

Office Supplies/Postage

Snow Plowing

* Reserve Fund Allocation Funds-yearly

Paving/patch work-Capital Reserve Expense

Infrastructure/repair & Major repair projects-Capital Reserve Expense

Road Maintenance/Paving-Capital Reserve Expense

TOTAL EXPENSES

Contact Information for Questions and/or concerns.

Jay Finley, Property Manager

Jay@highlandsfallsca.com

(828)-526-2203 ext. 1.

LAURELWOOD

(30) DAY

RENTAL

INFORMATION

AND FORMS:

**LAURELWOOD NEIGHBORHOOD COMMUNITY
ASSOCIATION, INC.
RENTAL AGREEMENT – 2020**

Whereas the Residents of the Laurelwood Community through their Association (LWCA) desire to maintain the quiet enjoyment of their single-family community the following guidelines regarding the rental of property within Laurelwood are adopted as follows:

A rental period shall not be for less than thirty days. Should a renter vacate the said rented premises prior to the close of the thirty days, said property may not be again rented until such time as the thirty-day period has expired. Families of property owners are excluded from these guidelines.

Owners and their lessees shall complete an information packet two weeks prior to the onset of the rental period. A sample is attached. Agents representing Owners may submit the required information.

As the roadways within the Laurelwood Community are narrow parking on the roads is not allowed. Access for all parties as well as emergency vehicles requires parking to be confined to the driveways and garages. Owners are responsible for the conduct of their renters.

Highlands Falls Country Club (HFCC) is a separate entity which owns the cart paths and amenities of the Club. Such paths and amenities are not available to rental guests unless the Owner has made arrangements with HFCC.

These guidelines go into effect January 1, 2021.

Approved the 25 day of June, 2020:

Laurelwood Board President: Meegie Glass

Witnessed Jennifer (Jay) Finley, Manager

Laurelwood Neighborhood Association

P.O. Box 1465

Highlands, NC 28741

In effect: January 1, 2021

I have received, read, and am now informed of the content, requirements, and expectations of the approved rental policy for the Homeowners in the Laurelwood Neighborhood Community which will go into effect on January 1, 2021. I have received a copy of the agreement, rental form, general information document, acknowledgment of policy document, and Board minutes from the Special Called Meeting for the proposed rental policy.

I agree to abide by the policy guidelines as a Homeowner in the Laurelwood Community as approved by the Laurelwood Membership.

I understand that if I have questions, at any time, regarding the (30) thirty-day rental policy, I can contact the Property Manager, Jay Finley, or any of the Board members listed below.

Please read the (30) thirty-day rental policy carefully to ensure that you understand the policy before signing this document. Once the document has been signed please send it to the Laurelwood Neighborhood Board of Directors via email (jay@highlandsfallsca.com) or snail mail to the following address:

Laurelwood Neighborhood Association, Inc.
P.O. 1465
Highlands, NC 28741.

Homeowner Signature: _____

Homeowner Printed Name: _____

Date: _____

Jay Finley, Property Manager
Vance Bailey, President
Janet Taylor, Vice President & ARC Chair
Linden Hustedt, Treasurer
Janie Wilson, Secretary & Landscape Chair
Ron Brown, Director

Thank you! We hope you enjoy your stay! If you have questions, please feel free to contact Laurelwood Manager, Jay Finley, at the HFCA Office at (828) 526-2203 or her cell at (828) 421-2434. Jay Finley's email is jay@highlandfallsca.com.

Security Gatehouse: (828) 526-4161.

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



Laurelwood Neighborhood Association, Inc. Homeowner/ Lessee/Guest Registration Packet

2024

Jay Finley, Laurelwood Manager (jay@highlandfallsca.com or 828-526-2203 ext. 1 or cell phone @ 828-421-2434).

NOTE: All Laurelwood homeowners planning to lease/rent their residence must return both completed forms to the HFCA office or the Laurelwood 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 LAURELWOOD COMMUNITY IS A MINIMUM (30) DAY POLICY.

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: _____

Laurelwood 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 Laurelwood 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 Laurelwood residence: _____

The number of vehicles and license tags of all to be parked at the residence: _____

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 Laurelwood Neighborhood Association, Inc. General Information and Services and agrees to abide by all. Signature of Lessee/Renter

Date: _____

BY-LAWS:

BY-LAWS
OF
LAURELWOOD NEIGHBORHOOD ASSOCIATION, INC.

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 I. Qualifications for Membership

Membership in the Association shall consist of all owners of residential units numbered I through 25 in the Laurelwood Neighborhood Association of Highlands Falls Country Club,

Section 2. Voting Rights

There shall be one vote for each unit within the Laurelwood Neighborhood Section of Highlands Falls Country Club. When any such unit 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 unit. 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, during the same week as the annual meeting of Highland Falls Country Club Membership at Highland 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 Members' request to the Board must be in writing and not less than forty (40) days before the requested scheduled date. The notice shall specify that 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 represented at such meeting.

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 less than thirty days before the scheduled date for any such meeting, giving the date, time and place thereat and, in connection with a special meeting, the business to be transacted thereat, and by whomever the meeting is called. However, if a quorum of the Members entitled to vote shall meet at any time and place and consent to the holding of a meeting, such quorum may waive the notice requirement and such meeting shall be valid without call or notice. In lieu of regular mail, the Association is permitted, but not required, to use email or other means of transmission for notices and other communications as may be designated by a Member if written permission is received from such Member to utilize the specified means for such communication.

Section 4. Quorum

Members authorized to vote representing fifteen of the residential units 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
- Adoption of Minutes of the Preceding Meeting
- Adoption of Officers and Committees
- Election of Directors
- Old Business
- New Business
- Adjournment

ARTICLE IV - BOARD OF DIRECTORS

Section I. General Powers

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

Section 2, Number and Tenure

The Board of Directors shall consist of five members of the Association elected at the Annual Meeting and shall serve a term of three years.

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. Three 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 I . 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 Managing Agent whose duties and responsibilities shall be set by the Board of Directors.

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. The President may appoint such committees as he or she shall deem advisable. The President shall present, at each Annual Meeting of the Association, a report of the affairs of the Association. The President 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 a roll of those entitled to vote; shall countersign all deeds, leases and conveyances executed on behalf of the Association, shall file and 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 I. 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, the Treasurer must sign or co-sign all such instruments. Any online bill payments shall be initiated by the 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, 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 (60) 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 Associates

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 in behalf of the Association in connection with the ownership and maintenance of common properties and services provided by the Association as listed in Article VI, Sections I and 2 of 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 Laurelwood Neighborhood Association

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 listed in Article VII, Section 1 of the "Declaration of Protective Covenants and Restrictions Providing for the Association".

ARTICLE DC - 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 or before 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 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, etc., (b) for emergency and other repairs required as a result of storms, fire, flood, wind, natural disasters or other casualty loss, and (c) the 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 ten percent (10%) 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 (in person or by proxy) 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 Laurelwood Neighborhood Association, Inc. shall have a right to 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 and whether or not brought by or on behalf of the Association, 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.

ARTICLE XI - COVENANTS AND RESTRICTIONS

These By-Laws are subject to the Declaration of Protective Covenants and Restrictions Providing for the Laurelwood Neighborhood Association, Inc, made on April 1, 1987, as that Declaration may be amended, as recorded in Deed Book L-17, Page 58, of the Register of Deeds of Macon County, North Carolina.

