

STATE OF NORTH CAROLINA

COUNTY OF TRANSYLVANIA

DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

TOXAWAY VIEWS, INC. a North Carolina corporation with its principal place of business in Transylvania County, Lake Toxaway, North Carolina (herein "Declarant") does hereby make, declare and establish this Declaration of Condominium as and for the plan of dwelling ownership of TOXAWAY VIEWS, PHASE I, being the property and improvements hereinafter described.

1. ESTABLISHMENT OF CONDOMINIUM. Phase I is the first condominium phase of a series of twelve (12) condominium phases which the Developer proposes to create, each of which, if developed, will be located within (but not necessarily encompassing all) the real property described in Exhibit "A" attached hereto and incorporated herein by reference. All of these condominiums are being developed under a Common Plan which includes this Declaration, the features of which include common recreation facilities and the providing of maintenance with other services through a common administration. Each parcel or tract of land, with the improvements thereon or to be placed thereon, which may be submitted to the condominium form of ownership pursuant to this Common Plan shall constitute an addition to the original Condominium and shall be designated consecutively as TOXAWAY VIEWS, PHASE I, TOXAWAY VIEWS, PHASE II, and such similar designation for each Phase through TOXAWAY VIEWS, PHASE XII. In addition, in order to facilitate the operation and administration of all phases of the condominium under the Common Plan, there shall be formed the non-profit corporation known as TOXAWAY VIEWS HOMEOWNERS ASSOCIATION (8/12/83), which shall have the general authority and responsibility for the operation and administration of the condominium and all of its dedicated phases. The authority and responsibility of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION shall be as described in the Declaration, and its Articles of Incorporation and By-Laws.

Declarant does hereby submit the property, more particularly described on Exhibit "B" (see site plan in Condominium File for reference) together with improvements located thereon and all easements, rights and appurtenances belonging thereunto to condominium ownership under the provisions of Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act), and hereby declares the same to be a condominium to be known and identified as TOXAWAY VIEWS, PHASE I, which shall contain eight (8) living units and their supporting facilities and other appurtenant improvements. By Supplementary Declaration, in the manner hereinafter provided, Declarant may from time to time add additional phases and subject such land and buildings and improvements thereon to this DECLARATION, and thereafter such land therein described shall be and become subject to the Act and this DECLARATION as if included from the beginning. By acceptance of a deed to a condominium unit created hereby or by Supplementary Declaration, each unit owner agrees that such additional phases and units therein may be added to the condominium property and that the percentage interest in the common areas and facilities will be reduced as set out in Section 8 hereof.

2. DEFINITIONS. The following words, when used in this DECLARATION, or any Supplement or amendment hereto, unless the context requires otherwise, shall have the following meanings:

(A) Act. The Unit Ownership Act of North Carolina, North Carolina General Statute Chapter 47a, as amended.

(B) Assessment. An owner's share of the common expenses assessed against such owner and his unit from time to time by the Association in the manner hereinafter provided.

(C) Association. An association of and limited to the owners of condominium units, in the form of non-stock, non-profit membership corporation organized under the laws of the State of North Carolina as TOXAWAY VIEWS HOMEOWNERS ASSOCIATION, INC.

(D) Common Area and Facilities. All of the condominium property and every part thereof, excluding the units, but including limited common areas and facilities.

(E) Common Expenses. (I) Expenses of administration, maintenance, repair, and replacements of the Common Areas and Facilities and the Limited Common Areas and Facilities; (II) Expenses determined by the Association to be Common Expenses, and which are lawfully assessed against the Unit Owners; (III) Expenses declared to be Common Expenses by the provisions of the act of the Condominium Documents; and (IV) all sums lawfully assessed against the Unit Owners by the Association.

(F) Condominium Documents. This DECLARATION, the By-Laws attached as Exhibit "C", and RULES AND REGULATIONS as may be established by the Association governing the use of the condominium property, and Supplementary Declarations adding property to the condominium, all as may be amended from time to time.

