

**BYLAWS
OF
CRAMER MOUNTAIN HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I.

NAME AND LOCATION

The name of the corporation is Cramer Mountain Homeowners Association, Inc.. The principal office of the corporation shall be located at P.O. Box 246, Cramerton, North Carolina 28032-0246, but meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to Cramer Mountain Homeowners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

Section 2. "Declaration" shall mean (a) that Notice of Restrictions recorded in the office of the Register of Deeds for Gaston County, North Carolina (the "Registry") in Book 1518 at Page 586, as amended by Notice of Amended Restrictions recorded in Book 1773 at Page 59 in the Registry and by Notice of Amended Restrictions recorded in Book 1813 at Page 51 in the Registry, (b) that Hanna Woods Declaration of Restrictions, Easements, Covenants, Liens and Charges recorded in Book 2198 at Page 663 of the Registry and (c) that Maple Point Declaration of Restrictions, Easements, Covenants, Liens and Charges recorded in Book ___ at Page ___ in the Registry.

Section 3. "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 Condominium which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Properties" shall mean and refer to the real property depicted on the following plats of Cramer Mountain Country Club and Properties, Inc. recorded in the Registry as listed below in Article II, Section 5 hereof (the "Plats") and any additions thereto as are or shall become subject to the Declaration and brought within the jurisdiction of the Association under the provisions hereof: Plat Book 40 at Page 38, Plat Book 40 at Page 37, Plat Book 40 at Page 36, Plat Book 41 at Page 52, Plat Book 41 at Page 71, Plat Book 41 at Page 88, Plat Book 42 at Page 16, Plat Book 42 at Page 21, Plat Book 42 at Page 41; Plat Book 42 at Page 115, Plat Book 42 at Page 71, Plat Book 42 at Page 102, Plat Book 44 at Page 32, Plat Book 44 at Page 45, Plat Book 45 at Page 104, Plat Book 45 at Page 55, Plat Book 45 at Page 58, Plat Book 45 at

Page 61, Plat Book 45 at Page 62, Plat Book 46 at Page 5, Plat Book 46 at Page 6, Plat Book 46 at Page 7, Plat Book 46 at Page 8, Plat Book 46 at Page 9, Plat Book 46 at Page 10, Plat Book 46 at Page 65, Plat Book 46 at Page 66, Plat Book 46 at Page 67, Plat Book 46 at Page 68, Plat Book 46 at Page 69, Plat Book 46 at Page 70, Plat Book 47 at Page 67, Plat Book 48 at Page 55, Plat Book 48 at Page 59, Plat Book 48 at Page 89, Plat Book 48 at Page 119, Plat Book 50 at Page 24, Plat Book 51 at Page 68 and Plat Book 54 at Page 4 in the Registry.

Section 5. "Common Area" shall mean all the real property which is shown on the Plats or amendments thereof and is not part of any Lot.

Section 6. "Lot" shall mean and refer to any subdivided plot of land, with delineated boundary lines, appearing on any of the Plats or amendments thereof and intended for development by construction of a single-family residence.

Section 7. "Condominium" shall mean any multi-family residential structure with common areas and facilities located on the Properties.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot or Condominium shall be a "Member" of the Association. Membership and voting rights in the Association shall be appurtenant to and may not be separated from ownership of any Lot or Condominium.

Section 2. Each Owner shall have one vote for each Lot or Condominium owned by said Owner.

Section 3. In the event that the Owner of any Lot or Condominium leases the residence thereon, the tenants of said residence shall not have any membership or voting rights in the Association.

ARTICLE IV.

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Area which shall be appurtenant to and pass with the title to every Lot and Condominium, subject to the following provisions:

(a) The right of the Association to suspend an Owner's voting rights in the Association and rights to use and enjoyment of the Common Area for any period during which any assessment against such Owner's Lot or Condominium remains unpaid; and for a period not

to exceed sixty days (60) for any infraction of the published rules and regulations of the Association.