ARTICLE XII — MEMBER RESPONSIBILITY

It is of mutual interest and benefit to all Owners that each Residential 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 Residential 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 Unit repaired or rebuilt under plans and specifications 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.

The Owners 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.

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 thirty days written notice is given of intention to take such action.

Adopted at the annual meeting on SO..16....r.t.Lt.r• } 7c.I5
a quorum of the Members being present or represented by oxy.

President

Attest: Meredith Rogers Gla
Secretary

RESTRICTIONS

AND

COVENANTS :

WITHDRAWAL OF "DECLARATION OF PROTECTIVE
COVENANTS AND RESTRICTIONS PROVIDING FOR
THE HEATHER GLEN NEIGHBORHOOD ASSOCIATION, INC."
RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR
MACON COUNTY, NORTH CAROLINA, IN DEED BOOK E-16 AT PAGE 102;

DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR LAURELWOOD, A SUBDIVISION

THIS WITHDRAWAL AND DECLARATION made and entered into this the 1st day of April, 1987, by and between GOLF PROPERTIES, INC.; HEATHER GLEN NEIGHBORHOOD ASSOCIATION, INC.; HIGHLANDS FALLS COMMUNITY ASSOCIATION, INC.; GOLF PROPERTIES PARTNERS, a partnership, a Memorandum of the Partnership Agreement and Addendums thereto being recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 229; ORVILLE D. COWARD, JR., Trustee, and TRUSTMARK NATIONAL BANK, Beneficiary of those certain Deeds of Trust dated February 9, 1987, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at pages 234, 237, and 394, and Beneficiary of those certain Deeds of Trust dated August 13, 1987, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at pages 53 and 56; THOMAS D. NEAL and wife, PHYLLIS V. NEAL; JOHN R. MAYER, Trustee, and FIRST ATLANTA MORTGAGE CORPORATION, Beneficiary of that certain Deed of Trust dated September 11, 1985, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed of Trust Book 166 at page 128; and TAYLOR G. HOLLAND, JR. and wife, CORNELIA G. HOLLAND;

W I T N E S S E T H :

THAT WHEREAS, the parties hereto are all the owners of all of the lands, easements, privileges and appurtenances located within Parcel I (containing 12.00 acres), Block E, Section II, Highlands Falls Country Club Subdivision, as shown on the plat entitled "Section II, Block E, Highlands Falls Country Club" recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7, all of said lands, easements, privileges and appurtenances being sometimes hereinafter collectively referred to as "Parcel I"; and

WHEREAS, Parcel I is the site of a subdivision eventually expected to contain twenty five (25) single family residential units located upon "zero lot line lots," that is, lots the boundaries of which correspond generally with the outline of the structure located thereon, and in which subdivision common properties and facilities will eventually be owned and controlled by a non-profit corporation in which each lot and unit owner is and must be a member; and

WHEREAS, Parcel I was previously owned by Chastain/Simons Development Corporation, the original developer of Parcel I, and Chastain/Simons Development Corporation completed and conveyed title to three (3) units, which units are now owned by Golf Properties, Inc. (Unit 15), Thomas D. Neal and wife, Phyllis V. Neal (Unit 23, encumbered by a Deed of Trust to John R. Mayer, Trustee, and First Atlanta Mortgage Corporation, Beneficiary), and Taylor G. Holland, Jr. and wife, Cornelia G. Holland (Unit 16); and

WHEREAS, title to Parcel I except for said Units 15, 23 and 16 was acquired through foreclosure by Golf Properties, Inc., and Golf Properties, Inc. has conveyed title to five (5) units to Golf Properties Partners (Units 5, 12, 13, 18 and 22 encumbered by Deeds of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary), and the residential units located upon said lots are currently completed or under construction; and

WHEREAS, prior to its conveyance of Units 15, 23 and 16, and prior to the acquisition through foreclosure by Golf Properties, Inc. of the balance of Parcel I, Chastain/Simons Development Corporation caused to be incorporated Heather Glen Homeowners Association, Inc. (which was intended to be named Heather Glen Neighborhood Association, Inc.), and caused to placed of record a "Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc." and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-16 at page 102; and

WHEREAS, Chastain/Simons Development Corporation named its subdivision of Parcel I "Heather Glen"; and

WHEREAS, the deeds conveying Unit 15 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book M-16 at page 221), Unit 23 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book N-16 at page 167), and Unit 16 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book M-16 at page 220) from Chastain/Simons Development Corporation; conveying Unit 15 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book H-17 at page 83) from Aleck Primos et ux, to Golf Properties, Inc.; conveying Unit 16 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book A-17 at page 178) from Aleck Primos et ux, to Taylor G. Holland, Jr. et ux; and conveying Unit 5 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 233), Unit 12 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 236), Unit 22 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 393), Unit 13 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 53), and Unit 18 (recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 55) from Golf Properties, Inc.; and all Deeds of Trust conveying any of said units, have expressly or by reference referred to Parcel I as "Heather Glen", and have referred to the unit or lot being conveyed as being in "Heather Glen Subdivision;" further, each such conveyance has been made subject to the above mentioned "Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc." recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-16 at page 102; and further, each such conveyance has expressly or by reference contained the following language or language substantially similar: "Together with a 1/24 undivided interest in the common areas as described in the Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc., dated January 2, 1985 and recorded in Book E-16 at Page 102 of the Macon County Registry, to which reference is specifically made;" and

WHEREAS, the parties hereto, collectively having the requisite power and authority to do so, wish to take the following measures:

1. To remove the name "Heather Glen" from the subdivision of Parcel I and anything associated therewith, and to rename it "Laurelwood".
2. To remove all of the lands, easements, privileges and appurtenances within Parcel I from the scope and application of said "Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc." and from the authority of or any relationship to Heather Glen Homeowners Association, Inc. (Heather Glen Neighborhood Association, Inc.).
3. To clarify the meaning of the following language or substantially similar language as it appears expressly or by reference in the above mentioned conveyances: "Together with a 1/24 undivided interest in the common areas as described in the Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc., dated January 2, 1985 and recorded in Book E-16 at Page 102 of the Macon County Registry, to which reference is specifically made."

4. To make provisions regarding Laurelwood Neighborhood Association, Inc., a North Carolina non-profit corporation which, has been or will be incorporated by Golf Properties, Inc. for the use and benefit of all of the owners within Parcel I.

5. To make a Declaration of Covenants, Restrictions, Conditions, Easements, and Affirmative Obligations Applicable to Parcel I.

NOW, THEREFORE, the parties hereto, being all of the owners of all of the lands, easements, privileges and appurtenances located within Parcel I (containing 12.00 acres) as shown on the plat entitled "Section II, Block E, Highlands Falls Country Club" and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7, do hereby declare as follows:

FIRST: Parcel I shall henceforth be known as "Laurelwood." Parcel I shall no longer be known as "Heather Glen." All references to "Heather Glen" in all documents heretofore recorded in the Macon County Public Registry shall be deemed to be references to "Laurelwood." In all future references to any of the lands, easements, privileges and appurtenances within Parcel I, the name "Laurelwood" shall be used to refer to the subdivision, the lots, the units, or otherwise as appropriate, including in situations in which reference is being made to a prior instrument or document in which the name "Heather Glen" was used; provided, in the event the name "Heather Glen" is used in the future to refer to any of the lands, easements, privileges or appurtenances within Parcel I, such use shall be deemed to be the same as the use of the name "Laurelwood."