(G) Condominium Property. All of the property submitted to the Unit Ownership Act by the DECLARATION or by Supplementary Declarations, being the property described on Exhibit "A" of this DECLARATION, or so much thereof as shall be submitted from time to time, the buildings and all other improvements situated thereon, whether the same be common areas and facilities or units or any part thereof, and all easements and rights appurtenant thereto.

(H) Declarant. The Declarant is TOXAWAY VIEWS, INC., a North Carolina corporation, or its successor in fee ownership of all remaining units (more than one unit) unsold to purchasers as use as residences. At no point in time shall there be more than one "Declarant".

(I) Limited Common Areas and Facilities. Those areas so designated on the plans attached hereto and incorporated herein by this reference, identified in Section 5 hereof.

(J) Majority or Majority of Unit Owners. The owners of more than Fifty Percent (50%) of the aggregate interest in the common areas and facilities as established by the Declaration assembled at a duly called meeting of the unit owners. All percentage interest stated herein for voting purposes means the owners of that percent of the common areas and facilities as determined by the percentage interest stated in this DECLARATION.

(K) Member. A unit owner and member of the Association.

(L) Percentage Interest. The percentage of undivided interest each Unit Owner owns in the Common Areas and Facilities as set forth in Section 8 of this DECLARATION.

(M) Person. Any individual, corporation, partnership, association, trustee, fiduciary or other legal entity and shall mean the plural or combination of the same where applicable.

(N) Plans. The site plan by William Leonard, surveyor, and the plans of the buildings and units by National Homes Corporation, dated September 23rd, 1982 entitled TOXAWAY VIEWS and attached to this DECLARATION as Exhibit "D". (plat file 2, slide 290 A)

(O) Supplementary Declaration. The document filed by Declarant to include one or more of Phases 2 through twelve (12) within the condominium property, in the manner provided hereinafter.

(P) Unit. Those parts of the condominium property described in Section 4 hereof which are subject to the DECLARATION from time to time, and which are shown and designated on the plans as units.

(Q) Unit Owner. The record legal fee owner or owners of a unit, excluding any lender, trustee or creditor whose interest in the unit is merely as security for the performance of an obligation.

(R) Special Commercial Area. Such portion of the Condominium property as may be set aside by the Declarant (with the consent of a two-thirds majority of the members of the Association) for non-residential use. (amended 4/30/85)

3. DESCRIPTION OF BUILDINGS. TOXAWAY VIEWS, PHASE I, shall contain two (2) non-contiguous multi-unit buildings. Each building is designated on the site plan which is a part of the plans attached hereto as Exhibit "D" and made a part of this description by reference. Building No. 1 contains four units and Building No. 2 contains four units. The balance of the property may contain as many as twenty-nine condominium buildings, compatible in design with the original two buildings of Phase I (amended 4/30/85). The four unit buildings involved in Phase I are described graphically in the Plans of such buildings, a copy of which is recorded in the CondoFile which shows the particulars of each building, including the location, layout, number of rooms, dimensions, ceiling and floor elevations, approximate area, building designations, unit numbers and location of common areas and facilities affording access to each unit.

The buildings are principally constructed with wood frame, gypsum dry walls and an exterior of cedar siding, and composition shingle roofs. The floors of all buildings in Phase I are constructed of footers and block posts with wood floor joist.

For a more particular description of the principal materials of which such buildings are constructed, reference is made to the Plans filed herewith as Exhibit "D".

4. DESCRIPTION OF UNITS. Each building in Phase I contains four units, connected to one another by common walls or floors or ceilings (amended 4/30/85). Each unit is designated on the Plans recorded in the Condominium File by a numerical designation. In Phase I, there is one basic floor plan or type of unit, and such unit type is described as follows:

A one-level residential unit containing approximately 1,160 square feet of heated area, and attached wooden decks (see later references to limited Common Areas) aggregating approximately 300 square feet of surface. The unit contains two bedrooms, two full baths, living and dining rooms and kitchen. The living room features a fireplace in its exterior wall.

