

BY-LAWS  
OF  
ASHTON TOWNHOME ASSOCIATION, INC.

ARTICLE I

NAME AND PURPOSE OF THE CORPORATION

Section 1. Name.

This corporation shall be known as ASHTON TOWNHOME ASSOCIATION, INC.

Section 2. Purposes.

This corporation has been organized for the following purposes:

- A. To promote the health, safety and welfare of the Owners and residents of the Properties;
- B. To provide for the preservation of the values and amenities of the Properties;
- C. To own, acquire, lease, build, operate and maintain on the Properties open spaces and other common areas and facilities for the benefit of the residents of the Properties;
- D. To promote fellowship and friendship among its Members and to provide an area to hold meetings and social gatherings for the better realization of such purposes;
- E. To provide a forum for the expression of ideas and plans with regard to the improvement of social, recreational and general living conditions in the Properties and to take steps toward the fulfillment of said ideas and plans.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Ashton Townhome Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina.

Section 2. "Properties" shall mean and refer to that property encompassed within the parcel or tract of land described on Annex A to the Declaration, and incorporated therein by amendment thereto.

Section 3. "Common Properties" shall mean and refer to those areas of land now or hereafter so designated on any recorded subdivision plat of a portion of the Properties or hereinafter deeded to the Association and intended to be devoted to the common use and enjoyment of the owners of the Properties, and more particularly shall mean and refer to amenities, streets, paths and shall include equipment and personal properties incident thereto, and any other Properties owned and maintained by the Association for the common benefit and enjoyment of the owners and residents of the Properties.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Properties as heretofore defined.

Section 5. "Living Unit" shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family whether as Owners or tenants.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Properties but, notwithstanding any applicable theory of the deed of trust, shall not mean or refer to the Trustee or cestui que trust unless and until there has been a transfer of title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 7. "Member" shall mean and refer to all those owners who are members of the Association as provided in Article IV, Section 1, hereof.

Section 8. "Developer" shall mean Racine, LLC, a North Carolina limited liability company, or its successors and assigns.

### ARTICLE III

#### LOCATION

The principal office of the Association shall be located at Post Office Box 479, Wilmington, New Hanover County, North Carolina, 28402.

### ARTICLE IV

#### MEMBERSHIP

Section 1. Every person or entity who is an Owner of a fee or undivided fee interest in any Lot or Living Unit or undeveloped and undesignated land which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

Section 2. The rights of membership are subject to the payment of annual and special assessments and fines levied by the Corporation, the obligation of which assessments is imposed against each Owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Declaration or any Supplemental Declaration of Covenants and Restrictions to which the Properties are subject.

Section 3. The rights and privileges of any person to use the recreational facilities and amenities of the Association, which person's interest in the Properties is subject to assessments under Article IV, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities and the personal conduct of any person thereon, as provided in Article X, Section 1-D, they may, in their discretion, suspend the rights and privileges of any such person to use the recreational facilities and amenities of the Association for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE V  
VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership.

**Class A.** Class A Members shall be all those Owners as defined in Article IV, Section 1, with the exception of the Developer. Class A Members shall be entitled to hold one vote for each Lot or Living Unit in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot or Living Unit all such persons shall be Members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.

**Class B.** The Class B Member shall be the Developer. The Class B Member shall be entitled to three (3) votes for each Lot or Living Unit in which it holds interests required for membership. The Class B membership shall cease and become converted to Class A membership at the earlier occurrence of the following events:

(a) when the total number of Class A members equals or exceeds seventy-five (75); or (b) on January 1, 2000. From and after the happening of these events, whichever occurs earlier, the Class B Members shall be deemed to be a Class A Member entitled to one vote for each Lot in which it holds the interests required for membership.

Section 2. Designation of Voting Representatives. If a Lot or Living Unit is owned by one person, his right to vote shall be established by the record title to this Property. If a Lot or Living Unit is owned by more than one person, or is under Lease, the person entitled to cast the vote for said Lot shall be designated by a certificate signed by all of the record owners of said Property and filed with the secretary of the Association. If a Lot or Living Unit is owned by a corporation, the person entitled to cast the vote for said property shall be designated by a certificate of appointment signed by the president, vice-president or secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot or Living Unit.

ARTICLE VI  
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT  
OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided in Article IV of the Declaration.