SECOND: All of the lands, easements, privileges and appurtenances located within Parcel I (containing 12.00 acres), Block E, Section II, Highlands Falls Country Club Subdivision, as shown on the plat entitled "Section II, Block E, Highlands Falls Country Club" recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7, are hereby withdrawn and removed from the scope and application of the "Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc." recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-16 at page 102, and the parties hereto, being all of the owners of all of the lands subject to or affected by said Declaration, do hereby declare that henceforth said Declaration is null and void and of no force or effect. Further, all of said lands, easements, privileges and appurtenances within Parcel I are hereby withdrawn and removed from the authority of or any relationship to Heather Glen Homeowners Association, Inc. (Heather Glen Neighborhood Association, Inc.).

THIRD: All of the lands, easements, privileges and appurtenances within Parcel I and such additions thereto as may be made pursuant to the provisions contained hereinbelow, shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, liens, and affirmative obligations (hereinafter sometimes collectively referred to as "the covenants") hereinafter set forth.

ARTICLE I

DEFINITIONS

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

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

(b) "Common Properties" or "Common Areas" shall mean and refer to those tracts of land with any improvements thereon which may be conveyed to the Association and designated in the conveyance as "Common Properties" or "Common Areas." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated a "Common Property." All "Common Properties" or "Common Areas" are to be devoted to and intended for the common use and enjoyment of the Owners and Residents and their tenants and guests (to the extent permitted by the Board of Directors of the Association).

(c) "Developer" shall mean Chastain/Simons Development Corporation for all purposes prior to October 23, 1986, and shall mean Golf Properties, Inc., its successors and assigns, for all purposes subsequent to October 23, 1986.

(d) "Lot", "Residential Lot" or "Site" shall mean any subdivided parcel of land whether improved or not, platted and recorded by the Developer, located within the Property described in Article II, Section 1, and intended for the construction thereon of a Residential Unit.

(e) "Unit" or "Residential Unit" shall mean a dwelling intended for single family occupancy built on a Lot.

(f) "Neighborhood Plan" shall mean and refer to the drawing which represents the conceptual plan originally intended for the development of Heather Glen and now intended for the development of Laurelwood. Since the concept of development is subject to revision and change by the Developer, present and future references to the "Neighborhood Plan" shall be deemed to refer to the latest revision thereof.

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

(h) "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 or business entities, of fee simple title to any Residential Lot or Unit, located upon the Property. Notwithstanding any applicable theory of a mortgage or deed of trust, "Owner" shall not mean or refer to the trustee, mortgagee or holder of a deed of trust, 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. The term "Owner" shall not mean or refer to any lessee or tenant of any Owner. "Owner" shall also refer to the Developer when the context requires.

(i) The "Property" shall mean and refer to the Existing Property described in Article II, Section 1 hereof and such additions thereto as are subjected to this Declaration by any supplemental declaration made under the provisions of Article II hereof.

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

(k) "Tenant" shall mean and refer to the lessee under a written agreement for the rent and hire of a Unit in Laurelwood.

(l) "Neighborhood Area" shall be synonymous with "Common Properties."

(m) "Company" shall be synonymous with "Developer."

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

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

(p) "Improvements" shall mean all buildings, outbuildings, streets, roads, driveways, parking areas, fences, retaining and other walls, hedges, poles, antennae, 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, donated, leased and occupied subject to these Covenants is described as follows:

All the lands, easements, privileges and appurtenances, situate, lying and being in Macon County, North Carolina, and being described in a deed from Golf Properties, Inc. to Chastain/Simons Development Corporation, recorded in the Macon County Registry in Book Z-15 at page 150, and being shown as Parcel I (containing 12.00 acres) on the plat entitled "Section II, Block E, Highlands Falls Country Club" recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7.

All of the real property hereinabove described shall sometimes be referred to herein as the "Existing Property."

Section 2. Neighborhood Plan: The Developer reserves the right to review and modify the Neighborhood Plan at its sole option from time to time. No such modification shall be made which would materially impair the rights of existing owners or mortgages. As to Existing Property, Developer's right to change the Neighborhood Plan shall be limited to the right to alter the location and boundaries of unsold Lots and Units or the location and other attributes of uncompleted improvements within the Common Areas. The Neighborhood Plan shall not bind the Developer, its successors and assigns, to adhere to the Neighborhood Plan in the development of the land shown thereon. Subject to its right to modify the Neighborhood Plan as stated herein, the Developer shall convey to the Association any properties which may be designated for such conveyance on the Neighborhood Plan. Such conveyances shall occur subsequent to the completion of the improvements thereon, and need not occur sooner than such time as the Developer has sold all of the Lots and Units shown on the Development Plan. Once conveyed to the Association, these properties shall become Common Properties. The Developer shall not be required to follow a predetermined sequence or order of improvements and development. The Developer may bring within the scope of these Covenants additional lands and develop the same before completing the development of the Existing Property. The Developer shall have full power to add to, subtract from or make changes in the Neighborhood Plan regardless of the fact that such actions may alter the relative voting strength of the Members of the Association. Once all of the Residential Units in Laurelwood have been sold by the Developer, the Developer's rights under this paragraph shall cease.

Section 3. Additions to Existing Property: Additional lands may become subject to this Declaration in the following manner: Upon merger or consolidation of the Association with another association, its property rights and obligations may be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may be added to the Properties of the Association as the surviving corpora-

tion pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions for the Existing Property, together with the covenants and restrictions established for any other properties within the consolidated or surviving association as one plan of development.

Section 4. Membership in Highlands Falls Community Association, Inc.: All Members of the Association shall be governed by and subject to the terms and conditions of the Declaration of Covenants and Restrictions providing for Highlands Falls Community Association, Inc., as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book K-14 at page 204, together with amendments thereto. All owners within Laurelwood shall and must be members of Highlands Falls Community Association, Inc., and must abide by all rules, regulations, by-laws, and restrictions thereof.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership: Every Lot or Unit Owner and the Developer shall be Members of the Association.

Section 2. Voting Rights: The Association shall have two (2) types of voting membership:

TYPE "A": Type "A" Members shall be all Owners of Residential Units; provided, however, that Developer shall not become a Type "A" Member until its Type "B" Membership has expired. Each Type "A" Member shall be entitled to one (1) vote for each Lot or Unit which such Type "A" Member owns. The Developer, when it become a Type "A" Member, shall be entitled to one (1) vote for each Lot or Unit which it owns. The total number of Lots and Units shall be deemed to be 24, unless and until otherwise shown on the Neighborhood Plan.

TYPE "B": The Type "B" Member shall be the Developer. The Type "B" Member shall be entitled to the same number of votes as are cumulatively held from time to time by all Type "A" Members, plus one (1) vote. The Developer shall continue as a Type "B" Member until December 31, 1995, or until Developer has sold all of the Lots and Units shown on the Neighborhood Plan, whichever comes first. Provided, Developer may relinquish its Type "B" Membership at any time, in which case it becomes a Type "A" Member with respect to each Lot or Unit shown on the Neighborhood Plan not owned by other Owners.