Unit Dimensions.

Each unit shall include all the space within the boundaries thereof. Each Unit is bounded both as to horizontal and vertical boundaries by the unexposed facing of drywall (the facing next to studs or structural portions or buildings) of its walls and ceilings and the unfinished upper surface of floors. It is the intent that each unit will include all interior drywall, paneling and molding and any surface finish, or wall paper, and all finished flooring, such as exposed wooden flooring, vinyl or linoleum floor covering, matting and carpeting, but will not include studs, supports and wall insulation, concrete slabs, floor or ceiling joists. Each unit shall be deemed to include the interior and exterior of any and all doors, windows, sliding glass doors and other closures. Included as a part of a unit are all door locks or other security or mechanical devices that control the opening and closing of doors and windows. Included also as part of a unit are the following: (a) the heating and air conditioning systems serving the unit, wherever located; (b) all electrical switches, electrical outlets and light fixtures within the boundaries of a unit together with the electrical breaker panel serving the unit, wherever located; (c) the electrical wiring and service system, wherever located, from the service meter to the place where it connects with all uses within the unit; (d) the plumbing for water service from the last junction with a water line serving another unit to its end use in a unit; and (e) the drainage or sewer plumbing from its collection point in a unit to their junction with a line servicing other units. In interpreting the DECLARATION and its Plans, the actual physical boundary of a unit as originally constructed, or of a unit as reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in this DECLARATION or its Plans, regardless of settling or lateral movement of the buildings, and regardless of minor variances between boundaries shown on the Plans and those of the Unit.

5. COMMON AREAS AND FACILITIES. The general common areas and facilities consists of the entire property other than the condominium units, including without limitation:

(A) The land on which the buildings are erected and all the land surrounding the buildings which lies within the boundaries of the land from time to time, subject to the DECLARATION, and every part of the building and property other than the condominium units.

(B) The foundation and structural members, including columns, girders, beams and supports.

(C) All installations designed and intended for common use, such as but not limited to, telephone, electricity, gas, hot and cold water, plumbing, sewer, heat, ventilation, air conditioning, and incineration (including all pumps, pipes, ducts, shafts, conduits, vents, wire, tubes, and cables designed and intended for common use in connection therewith), whether located in common areas or condominium units, excluding from such installations all parts thereof, and all items affixed or connected thereto, not designed or intended for common use.

(D) All apparatus and equipment designed and intended for common use such as, but not limited to, tanks, pumps, motors, fans, compressors, condensers, and control apparatus and equipment, whether located in common areas or in condominium units, excluding from such apparatus and equipment all

parts thereof, and all items affixed or connected thereto, not designed or intended for common use.

(E) Easements for access, maintenance, repair, construction or replacement of the above-mentioned equipment, apparatus, installations, appurtenances, and common areas and facilities, and for all other services necessary or convenient to the existence, maintenance, safety and use of the property.

(F) The yards, landscaping, fences, non-public roads and driveways, parking areas, walks, retaining walls, paved areas, and the pool and tennis court, if constructed, and all other maintenance and recreational areas. The property shall contain unmarked parking spaces to accommodate approximately one and one half (1 ½) automobiles for each condominium unit.

(G) Any portion of the property shown and designated on the plans as Common or Limited Common Areas.

6. LIMITED COMMON AREAS AND FACILITIES. Ownership of a unit shall entitle the owner thereof to the exclusive use or use with others necessarily served thereby of the Limited Common Areas and Facilities appurtenant to such unit and so designate in the Plans. Limited Common Areas and Facilities shall not be construed or interpreted to be separate and apart from the Common Areas and Facilities in general, being limited only with respect to the reserved use thereof by the unit or units served. Limited Common Areas and Facilities shall include, if appropriate, all balconies, patios below balconies, stairways and entrance areas, and any area designated on the Plans as a Limited Common Area, or set out by the Board of Directors as Limited Common Area for a unit.