Section 2. Any Member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside upon the Properties or to any of his tenants who reside thereon under a leasehold interest for a term of six (6) months or more. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article IV, Section 3, to the same extent as those of the Member.

## ARTICLE VII

### POWERS OF THE ASSOCIATION

**Section 1. Additions to Properties and Membership.** Additions to the Properties may be made only in accordance with the provisions of the Declaration. Such additions, when properly made under the Declaration, shall extend the jurisdiction, functions, duties and membership of this Corporation to such Properties. Where the applicable covenants require that certain additions be approved by the Association, the approval must have the assent of two-thirds (2/3) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance, and shall set forth the purpose of the meeting.

**Section 2. Mergers and Consolidations.** Subject to the provisions of the Declaration and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance, and shall set forth the purpose of the meeting.

**Section 3. Mortgages and Other Indebtedness.** The Association shall have power to mortgage its Properties only to extent authorized under the Declaration. The total debts of the corporation, including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of five (5) years assessments current at that time, provided, that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly

called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

**Section 4. Dedication.** The Association shall have the power to dispose of its real Properties only as authorized under the Declaration.

## ARTICLE VIII

### BOARD OF DIRECTORS

**Section 1. First Board.** The first Board of Directors shall consist of three directors, who shall be John A. Elmore, II, Henry E. Miller, Jr., and Lionel L. Yow, and who shall hold office and exercise all powers of the Board until the earlier of :

- (1) 120 days after conveyance of seventy-five lots or living units (including units which may be created pursuant to special declarant rights) to owners other than the declarant;
- (2) Two years after all declarant have ceased to offer lots or living units for sale in the ordinary course of business;
- (3) The declarant voluntarily surrenders the right to appoint and remove officers and members of the Board of Directors and to otherwise control the Association.

Upon the occurrence of any one of the foregoing events, the President shall call a Special Meeting of the Association, pursuant to Article XIV hereof, for the purpose of electing Directors to

replace those Directors which were appointed or elected by the Declarant.

**Section 2. Number of Directors:** The number of Directors of the Association shall be increased to five (5) as follows:

(1) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the lots or living units (including lots or living units which may be created pursuant to special rights) to lot or living unit owners other than the declarant, one additional Board position shall be created and that position shall be filled by a lot or living unit owner who was elected by a majority of the members of the Association other than the declarant.

(2) Not later than sixty (60) days after conveyance of fifty percent (50%) of the units (including units which may be created pursuant to special declarant rights) to unit owners other than the declarant, other new Director's position will be created (bringing a total to five (5)) which position shall be filled by the owner of the lot or living unit who was elected by a majority of the unit owners of the Association other than the declarant.

Other than the initial Board of Directors, set forth above, all Directors of the Association shall be owners of a lot or living unit in the Association.

**Section 3. Vacancies.** Vacancies on the Board of Directors shall be filled by the majority of the remaining directors, and any such appointed directors shall hold office during the unexpired term of their predecessor.

**Section 4. Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

**Section 5. Compensation.** No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 6. Action Taken Without A Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE IX

### ELECTION OF DIRECTORS, NOMINATING COMMITTEE AND ELECTION COMMITTEE

**Section 1.** Election of the Board of Directors shall be by written ballot as hereinafter provided. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The candidates receiving the largest number of votes shall be elected. Votes may not be cast cumulatively.

**Section 2.** Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

**Section 3.** The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until

the close of the next annual meeting, and such appointment shall be announced at each such annual meeting.

**Section 4.** The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from Members, as the committee in its discretion shall determine. Additional nominations from the floor may be made at the time of the election.

**Section 5.** All elections to the Board of Directors at and after the first annual meeting shall be made on written ballot which shall clearly list the names of the persons for whom the vote is being cast and the terms of office if necessary. The Chairman of the meeting shall appoint one or more persons to count the ballots and report the results.

## ARTICLE X

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1.** The Board of Directors shall have power:

A. To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership;

B. To generally govern the Association in accord with the Declarations, Charter and By-Laws of this corporation including, without limitation, to appoint and remove at pleasure all officers, agents and employees of the corporation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever;

C. To establish, levy and assess, and collect the assessments or charges referred to in the Declaration;

D. To adopt and publish rules and regulations governing the use of the Common Properties and the personal conduct of the Members and their guests thereon; and assess fines for the violation of such rules, the By-Laws or Declarations.