When any Lot, Unit, or property entitling an Owner to membership in the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, tenants by the entireties, tenants in common, or in any other manner of joint or common ownership with an undivided interest, or when such Lot, Unit, or property is owned of record by a corporation, partnership, trust, or other entity not one or more natural persons, then such Owners shall file with the Secretary of the Association an instrument in writing signed by all such Owners of such Lot or Unit or property and designating one (1) natural person (who must be one of the Owners, or if the Owner is an entity not a natural person, a principal of the entity) to cast the vote which is attributable to such Lot, Unit, or property. In the event no such instrument is filed, the Secretary of the Association may accept the vote of any natural person who is one of the Owners, or if the Owner is an entity not a natural person, a principal of the entity.

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: The Association shall be governed by a Board of Directors. Initially, the Board shall consist of three (3) Directors, 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 of the Association as provided in the by-laws.

Section 4. Quorum Required for any Action authorized at 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 as follows:

When any particular action is proposed to be taken by the Association, the first time a Meeting of the Members of the Association is called to vote on such proposal, the presence at the meeting of Members (in person or by proxy) entitled to cast sixty (60%) percent of the total of the votes entitled to be cast by the membership shall constitute a quorum. In the event a quorum is not present at such first meeting, and a second meeting is called to vote on such proposal upon proper notice, there shall not be a quorum requirement at such second meeting.

Unless otherwise provided, any reference herein contained to "votes cast at a duly called meeting" shall be construed to require compliance with the quorum requirements established by this Article III, Section 4, and with any other requirements for such "duly called meeting" that may be established by the by-laws of the Association. This provision shall not apply when the proposed action is the termination or amendment of this Declaration, and the quorum requirement established by Article IX shall govern in that instance. For the purposes of this Section, "proper notice" shall be deemed to be given when given to each Member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered.

Section 5. Proxies: All Members of the Association may vote and transact business at any meeting of the Association by proxy. Each proxy must be in writing, must designate the meeting(s) for which it is effective, and must be signed and dated by the Member authorized to cast the vote.

ARTICLE IV

PROPERTY RIGHTS 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 upon and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title of every Lot or 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: The Developer currently holds record title to all common areas. The Developer and/or its assigns shall convey to the Association, at no cost to the Association, by deeds, those parcels of land and facilities described in this Article IV, Section 4. Such conveyances may be of the fee or of perpetual easements. Such conveyances shall take place upon completion of any improvements thereon by the Developer, if such be re-

quired, such that the facility is functionally complete and available for use by Members; provided, such conveyances need not occur sooner than such time as the Developer has sold all Lots and Units shown on the Development Plan. Upon such conveyances, the Association shall immediately become responsible for the costs of all maintenance, repair and operation, and for the costs of such additional construction of improvements as may be authorized by the Association's Board of Directors, it being understood that the Association may under certain circumstances be responsible for the costs of maintenance, repair and operation of Properties which are ultimately intended to become Common Properties, but are still owned by the Developer, pursuant to Article V, Section 2.

Natural areas, open spaces, roads, drives, paths, and parking areas shall be conveyed to the Association after the Developer has completed the surveying and platting of all adjacent land into Lots which may abut such natural areas, open spaces, roads, drives, paths, and parking areas.

The sanitary sewer collection and disposal system into which the effluent from the Units is disposed shall become Common Property. The operation and maintenance of the system including portions located upon Lots shall be the responsibility of the Association, both before and after conveyance of the same to the Association. The Developer may at its option convey the system to Highlands Falls Community Association, Inc. instead of to the Association.

All said property conveyed to the Association may be conveyed subject to:

- (a) All restrictive covenants of record at the time of the conveyance; and
- (b) Other encumbrances or easements of record, except that in no event may the property be conveyed subject to any indebtedness.

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

(a) The right of the 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.

(b) The right of the Association to charge reasonable fees for the use of the Common Properties and any facilities included therein. The purpose of this right of the Association is to reimburse the Association for maintenance and upkeep of the common properties and facilities in sums which recognize the reasonable value of such use. The fees shall be set by the Board of Directors of the Association from time to time. The fees shall be payable in advance, and shall be used for maintenance of Association controlled or owned property, and to accomplish the responsibilities of the Association established herein.

(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 Property.

Section 4. Conveyance of Common Properties: The Developer covenants for itself, its successors and assigns, that it shall convey to the Association, by deed or grant of perpetual easement, as common properties, those properties listed below. Such conveyance shall be subject to all the restrictions and limitations of the various Articles of this Declaration, and any other restrictions and limitations of record, and shall occur at such times as are set forth hereinbelow:

(a) The roads, drives, paths and parking areas constructed by the Developer within the Property and leading from the roads of Highlands Falls Community Association, Inc. to the Property for the use of all Owners, their licensees, invitees, and Tenants, for ingress and egress to all Residential Lots.

(b) Natural areas and open spaces.

(c) The Sanitary Sewage Collection and Distribution System (except as limited hereinabove) and the water system.

(d) All other portions of the Property not conveyed as Lots or Units, or intended by the Developer for conveyance as Lots or Units, or shown on the Neighborhood Plan as individual Lots or Units.

Section 5. Language contained in prior conveyances: The following language or substantially similar language appears expressly or by reference in each of the following conveyances, to-wit:

"Together with a 1/24 undivided interest in the common areas as described in the Declaration of Protective Covenants and Restrictions Providing for the Heather Glen Neighborhood Association, Inc., dated January 2, 1985 and recorded in Book E-16 at Page 102 of the Macon County Registry, to which reference is specifically made."

or substantially similar language appears expressly or by reference in each of the following conveyances:

(a) Unit 15, to Aleck Primos as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book M-16 at page 221;

(b) Unit 15, to Golf Properties, Inc. as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book H-17 at page 83;

(c) Unit 16, to Aleck Primos as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book M-16 at page 220;

(d) Unit 16, to Taylor G. Holland, Jr. et ux, as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book A-17 at page 178;

(e) Unit 23, to Thomas D. Neal et ux, as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book N-16 at page 167, encumbered by a Deed of Trust to John R. Mayer, Trustee, and First Atlanta Mortgage Corporation, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed of Trust Book 166 at page 128;

(f) Unit 5, to Golf Properties Partners as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 233, encumbered by a Deed of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 234;

(g) Unit 12, to Golf Properties Partners as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 236, encumbered by a Deed of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 237;

(h) Unit 22, to Golf Properties Partners as recorded in the office of the Register of Deeds for Macon County, North Carolina, in

Deed Book E-17 at page 393, encumbered by a Deed of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book E-17 at page 394.

(i) Unit 13, to Golf Properties Partners as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 52, encumbered by a Deed of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 53.

(j) Unit 18, to Golf Properties Partners as recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 55, encumbered by a Deed of Trust to Orville D. Coward, Jr., Trustee, and Trustmark National Bank, Beneficiary, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book L-17 at page 56.