Exclusive use of the Limited Common Area may be delegated by an owner to the immediate members of his family, his guests, or tenants who reside in his unit. Owners may place plants, furniture, or other similar items within the Limited Common Areas and Facilities adjacent or appurtenant to the unit, subject to reasonable rules and regulations duly adopted by the Board with respect thereto. No owner shall build or construct any type storage or workshop facility or other similar type of structure within the Limited Common Areas and Facilities unless prior approval is obtained from the Board of Directors. The Board shall have the right to approve, from time to time, changes in existing Limited Common Areas and Facilities, and to approve additional or new Limited Common Areas and Facilities for the exclusive use of the unit to which such Limited Common Areas and Facilities shall appertain; provided, that such additional Limited Common Areas and Facilities shall be immediately adjacent to the unit to which it shall appertain.

7. RECREATIONAL FACILITIES. As provided herein, Declarant intends to add subsequent phases to the condominium by Supplementary Declarations. If (100) units (Phases I through X) have been constructed and brought within the condominium property, Declarant will, if a subsequent phase is added (a minimum of one building with four units) construct and bring within the condominium as a General Common Area, a swimming pool and a tennis court.

The Declarant has constructed, and brought within the condominium as a General Common Areas, a tennis court.

Notwithstanding the 104 unit threshold above, the Declarant shall, at its own expense, and with all reasonable dispatch, construct and bring within the condominium, as a General Common Area, a swimming pool and all attendant areas including concrete deck, fence, heating system, pumphouse, manmade waterfall,

landscaping and retaining walls. The pool shall be of gunite construction and shall be constructed by a properly licensed pool contractor which provides a warranty, with a building permit and constructed in accordance with specifications of the insurance industry. The pool shall be reasonably comparable to that of like condominiums in the immediate area. Declarant shall exercise reasonable discretion with respect to construction of the pool, keeping in mind the general status and aesthetics of the condominium. With respect to said pool, Declarant shall only construct same as detailed above; the Association shall be responsible for and pay for any and all obligations and costs beyond the initial construction of the pool and attendant area including, but not limited to, periodic or regular repairs, up-keep and maintenance.

The Association agrees to and shall: maintain the pool and attendant area in conformity with general appearance standards set forth in this Declaration and in compliance with any applicable safety and sanitation standards, with maintenance being performed by a licensed pool service company; maintain "no diving" signs and not allow a diving board; maintain adequate insurance; maintain the pool at a minimum temperature of 75 degrees Fahrenheit, or such greater temperature as the Association's Board of Directors may so determine, and keep the pool open at such times (i.e. months and hours as the Association's Board of Directors shall determine; maintain the pool in a pleasing manner with no debris or unsightliness and not allow trash to accumulate nor allow broken, damaged, or unsightly or poorly constructed lawn furniture, it being understood that the pool area and any items therein shall be in keeping with the standards and aesthetic considerations of existing structures of the condominium. The Association agrees that it shall not abandon the pool and the attendant areas and that, at no time prior to completion of Phase XII, shall the pool be closed permanently, covered up (except to winterize), or filled in. (2/3/90)

8. OWNERSHIP OF CONDOMINIUM UNITS AND APPURTENANT INTEREST IN COMMON PROPERTY. Each Condominium Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Condominium Unit, an undivided interest in the Common Areas and Facilities. The undivided interest appurtenant to each Condominium Unit shall be as set out in Exhibit "E" attached hereto and made a part hereof. The proportional interest in the Common Areas and Facilities that is appurtenant to each Condominium Units has been determined by a ratio formulated upon the approximate relation that the fair market value of each Unit at the date of the Declaration bears to the then aggregate fair market value of all of the Units having an interest in the Common Areas and Facilities. The fair market value of each Unit and the aggregate fair market value of all the Units have been determined by the Declarant and are binding upon all Unit Owners. Such determination shall not restrict the Declarant or any subsequent owner in establishing a sales price for any particular unit.