E. To exercise for the Association all powers, duties and authority vested in or delegated to this organization, except those reserved to the Members in the covenants;

F. In the event that any member of the Board of Directors of the Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent director to be vacant.

G. To prepare and enforce, directly or indirectly, the rules and regulations governing activities within the boundaries of the Properties. For purposes of enforcement of these rules, regulations and By-Laws against all persons not members, each Member of the Ashton Townhome Association, Inc. is hereby delegated sufficient authority from the officers and directors as will legally entitle that Member to act on behalf of the Association.

**Section 2.** It shall be the duty of the Board of Directors:

A. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the members or at any

special meeting when such is requested in writing by one-fourth (1/4) of the voting membership.

B. To supervise all officers, agents and employees of this organization, and to see that their duties are properly performed.

C. To employ and discharge such management as the Directors may deem necessary.

D. To adopt a budget and authorize expenditures.

E. As more fully provided in Article V of the Declaration of Covenants applicable to the Properties:

1. To fix the amount of the assessment against each Lot or Living Unit for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

2. to prepare a roster of the Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by and Member and, at the same time;

3. To send written notice of each assessment to every Owner subject thereto.

F. To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

## ARTICLE XI

### DIRECTOR'S MEETING

**Section 1.** A regular meeting of the Board of Directors shall be held at least quarterly at a day and hour to be established by resolution.

**Section 2.** Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday and no notice thereof need be given.

**Section 3.** Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

**Section 4.** The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after call and notice if a quorum is present and, if either before or after the meeting each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

**Section 5.** The majority of the Board of Directors shall constitute a quorum thereof.

Section 6. The secretary shall be ex-officio the secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall keep the records of the Corporation. He shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 7. The treasurer or its designated agent shall receive and deposit in appropriate bank accounts all monies of the corporation and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursement made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

Section 8. The treasurer or its designated agent shall keep proper books of account and cause an annual review of the Association books to be made by a certified public accountant, or by audit committee appointed by the Board of Directors, at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting. He shall be responsible for the preparation of such tax returns as may be required.

Section 9. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 10. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 12. Multiple Offices. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices.

## ARTICLE XII

### COMMITTEES

Section 1. The standing committees of the Association shall be:

The Nominating Committee  
The Maintenance/Landscape Committee  
The Architectural Review Committee

Unless otherwise provided herein, each committee shall consist of a chairman and two or more members and shall include a member of the Board of Directors for board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.



**Section 2.** The Nominating Committee shall have the duties and functions described in Article IX.

**Section 3.** The Maintenance/Landscape Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of the Common Properties and facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

**Section 4.** The Architectural Committee shall have the duties and functions described in Article VIII of the Declarant. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of the Properties and shall advise the Board of Directors regarding organization action on such matters.

**Section 5.** With the exception of the Nominating Committee and the Architectural Committee (but then only as to the functions that are governed by Article VIII of the Declaration), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

**Section 6.** It shall be the duty of each committee to receive complaints from Members on any matter involving corporate functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate.

## ARTICLE XIII

### MEETINGS OF MEMBERS

**Section 1.** The first annual meeting of the Members shall be held on the second Monday of the month of October of 1995, at the hour of 7:30 p.m. at the place specified in the notice of the meeting; and regular annual meetings will be held on the same day in succeeding years. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

**Section 2.** Special meetings of the members for any purpose may be called at any time by the president, the vice-president, the secretary or treasurer, or by any two or more members of the Board of Directors or upon written request of Members who have a right to vote one-fourth (1/4) of the votes of the Class A membership.

**Section 3.** Notice of any meetings shall be given to the members by the Secretary or its designated agent. Notice may be delivered to the Member either personally, by delivery to his mailbox, or by sending a copy of the notice through the mail postage thereon fully prepaid to his address appearing on the books of the corporation. Each Members shall register his address with the secretary and notices of meeting, regular or special, shall be sent at least ten (10) days in advance of the meeting, except as provided elsewhere in these By-Laws and the Declaration, and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article IX or any action governed by the Articles of Incorporation or by the Declaration, the required notice shall be given at least fifteen (15) days prior to the meeting.