It shall be conclusively deemed that said language or substantially similar language as it appears expressly or by reference in each of said conveyances or in any other conveyance does not vest in the grantee (or trustee or grant a lien to the mortgagee with respect to) a 1/24 undivided interest as a tenant in common of the Common Properties. Rather, said language or substantially similar language as it appears expressly or by reference in each of said conveyances or in any other conveyance shall be conclusively deemed to vest in the grantee (or trustee or grant a lien to the mortgagee with respect to) only the easement of enjoyment of each Lot or Unit in the Common Property, as such easement is defined and limited by this Article IV, and no greater rights or easements in the Common Property than is specifically contemplated under the terms of this Declaration.

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 deed shall be required to pay to the Association: (1) regular annual assessments or use charges computed on a calendar year basis, 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 cost of collection thereof as are 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 are hereinafter provided shall also be the personal obligation of the record Owner of such real property at the time when the assessment first becomes due and payable. In the case of co-ownership of a Residential 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 assessment levied by the Association shall be used exclusively for the improvement, maintenance, repair, enhancement, operation of the Common Property, and Properties which are intended to ultimately become 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 the Board.

Section 3. Maximum Regular Annual Assessment:

(a) The regular annual assessment shall be levied by the Association in an amount not to exceed the maximum assessment as set forth hereinbelow, as such maximum may be annually increased.

If the Board of Directors of the Association, by majority vote, determines that the functions of the Association may be properly funded by an assessment of less than the maximum set forth hereinbelow, the 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 maximum regular annual assessment for any year and thereafter, during such 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 assessment. In no event shall the sum of the regular annual and supplemental assessments for the year exceed the applicable maximum regular annual assessment.

If the Board of Directors of the Association, by majority vote, determines that the important and essential functions of the 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 annual assessment for that particular year only. Should fifty one (51%) percent of the votes cast by the Members present at such a duly held meeting be in favor of 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 not affect assessments for subsequent years.

(b) The maximum regular annual assessment shall be Six Hundred (\$600.00) Dollars, and may be increased by an inflation adjuster as set forth in this Article V, Section 3(e), or may be increased as herein otherwise provided.

(c) The regular annual assessment shall be billed annually in February of each year. All assessment bills shall be due and payable ninety (90) days after the date of mailing to Members.

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

(e) The maximum regular annual assessment may be increased each year by the Board of Directors of the Association by an amount not in excess of ten (10%) percent of the maximum regular annual assessment for the previous year.

(f) If the Board of Directors of the Association determines by a majority vote that it is necessary to permanently raise the amount of the maximum regular annual assessment other than as provided for in Article V, Section 3(e), in order to properly fund the important and essential functions of the Association, it may call a meeting of the Association to vote on the question of approving a specified permanent increase in such maximum regular annual assessment. A permanent increase in the maximum regular annual assessment, other than that provided for in Article V, Section 3(e), shall be made only upon the favorable vote of fifty one (51%) percent 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 and landscaping; (b) for emergency and other repairs required as a result of storm, fire, flood, wind, natural disaster, or other casualty loss; or (c) the initial cost of any new service to be performed by the Association.

Section 5. Change in Maximum Amounts of Annual Assessments Upon Merger or Consolidation: The limitations of Section 3 hereof shall apply to any merger or consolidation in which the Association is authorized to participate under Article II, Section 3 hereof, and under the by-laws of the Association.

Section 6. Date of Commencement of Annual Assessments: Anything herein to the contrary notwithstanding, the regular annual assessment provided for herein shall commence the calendar year beginning January 1, 1988.

Section 7. Statement of Assessment: The Association shall, upon demand, furnish to an Owner a certificate in writing signed by an officer of the Association, setting forth whether assessments have been paid. The 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 the Association: If any assessment is not paid by the due date, such assessment shall be delinquent and shall bear interest from the due date at the rate of eighteen (18%) percent per annum, or the maximum interest rate allowed by law, whichever is lower.

If the delinquent assessment is not paid within thirty (30) days following the due date and is placed in the hands of any attorney for collection, there shall be added to the amount due all costs of collection, including reasonable attorney's fees not to exceed fifteen (15%) percent of the outstanding balance.

The assessment shall become a charge and continuing lien against and upon the Lot or Unit and all improvements thereon against which it is made, if it is not paid by the due date, which charge and lien shall commence and continue from the day following the due date, which charge and lien shall relate back to the date of the mailing of the assessment notice. Such charge and lien shall include all interest which accrues upon the assessment and shall include the aforementioned costs of collection including attorney's fees. It shall not be necessary for the Association to file a Claim of Lien or Notice of Claim of Lien in order to perfect its lien. However, the Association shall be permitted, at its option, to file a Claim of Lien in the office of the Clerk of Superior Court for Macon County, North Carolina, which Claim of Lien shall be in form substantially similar to that prescribed by the provisions of Chapter 44A of the General Statutes; provided, there shall be no time limit within which such Claim of Lien need be filed nor shall there be any time limit within which an action to enforce such lien need be filed. The Association may begin an action to enforce its lien, such action to be in substantial conformity with the provisions of said Chapter 44A of the General Statutes. The Association may in addition or in the alternative bring an action against the owner or owners to seek a money judgment for the amount of the assessment, interest, costs and attorneys fees. The Association may purchase the property at any sale ordered pursuant to an action to foreclose the lien.

Section 9. Subordination to the Lien of Deeds of Trust: The lien of any assessments shall be subordinate to the lien of any Deeds of Trust in favor of institutional lenders recorded prior to the due date of the assessment. The lien of unpaid assessments shall continue as a lien against the property against which the assessments were made notwithstanding any sale or transfer of title to the property other than as set forth in the preceding sentence.

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;
- (c) All property owned by Developer or by any party succeeding Developer as Developer.

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 each fiscal year of the Association, prepare and execute under oath 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. The statement shall include the name of any creditor of the Association owed more than Five Hundred (\$500.00) Dollars. Such officer shall furnish a copy of the statement to each member of the Association requesting a copy within thirty (30) days after receipt of such request.

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 each fiscal year, a budget outlining anticipated receipts and expenses for such fiscal year. Books and records 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: Subject to the foregoing provisions of this Declaration, the Association shall be authorized and required to own, lease and/or maintain Common Properties and improvements devoted to the following uses:

(a) The roads, drives, paths and parking areas constructed by the Developer within the Property and leading from the roads of Highlands Falls Community Association, Inc. to the Property;

(b) Natural areas and open spaces;

(c) The Sanitary Sewage Collection and Distribution System (except as limited hereinabove) and the water system; and

(d) All other portions of the Property not conveyed as Lots or Units or shown on the Neighborhood Plan as individual Lots or Units.

The Association shall be required to provide the following services:

(a) Maintenance, repair, and upkeep of all completed roads, drives, paths, and parking areas located upon the Property;

(b) Maintenance, repair, and replacement as necessary of the sewage and water system and lines within the Property;

(c) Cleanup of trash, litter and any other unsightly or hazardous conditions around or along all Common Properties and also around or along all drives, walkways, driveway medians, parking areas and all properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;

(d) Landscaping of drives and parking areas, sidewalks and walking paths, Residential Units and all Common Properties;

(e) Garbage and trash collection and disposal, if appropriate;

(f) Insect and pest control to the extent necessary or desirable, in the judgment of the Board of Directors of the Association, to supplement any service which may be provided by the state and local governments, if appropriate;

(g) Services necessary or desirable, in the judgment of the Board of Directors of the Association, to carry out the Association's obligations and business under the terms of this document;

(h) Maintenance and repair of drainage areas, streams and creeks located within the Property;

(i) To take any and all action necessary to enforce all Covenants and Restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any Covenants or Restrictions applicable to the Property;

(j) 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;

(k) To provide administrative services (including, but not limited to: legal, accounting and financial) and communication services informing Members of activities and giving notice of meetings;

(l) To provide liability and hazard insurance covering improvements and activities on the Common Properties, and Directors' and Officers' liability insurance;

(m) To provide fire and comprehensive insurance for the Association, if appropriate;

(n) To pay all real estate taxes on Common Properties; and

(o) To provide any or all of the above listed services to another association of owners of real property under a contract, the terms of which must be approved by the Board of Directors.