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members eligible and entitled to cast at least two-thirds (2/3) of the total number of votes appurtenant to the Lots and Condominiums vote at a meeting of the Members in accordance with these Bylaws to authorize the Board of Directors of the Association (the "Board") to agree to such dedication or transfer; provided that this subsection shall not preclude the Board from granting easements to public authorities or others for the installation and maintenance of sewerage, utilities and drainage facilities upon, over, under and across the Common Area without the consent of the Members when, in the sole opinion of the Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenience, use and enjoyment of the Properties.

(c) The right of the Association, upon the vote of two-thirds (2/3) of the eligible Members, to mortgage, pledge, convey by deed of trust or hypothecate any or all of the real or personal property of the Association as security for money borrowed or debts incurred; and

(d) The right of the Association to limit the use of Common Area facilities to Members, families, tenants, contract purchasers and guests as provided in Section 2 of this Article IV.

Section 2. Delegation of Use.

(a) Family. The right and easement of use and enjoyment granted to every Owner in Section 1 of this Article IV may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Gaston County, North Carolina.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be delegated by the Owner to tenants or contract purchasers of each Owner who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Gaston County, North Carolina.

(c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of Owners, tenants or contract purchasers subject to the rules and regulations of the Association, as may be established by the Board, governing said use.

ARTICLE V.

MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the second Sunday in December of each year at such time and place as may be called by the Board. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members shall be held from time to time on such dates as shall be determined by the Board.

Section 3. Place of Meetings. All meetings of the Members shall be held at such place, within Gaston County, North Carolina, as shall be determined by the Board.

Section 4. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by hand delivery, stating the time and place of the meeting shall be delivered not less than fifteen (15) days nor more than forty-five (45) days before the date of the meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by such Member before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. Thirty-three and one-third (33-1/3%) percent of the Members eligible to vote, either in person or represented by proxy, shall constitute a quorum at all meetings of the Members. If, however, such quorum shall not be present or represented at any such meeting, the Members present or represented at such meeting and entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association prior to such vote. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such represented Member's Lot or Condominium.

Section 7. Action by Unanimous Written Consent of Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept in the Association minute book.

ARTICLE VI.

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by the Board. Each member of the Board is called a "Director."

Section 2. Number, Term and Qualification. The number of Directors of the Association shall be nine. The initial Board shall serve until the first annual meeting of the Members after adoption of these Bylaws. At the first annual meeting of the Members after adoption of these Bylaws, the Members shall elect (3) three Directors to serve for a term of one (1) year, three (3) Directors to serve for a term of two (2) years and three (3) Directors to serve for a term of three (3) years. At each annual meeting thereafter the Members shall elect three (3) Directors to serve for a term of three (3) years. Each Director shall hold office until the death, resignation, retirement, removal as, disqualification of a Director or the election and qualification of a successor Director.

Section 3. Nomination. Nomination for election to the Board shall be made by a committee (the "Nominating Committee") appointed by the Board. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of one (1) Director and two (2) Members of the Association who are not Directors. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members or spouses.

Section 4. Election. Except as provided in Section 6 of this Article, the Directors shall be elected at the annual meeting of Members, by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled under the provisions of these Bylaws. The persons receiving the greatest numbers of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any Director may be removed from the Board, with cause, by a majority vote of the Members.

Section 6. Vacancies. A vacancy occurring in the Board may be filled by the selection by the remaining Directors of a successor who shall serve for the unexpired term of the departed Director. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 7. Compensation. No Director shall receive compensation for any service rendered to the Association as a Director. However, any Director may be reimbursed for actual expenses incurred in the performance of Board duties.

ARTICLE VII.