The Declarant intends to, but does not obligate itself, to add additional phases to the Condominium. If said phases are built, they will be built in substantially the same style (4/30/85) as Phase I. If additional phases are added, the undivided percentage interest appurtenant to each unit will decrease provided, however, if all eleven (11) additional phases are built and added to the condominium, the appurtenant undivided interest of each unit owner in the total Common Areas and Facilities shall not be less than six-tenths percent (.6%) (4/30/85); provided, further, that said appurtenant undivided interest of each owner may be more than the aforesaid minimum interest if fewer than eleven (11) phases are added to the Condominium and depending upon the types of units to be contained within additional phases. The appurtenant undivided interest in the Common Areas and Facilities for each unit in such additional phases shall be determined for each type unit based on the fair market value for such type unit as of the date of this DECLARATION. A Supplementary Declaration shall be made to bring each such additional phase under this Condominium and attached to and

incorporated within each Supplementary Declaration shall be a schedule of the exact appurtenant undivided interest of each owner in the total Common Areas and Facilities as of the time each new phase is added.

9. RESTRICTION AGAINST FURTHER SUBDIVISION OF CONDOMINIUM UNITS

SEPARATE CONVEYANCE OF APPURTENANT COMMON PROPERTY PROHIBITED. No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File. Doors or other closures may be added to provide access from one Unit to another provided that the written approval of the Association is first obtained as to the location and structural soundness thereof. The undivided interest in the Common Areas and Facilities declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, except that the Developer shall be able to mortgage the site (i.e. foundation location extended thirty feet outward) of new buildings, prior to completion and submission to condominium ownership of such buildings, such mortgage to be converted into one on the building's units (and their appropriately calculated common interest) upon the building's completion and submission to the condominium form of ownership; and except as just provided the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Except as just provided, as to the Developer, any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to any interest in a Condominium Unit, shall be null and void insofar as it purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, unless it purports to convey, devise, or encumber the entire Condominium Unit. Any instrument conveying, devising, or encumbering any condominium Unit, which described said Condominium Unit by the numerical designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Areas and Facilities. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants, or as tenants by the entireties; but any attempt, whether by deed, devise, or otherwise, to create a periodic tenancy in any Condominium Unit (whether so called, or called "time sharing," or "interval ownership" or any other term for recurring periodic fee ownership) shall be void, invalid and null, as such tenancy is specifically hereby prohibited. (paragraph amended 6/29/84)

10. RESTRICTIVE COVENANTS. The Restrictive Covenants set out below shall apply to those areas within Toxaway Views which are either designated as residential, or which are un-designated. As to an area designated Special Commercial, subparts (A), (C) and (F) shall not apply (4/30/85).

(A) Residential. Each of the units now constructed or to be constructed on the property shall be, and the same hereby are, restricted exclusively to residential use. The provisions of this paragraph do not apply to property being used by the Association as incidental to the operations and organization of the Association.

(B) Construction and Sale. Anything contained herein to the contrary notwithstanding, it shall be permissible for the Declarant to maintain during the period of construction and sale of units upon such portion of the property as Declarant may deem necessary, such facilities as in the sole discretion of the Declarant may be reasonably required, convenient, or incidental to the construction and sale of units, including, but without limitation, a business office, storage area, construction yard, signs, model units, and sales office.

(C) Business Activities. No business activities shall be conducted on any portion of the property, provided, however, the foregoing restrictions shall not apply to the Declarant as provided above; provided further, private offices may be maintained in a unit so long as such use is incidental to the primary residential use of the unit and is approved by the Board of Directors.

(D) Alterations and Attachments by Unit Owner. No unit owner shall make structural alterations or modifications to his unit or to any of the Common Areas and Facilities, without the written approval of the Board of Directors. The Board of Directors shall not approve of any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or overall appearance of the Condominium Property.