Section 2. Maintenance, Repair and Replacement for Residential Units:

(a) The Association shall not be required to maintain, repair, or replace the exterior walls or roofs of the Residential Units, rather, the same shall be the responsibility of the Owner of each individual Lot or Unit.

(b) In the event any Unit or portion thereof is damaged or destroyed by fire or other casualty, the Owner must and the Association shall cause the Owner to repair or rebuild the Unit in a substantial and workmanlike manner. Commencement of reconstruction and/or repair shall begin within sixty (60) days after such damage or destruction. Completion of the rebuilding or repairs shall be within nine (9) months after commencement.

The materials used in repair or reconstruction shall be at least as good as those found in the original structure and shall conform to the laws and ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. The exterior of the Unit, when rebuilt, shall be of an architectural design and color identical to the exterior of the Unit when originally built. Repair or reconstruction shall be in accordance with the original architectural design of the exterior of the Units and materials used shall be identical or comparable to materials originally used.

If an Owner shall fail to commence reconstruction and/or repair of his Unit within sixty (60) days from the date of damage, or fail to complete such reconstruction and/or repair within nine (9) months after the date of damage or destruction, the Association shall cause such repairs and/or rebuilding to be performed. In the event the Association shall undertake such reconstruction or repair it shall have, and is hereby given, a continuing lien upon the Lot upon which such repairs or rebuilding are furnished, said lien being of an amount determined by the sum of the following:

(1) The cost thereof; plus

(2) Interest upon the cost advanced at maximum rate allowable by law, from the date on which such costs are paid by the Association; plus

(3) Reasonable attorney fees and any and all other Court costs or collection costs incurred by the Association in connection therewith.

The lien referred to herein shall attach immediately upon the Association's furnishing of labor and/or material and shall be perfected and foreclosed in accordance with provisions for perfection and foreclosure of mechanics and materialman liens substantially as is provided by the General Statutes of the State of North Carolina Chapter 44A.

ARTICLE VII

RESTRICTIONS

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

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

There shall be no subleasing of any part of a Lot or Unit. Only one family, and their guests can occupy a Unit at any one time. This shall apply to any Owner, guest user, and/or lessee of the entire Unit.

There shall be no timesharing of any Unit. No Owner may effect a partition in kind with respect to his ownership interest. No Owner may take action to create ownership of a Lot or Unit in such a manner that the characteristic of the form of ownership would be a divided interest.

(b) Maintenance of Lots and Units: All Lots and Units, whether occupied or unoccupied, shall at all times be maintained in such manner as to prevent them from becoming unsightly, unsanitary or a hazard to health. If a Lot or Unit is not properly maintained, the Developer or the Association shall have the right to do so, and the cost of so doing shall be added to and become a part of the annual assessment to which such Lot or Unit is subject. Neither Developer, the Association, nor any of their agents, or employees shall incur any liability from any maintenance so performed.

(c) Disposal of Sanitary Waste: All plumbing fixtures, dishwashers, and toilets shall be connected to the existing sewage system, and no other form of waste disposal shall be permitted.

(d) Nuisances: No noxious or offensive activities or nuisances shall be permitted on any Lot or in any Unit, or on the Property.

(e) Signs: No person, except the Association and/or the Developer shall erect or maintain upon any Lot, Unit or on the Property any sign or advertisement.

(f) Animals: No animals shall be kept or maintained on any Lot or in any Unit or on the Property, except the usual household pets which shall be kept reasonably confined so as not to become a nuisance. All animal waste shall be removed and disposed of by the Owner of the animal.

(g) Garbage and Refuse Disposal: No Owner shall burn trash, garbage or other like household refuse, nor shall any Owner accumulate on his Lot or on the Property junked vehicles or litter, refuse or garbage.

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

(i) Restrictions on Temporary Structures: No travel trailer, mobile home or tent shall be placed, kept, maintained, or erected on any Lot or Unit or the Property, nor shall any overnight camping be permitted on any Lot or the Property. No clothes lines or fences shall be erected. No outbuildings of any kind shall be erected.

(j) Removal of Trees, etc.: No tree, shrub or other vegetation may be removed from any Lot or Unit or the Property without the prior written approval of the Highlands Falls Community Association, Inc. and the Association, and the tree, shrub, or other vegetation approved for removal may be removed only by Highlands Falls Community Association, Inc. or the Association, or under their direct supervision. Violation of this restriction shall subject the violator to a fine not to exceed \$5,000.00, the amount to be within the discretion of the Board of Directors of the Association.

(k) Water Services: Water may be obtained only from the existing water system owned and operated by Highlands Falls Community Association, Inc., and from no other source.

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

(m) 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 Unit, or upon any Lot or upon the Property.

(n) Architectural Control: No improvements may be constructed or placed on any Lot and no changes, modifications, alterations, or additions may be made to any 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 (2) 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.

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

(p) Repair, Maintenance, Alterations: All repairs, and all maintenance to any Lot or Unit must be done in such a way that the exterior appearance of the Unit is not changed in any way and so that the architectural design and color and all other incidents regarding the exterior of the Unit are identical to the exterior of the Unit when it was originally built. All exterior surfaces of all Units must be maintained so that they are identical to the architectural design and color and all other incidents regarding the exterior of the Unit are identical to the exterior of the Unit when it was originally built. All materials used in any repair or maintenance must be as good as materials originally used in the construction of the Unit. No color of any exterior portion of any Unit may be altered or changed without the express written permission of Highlands Falls Community Association, Inc. and of the Association. No Unit may be painted or stained in any way without express written permission of Highlands Falls Community Association Inc. and the Association.

ARTICLE VIII

EASEMENTS

Section 1. 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 Developer and its licensees:

(a) Utilities: A ten (10) foot wide strip running along the edge of each street, road, driveway and parking areas, for the installation, maintenance and operation of utilities, including radio and television transmission cables, or to cut, trim or remove trees and planting wherever necessary upon the Property in connection with such installation, maintenance and operation, except where such strip overlaps the boundary of any Lot or Unit.

(b) Shoreline Maintenance: A fifteen (15) foot wide strip running along the inside of all Property lines coincident with the shoreline or any lake or water course on the Property for the purpose of shoreline maintenance.

(c) Slope and Drainage: A thirty (30) foot wide strip running along the eastern edge of Falls Drive West for the purpose of cutting, filling, drainage and maintenance of slopes and drainage courses, except where such strip overlaps the boundary of any Lot or Unit.

(d) Private Drives: An easement on, over and under all drives in the Property for the purpose of installing, maintaining and operating utilities thereon or thereunder for the purpose of drainage control, for access to any Unit; and for purpose of maintenance of said drives.