**Section 4.** Except as otherwise provided by the Charter of the Corporation, or by these By-Laws the presence in person or by proxy of a majority of the members entitled to vote at the meeting shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority in interest of the members entitled to vote, present in person or by proxy, may

adjourn the meeting from time to time. At any such adjourned meeting, at which a quorum shall be present, any business as originally called if a quorum had been there present. The members present in person or by proxy at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5. The president, or in his absence, the vice-president, shall preside at the meeting and the secretary shall be responsible for recording minutes of the proceedings.

#### ARTICLE XIV

##### PROXIES

Section 1. At all corporate meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of his Lot or other interest in Properties.

#### ARTICLE XV

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Members.

#### ARTICLE XVI

##### CORPORATE SEAL

The corporate seal of the Association shall consist of two concentric circles between which are the words ASHTON TOWNHOME ASSOCIATION, INC., New Hanover County, N.C., and in the center of which is inscribed "SEAL"; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

#### ARTICLE XVII

##### AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the Members, by a vote of a two-thirds (2/3) of each class of Members present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in

the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen (18%) per annum plus a \$15.00 late fee per month, and the Association may bring an action at law against the owner personally obligated to pay the same and foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

IN WITNESS WHEREOF, we, bring all of the directors of the Ashton Townhome Association, Inc., have hereunto set our hands and seals, this the \_\_\_\_\_ day of \_\_\_\_\_, 1995.

\_\_\_\_\_  
(SEAL)  
LIONEL L. YOW

\_\_\_\_\_  
(SEAL)  
JOHN A. ELMORE, II

\_\_\_\_\_  
(SEAL)  
HENRY E. MILLER, JR.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am duly elected and acting Secretary of Ashton Townhome Association, Inc., a North Carolina non-profit corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 1995.

\_\_\_\_\_

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

FIRST AMENDMENTS  
OF BYLAWS OF  
ASHTON TOWNHOME  
ASSOCIATION, INC.

This amendment to the Bylaws, made and entered into this 24 day of SEPT, 1996, by Ashton Townhome Association, Inc., a North Carolina non-profit corporation, herein referred to as the Association.

WHEREAS, the total number of lots at the time of amendment in Ashton Townhome Association is SEVENTY THREE (73) and;

WHEREAS, under Article XVII of the Bylaws of the Association, it is provided that the Bylaws may be amended, at a regular or special meeting of the members, by a vote of a two-thirds (2/3) of each class of Members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

NOW, THEREFORE, be it known by all persons that the undersigned, being the duly elected president and secretary of the Association do hereby certify:

1. That, at a regular or special called and held meeting of the Association, the amendment to the Bylaws set out hereinafter was duly adopted by an affirmative vote of a majority of the Board of Directors of the Association.
2. That, at a duly called and held meeting of the members of the Association, the amendment to the Bylaws set out hereinafter was duly adopted by an affirmative vote of two-thirds (2/3) of members present in person or by proxy.
3. That the following Articles and Sections of the Bylaws of the Association has been duly amended to read as follows:

First Amendment

Article VIII - Board of Directors: Add new section 2.A Term of Directors - other than the initial Board of Directors set forth above. The Directors shall initially be elected to serve staggered terms, i.e., three for two years, two for one year, etc., and they shall serve until their successors shall be elected and shall qualify. Thereafter, each director shall be elected for a term of two years.

Second Amendment

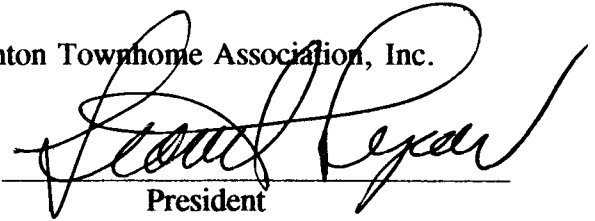
Add new Article XIV to read as follows - Net Earnings: No part of the net earnings of the organization shall inure to the benefit of, its members, directors, officers, or other persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the organization.

EXCEPT AS SPECIFICALLY AMENDED by this amendment of Bylaws of Ashton Townhome Association, Inc., all other terms and provisions of the Bylaws of the Association shall be and remain in full force and effect.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 6 day of NOVEMBER, 1996.

Ashton Townhome Association, Inc.

By:

  
President

ATTEST:

Maisha K Cowart  
Secretary