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held quarterly, or as needed, with notice of such place and hour as may be fixed from time to time by resolution of the Board. Should any meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board may be held when called by the President of the Association, or by any two (2) Directors, after not less than seven (7) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. The President or Vice President of the Association must be in attendance before the meeting can be held. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Action by Unanimous Written Consent of Directors. Action taken by the Directors without a meeting is nevertheless Board action if written consent to the action is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

Section 5. Chairman. A leader of the Board (the "Chair") shall be appointed from among the Directors by the Directors and shall preside over all Board meetings until the President of the Association is appointed. Thereafter, the President shall serve as Chair. In the event there is a vacancy in the office of the Presidency, a Chair shall be appointed by the Board to serve until a new President is appointed.

ARTICLE VIII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to:

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

(b) suspend the voting rights and right to use the Common Area and facilities, excluding roads, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after

notice and hearing, for a period not to exceed (60) days, for infraction of published rules and regulations;

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

(d) employ a manager, an independent contractor or such other employees as they deem necessary and to prescribe their duties; and

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

(f) grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Area without the consent of the Members when such easements are requisite for the convenience, use and enjoyment of the Properties;

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

Section 2. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all acts of the Board and corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is required in writing by Members eligible and entitled to cast at least one-half (1/2) of the votes;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and have the financial statement of the Association audited on an annual basis;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment, if any, against each Lot and Condominium at least sixty (60) days before January 1, of each year;

(2) send written notice of each such assessment to each Owner subject thereto at least thirty (30) days before January 1 of each year;

(3) foreclose the lien against any Lot or Condominium for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Area and all facilities erected thereon to be maintained.

ARTICLE IX.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall at all times be Directors, a Secretary and a Treasurer and such other officers as the Board may from time to time create by resolution.

Section 2. Appointment of Officers. The appointment of officers shall occur at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. Each officer of the Association shall be appointed annually by the Board and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine,

Section 5. Resignation and Removal. Any officer may be removed from office at any time with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article IX.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes and, in the absence of the Treasurer, shall sign all checks.

Vice President

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

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and precedents of the Board and of the Members; keep the corporate seal of the Association and affix such seal on all papers requiring a seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

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

ARTICLE X.

COMMITTEES

The Board shall appoint a Nominating Committee and such other committees as the Board deems appropriate for carrying out the purposes of the Association.

ARTICLE XI.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member in good standing. The Declaration, the Articles of Incorporation of the Association and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII.

ASSESSMENTS

As may be more fully provided in the Declaration, each Member may be obligated to pay the Association annual and special assessments which may be 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 any 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 percent (18%) per annum, plus such late charge as may be established by the Board, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of such Owner's Lot or Condominium.

ARTICLE XIII.

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Cramer Mountain Homeowners Association, Inc., Cramerton, North Carolina, 1988.

ARTICLE XIV.

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of seventy-five percent (75%) of the eligible Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XV.

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII.

DISTRIBUTION UPON DISSOLUTION

Upon dissolution, all of the corporation's assets shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any association or associations organized for purposes similar to the purpose of the corporation as may be designated by a majority of the directors of the corporation then holding office, provided that such organization is an organization qualified under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

CONSENT OF DIRECTORS OF
CRAMER MOUNTAIN HOMEOWNERS ASSOCIATION, INC.

We, the undersigned, being all of the directors of Cramer Mountain Homeowners Association, Inc. (the "Company"), do hereby adopt the following resolutions by signing our written consent thereto:

Adoption of Bylaws

RESOLVED, that the bylaws that have been inserted in the minute book of the Company immediately preceding this Consent be, and they hereby are, adopted as the bylaws of the Company.