(e) Utility Easement: A 20 foot wide utility easement as shown running through Parcel I as shown on the above mentioned plats of Parcel I, Block E, Section II, Highlands Falls Country Club Subdivision, recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7.

(f) Utility Easement: A 20 foot wide utility easement, the centerline of which is formed by the presently existing sewage line, which runs from the east edge of Falls Drive West and crosses Parcel I, Block E, Section II, Highlands Falls Country Club Subdivision, as shown on the plats recorded in the office of the Register of Deeds for Macon County, North Carolina, in Plat Cabinet 1, Slide 327, Page 3, and Plat Cabinet 1, Slide 333, Page 7, in a generally east/west direction, said sewage line crossing Parcel I south of the place where Parcel I is crossed by a sewage line located upon the easement mentioned hereinabove in this Article VIII, Section 1(e).

Section 2. Liability for Use of Easements: No Owner shall have any claim or cause of action against Developer or its licensees with respect to any use of any reservation hereunder or shown on the Plat except in cases of willful or wanton misconduct.

Section 3. Permanency of Easements: 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 Lot Owners or others who would be affected by such change.

Section 4. Easement of Association: The Association shall have an easement on, over, and across all Lots and Units for the purpose of ingress, egress, repairs, maintenance, and all other purposes necessary or incident to the exercise of all functions and duties of the Association established in this Declaration.

Section 5. Easement of Owners: Anything contained in this Declaration notwithstanding, each Owner of each Unit and Lot shall have an easement for roadway and utilities appurtenant to the Unit over, across, under and upon each road, street, or drive within the Property (except as the same may be located upon any Lot or Unit), and each utility distribution line or facility within the Property (except as the same may be located upon any Lot or Unit), except as limited under Article IV, Section 3.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Duration: The covenants and restrictions of this Declaration shall run with and bind, and shall inure to the benefit of and bind the land, the Association, the Developer and/or the Owner of any Lot or Unit 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 to terminate this Declaration at the end of its then current term. Written notice of any meeting at which 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 Lot Owner at least thirty (30) days in advance of said meeting. If 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 the Association, the date of the meeting of the 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 for and against such resolution, said certificate shall be recorded in the Macon County, North Carolina, Public 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: Amendments proposed by the Board of Directors, Members, or the Association, shall be submitted to a vote of the Members at a duly called meeting of the Association. 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 is approved by the Members, the President and Secretary of the 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 the 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, Public Registry.

Amendments proposed by the Developer may be adopted by the Developer without a meeting of the Members, and shall for all purposes be deemed proper Amendments of this Declaration. A copy of the Amendment shall be mailed to each Lot or Unit Owner, and recorded in the Macon County, North Carolina, Public Registry.

Section 3. Termination or Amendment: When a termination or amendment is proposed to be made pursuant to this Article IX, the first time a meeting of the Members of the Association is called to vote on such proposal, the presence at the meeting of Members (in person or by proxy) entitled to cast sixty (60%) percent of the total

of the votes entitled to be cast by the membership shall constitute a quorum. In the event a quorum is not present at such first meeting and a second meeting is called to vote on such proposal upon proper notice, the presence at the meeting of Members (in person or by proxy) entitled to cast fifty (50%) percent of the total of the votes entitled to be cast by the membership shall constitute a quorum.

Section 4. Notices: Any notice required to be sent to any person under the provisions of this 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 a Lot or Unit shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the 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 5. 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. Failure by the Association or any Member or the Company 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 6. 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, the same shall in no way affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.

Section 7. Interpretation: The Board of Directors of the 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. The provisions of this Declaration shall be given that interpretation or construction that will promote the consummation of the general plan of this Declaration and the development.

Section 8. Authorized Action: All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if 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 9. 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 IX, 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 for the use and benefit of Owners within the Property as set forth below:

(a) Each Lot or Unit located within the Property shall be subject to an annual assessment which shall be paid by the Owner of

each such Lot or Unit 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 Lot or Unit shall not exceed the amount actually assessed against the Lot or Unit in the last year that assessments were levied by the 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 Lot or Unit may be automatically increased each year by ten (10%) percent.

(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 the 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 Lot or Unit and all improvements thereon against which the assessment has been made.

(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.

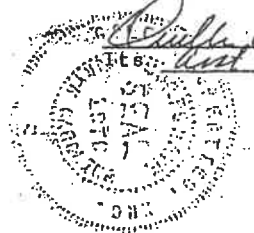
(e) Developer shall have the right to convey title to the Common Properties and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby.

(f) 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%) percent 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 assessments on property owned by a particular Owner bears to the total maximum annual assessments for all property located within the Property.

IN TESTIMONY WHEREOF, this instrument has been signed and sealed by each individual party this the day and year first above written, and each corporate party has caused this instrument to be executed in its name by its President or Vice-President, attested by its Secretary or Assistant Secretary, with its corporate seal affixed all by authority of its Board of Directors this the day and year first above written.

GOLF PROPERTIES, INC.
By: [Signature]
Its _____ President

(corporate seal)
Attest:
[Signature]
Its _____ Secretary



HIGHLANDS FALLS COMMUNITY
ASSOCIATION, INC.

(corporate seal)

Attest:

Its _____ Secretary

By: _____
Its _____ President

GOLF PROPERTIES PARTNERS

By: _____
Partner

(SEAL)
ORVILLE D. COWARD, JR., TRUSTEE

TRUSTMARK NATIONAL BANK

(corporate seal)

Attest:

Its _____ Secretary

By: _____
Its _____ President

x) _____ (SEAL)
TAYLOR G. HOLLAND, JR.

(SEAL)
CORNELIA G. HOLLAND

BOOK L-17
PAGE 58



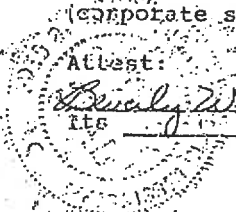
(corporate seal)

Attest:

Anda N. White
Its Secretary

HIGHLANDS FALLS COMMUNITY ASSOCIATION, INC.

By: [Signature]
Its President



(corporate seal)

Attest:

Beverly D. Hunt
Its Secretary

GOLF PROPERTIES PARTNERS
Fred C. Craig Inc., Partner

By: [Signature]
Fred C. Craig
President

[Signature] (SEAL)
ORVILLE D. COWARD, JR., TRUSTEE

TRUSTMARK NATIONAL BANK

By: [Signature]
Its Vice President

(corporate seal)

Attest:

Margaret J. Quinn
Its Secretary

(SEAL)
TAYLOR G. HOLLAND, JR.
(SEAL)
CORNELIA G. HOLLAND

BOOK 2-17
PAGE 58

Thomas D. Neal (SEAL)
THOMAS D. NEAL

Phyllis V. Neal (SEAL)
PHYLLIS V. NEAL

John R. Mayer (SEAL)
JOHN R. MAYER, TRUSTEE

FIRST ATLANTA MORTGAGE CORPORATION

By: M. T. Whitfield
Its Vice President

(corporate seal)

Attest:

Linda East
Its Assistant Secretary

BOOK L-17
PAGE 58

HEATHER GLEN NEIGHBORHOOD
ASSOCIATION, INC.

(corporate seal)

Attest:

JK Conard, Jr.
Its Secretary

By:

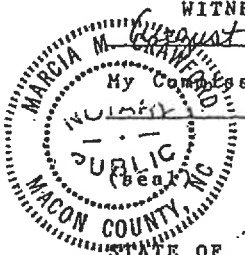
James Finmore
Its President



BOOK L-17
PAGE 58

STATE OF North Carolina
COUNTY OF Macon

I, Marcia M. Crawford, a Notary Public, do hereby certify that Orville D. Coward, Jr. personally came before me this day and acknowledged that he is Assistant Secretary of GOLF PROPERTIES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal, and attested by him self as its Assistant Secretary.



WITNESS my hand and Notarial Seal, this the 13 day of August, 1987.

My Commission Expires: 8-29-91

Marcia M. Crawford
Notary Public

STATE OF North Carolina
COUNTY OF Macon

I, Sandra Carlton, a Notary Public, do hereby certify that Wanda N. White personally came before me this day and acknowledged that she is Vice Secretary of HIGHLANDS FALLS COMMUNITY ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal, and attested by her self as its Secretary.

WITNESS my hand and Notarial Seal, this the 6th day of August, 1987.

My Commission Expires: January 28, 1991

Sandra Carlton
Notary Public

STATE OF Mississippi
COUNTY OF Shenandoah

I, Nancy Ruth Brown, a Notary Public, do hereby certify that Deborah W. Duvall personally came before me this day and acknowledged that she is the Secretary of FRED C. CRAIG, INC., a Mississippi Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal, and attested by her self as its Secretary.

WITNESS my hand and Notarial Seal, this the 24th day of July, 1987.

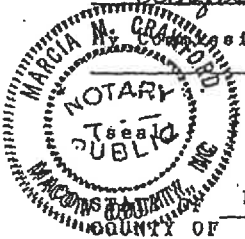
My Commission Expires: March 18, 1990

Nancy Ruth Brown
Notary Public

STATE OF North Carolina
COUNTY OF Macon

I, Marcia M. Crawford, a Notary Public, do hereby certify that ORVILLE D. COWARD, JR., Trustee, personally appeared before me this day and acknowledged the due execution by him of the foregoing and attached instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 13 day of August, 1987.



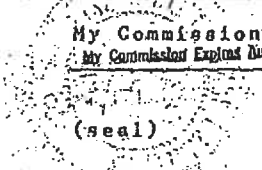
My Commission Expires: 8-29-91

Marcia M. Crawford
Notary Public

Mississippi
COUNTY OF Hinds

I, Lisa McBeath, a Notary Public, do hereby certify that Margaret L. Wilder personally came before me this day and acknowledged that s he is Assistant Secretary of TRUSTMARK NATIONAL BANK, a Mississippi banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Senior Vice President and sealed with its corporate seal, and attested by her self as its Assistant Secretary.

WITNESS my hand and Notarial Seal, this the 31st day of July, 1987.



My Commission Expires: My Commission Expires Nov. 2, 1991

Lisa McBeath
Notary Public

STATE OF _____
COUNTY OF _____

I, _____, a Notary Public, do hereby certify that TAYLOR G. HOLLAND, JR. and wife, CORNELIA G. HOLLAND, each personally appeared before me this day and acknowledged the due execution by them of the foregoing and attached instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 1987.

My Commission Expires: _____
Notary Public

(seal)

BOOK L-17
PAGE 58

WITNESS my hand and Notarial Seal, this the _____ day of _____, 1987.

My Commission Expires: _____

Notary Public

(seal)

STATE OF _____
COUNTY OF _____

I, _____, a Notary Public, do hereby certify that _____ personally came before me this day and acknowledged that he is _____ Secretary of TRUSTMARK NATIONAL BANK, a Mississippi banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President and sealed with its corporate seal, and attested by _____ self as its _____ Secretary.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 1987.

My Commission Expires: _____

Notary Public

(seal)

STATE OF Mississippi
COUNTY OF Hinds

I, Jane H. Dumag, a Notary Public, do hereby certify that TAYLOR G. HOLLAND, JR. and wife, CORNELIA G. HOLLAND, each personally appeared before me this day and acknowledged the due execution by them of the foregoing and attached instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 15th day of July, 1987.

My Commission Expires: _____

Jane H. Dumag
Notary Public

JANE H. DUMAG, Notary Public
HINDS & BARKIN COUNTIES, MS.
My Commission Expires April 30, 1989

(seal)



BOOK L-17
PAGE 58

STATE OF Florida
COUNTY OF Collier

I, William H. Hedlund, a Notary Public, do hereby certify that THOMAS D. NEAL and wife, PHYLLIS V. NEAL; each personally appeared before me this day and acknowledged the due execution by them of the foregoing and attached instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 16th day of July, 1987.

My Commission Expires:

William H. Hedlund
Notary Public

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB 17, 1989
BONDED THRU GENERAL INS. UND.
(seal)

STATE OF NORTH CAROLINA
COUNTY OF MACON

I, ELIZABETH MOORE, a Notary Public, do hereby certify that JOHN R. MAYER, Trustee, personally appeared before me this day and acknowledged the due execution by him of the foregoing and attached instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 10th day of August, 1987.

My Commission Expires:

Elizabeth Moore
Notary Public

ELIZABETH MOORE
NOTARY PUBLIC
MACON COUNTY, NC

GEORGIA
COUNTY OF DEKALB

I, NICOLE PRICE, a Notary Public, do hereby certify that LINDA EAST personally came before me this day and acknowledged that she is ASSISTANT Secretary of FIRST ATLANTA MORTGAGE CORPORATION, a MORTGAGE banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its VICE President and sealed with its corporate seal, and attested by HERSELF as its ASST. Secretary.

WITNESS my hand and Notarial Seal, this the 4th day of AUGUST, 1987.

My Commission Expires:

Nicole Price
Notary Public

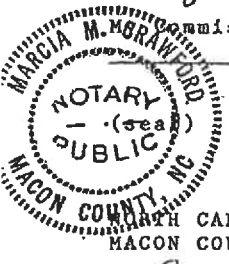
Notary Public, DeKalb County, Georgia
My Commission Expires March 22, 1991
(seal)

BOOK L-17
PAGE 58

STATE OF North Carolina
COUNTY OF Macon

I, Marcia M. Crawford, a Notary Public, do hereby certify that J.K. Coward, Jr. personally came before me this day and acknowledged that he is _____ Secretary of HEATHER GLEN NEIGHBORHOOD ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President and sealed with its corporate seal, and attested by him self as its _____ Secretary.

WITNESS my hand and Notarial Seal, this the 13 day of August, 1987.



Commission Expires: 8-29-91

Marcia M. Crawford
Notary Public

The foregoing or annexed certificates of Marcia M. Crawford,
Sandra S. Patton, Nancy Ruth Brown, Signe McKeith,
June B. Summers, Ruth Ann Wadinger, Elizabeth Moore,
Nicole Price, _____,

Notaries Public, are certified to be correct. This instrument was presented for registration and recorded in this office in Book L-17 at page 58.

This 13 day of August, 1987, at 1:10 o'clock P. M.

Melvin S. ...
REGISTER OF DEEDS

BOOK L-17
PAGE 58