Election of Officers

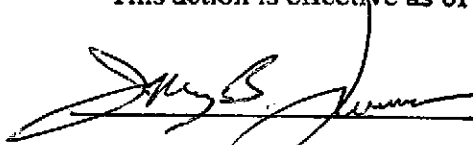
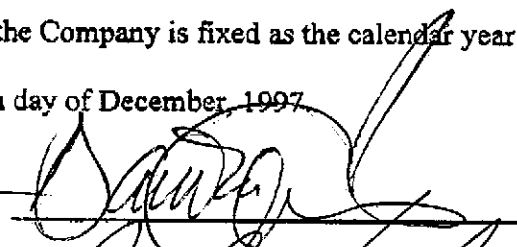
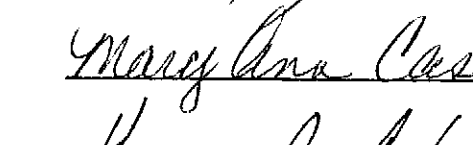
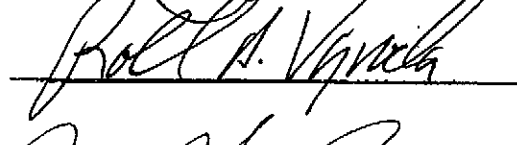
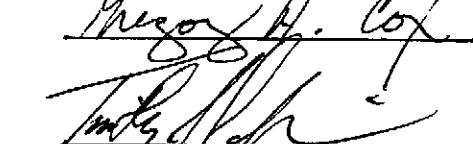

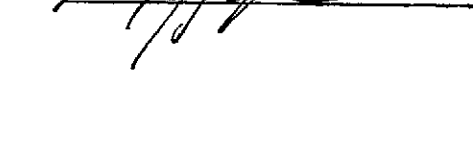
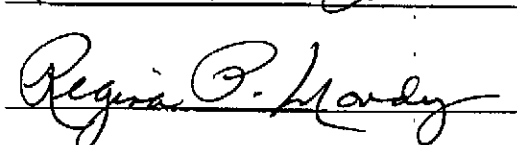
RESOLVED, that the following persons be, and they hereby are, elected as officers of the Company to serve as such until their successors have been duly elected and qualified:

- Regina P. Moody - Chairman
- Richard Finke - President
- Mary Ann Case - Vice President
- Robert Vojvoda - Vice President, Secretary, Treasurer
- Robert Vojvoda - Assistant Secretary Treasurer

Fiscal Year

RESOLVED, that the fiscal year of the Company is fixed as the calendar year.

This action is effective as of the 16th day of December, 1997.

	
<u>Mary Ann Case</u>	<u>Robert Vojvoda</u>
	
<u>Regina P. Moody</u>	<u>Richard Finke</u>
	
<u>Robert Vojvoda</u>	<u>Mary Ann Case</u>
	
<u>Regina P. Moody</u>	<u>Robert Vojvoda</u>
	DATE: <u>12/16/97</u>

FIRST AMENDMENT TO BYLAWS OF
CRAMER MOUNTAIN HOMEOWNERS ASSOCIATION

THIS FIRST AMENDMENT to the Bylaws of the CRAMER MOUNTAIN HOMEOWNERS ASSOCIATION is adopted pursuant to a seventy-five percent (75%) vote of the eligible Members present in person or by proxy at a regular or special meeting of the Members under the authority of Article XIV of the Bylaws.

1. RESOLVED, that Article V, Section 1, is amended to read as follows:

Section 1. Annual Meetings. The annual meeting of the Members shall be held during the month of October at such time and place as may be called by the Board.

IN WITNESS WHEREOF, this First Amendment to the Bylaws has been adopted as provided above effective the 18th day of October, 1998.

Richard A. Finke, PRESIDENT

I, the undersigned, the duly elected and acting Secretary of CRAMER MOUNTAIN HOMEOWNERS ASSOCIATION, a nonprofit _____ corporation, do hereby certify:

That the within and foregoing First Amendment to Bylaws was duly adopted on the 18th day of October, 1998, and that the same does now constitute the first Amendment to the Bylaws of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 18th day of October, 1998.

Mary Ann Case, secretary
Secretary

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly appointed and acting Secretary of Cramer Mountain Homeowners Association, Inc., a North Carolina nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 16 day of December, 1997.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 16 day of December, 1997.

Mary Ann Case
Secretary

(SEAL)