(E) Motor Vehicles. No motor vehicles (other than private passenger vehicles), boat trailers, mobile home, motor home, trailer, or any similar items shall be stored in or upon the Common Areas and Facilities, unless placed upon a portion of the Common Areas and Facilities which may be designated from time to time by the Board for the storage of such items.

(F) Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of any unit or on the Common Areas and Facilities, except that the Declarant is exempt from this provisions as provided above.

(G) Prohibitions in Use of Common Areas and Facilities. Except on specific approval of the Board, the Common Areas and Facilities, including Limited Common areas, shall not be used for temporary or permanent storage of supplies, personal property, trash, or refuse of any kind, except in common trash receptacles placed at the discretion of the Board, nor shall they be used in any way for the drying or airing of clothing, rugs, or other fabrics. Entrances, sidewalks, yards, driveways, parking areas, and stairways shall not be obstructed in any way. In general, no activities shall be carried on nor condition maintained by any unit owner either in his unit or upon the Common Areas and Facilities if such activities should despoil, or tend to despoil, the appearance of the Condominium Property. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all owners of the condominium property and is necessary for the protection of the unit owners and is enforceable by the Board or any one or more unit owners.

(H) Animals. No animal shall be kept on the Condominium Property, except for small household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint as is necessary to prevent them from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions, or other nuisance. No savage or dangerous animal shall be kept or permitted on the Condominium Property. No more than two household pets may be housed within a unit without written permission of the Board. No pets may be permitted to run loose upon the Common Areas and Facilities, and any unit owner who causes or permits any animal to be bought or kept upon the Condominium Property shall indemnify and hold harmless for and from any loss, damage, or liability which it sustains as a result of the presence of such animal on the Condominium Property, regardless of whether the Association or the Board has given its permission thereof.

(I) Access to Units. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon oral or written notice to its owner, as may be necessary for the maintenance, repair, or replacement of any of the Common Areas and Facilities. The Association or its agent shall also have access to each unit at all time without notice as may be necessary to make emergency repairs

to prevent damage to Common Areas and Facilities or to another unit. This right of access shall include the right to turn on a Unit's heating system to its minimum active setting.

(J) Nuisances. No nuisances shall be allowed upon the Condominium Property and no person shall engage in any use, practice, or activity upon such property which is noxious, offensive, or a source of annoyance to unit owners or which unreasonably interferes with the peaceful possession and proper use of the property by any unit owner. All parts of the property shall be kept in a clean and sanitary condition; and no rubbish, refuse, or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. Any unit owner (or his family, tenants, guest, or agents) who dump or place any trash or debris upon any portion of the property shall be liable to the Association for the actual cost of removal thereof or the sum of \$25.00 which ever is greater, and the same shall be added to and become a part of the assessment next coming due to which the unit owner is subject. No unit owner shall permit any use of his unit or make any use of the Common Areas and Facilities which will increase the rate of insurance upon the Condominium Property.

(K) Lawful Use. No unlawful use shall be made of the Condominium Property nor any part thereof. All valid laws, ordinances, and regulations of governmental bodies have jurisdiction thereof shall be observed.

(L) Restriction in Transfer of Common Areas. The Association shall not seek to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Areas and Facilities, without the written approval of owners and mortgagees of units totalling 75% of the percentage interest in the Common Areas and Facilities, and all of those having use of Limited Common Areas and Facilities, and all of those having use of Limited Common Areas thereby affected. The granting of easements for public utilities or other public purposed consistent with the intended use of Common Areas and Facilities shall not be deemed a transfer within the meaning of this paragraph.

(M) Rules and Regulations. The Board may from time to time promulgate reasonable rules and regulations respecting the restrictive covenants set out in this Section 10, but such rules and regulations shall be consistent with these restrictions and not in derogation or intended as amendment thereof.

(N) Leasing of Units. With the exception of a lender in possession of a condominium unit following a default in a mortgage, a foreclosure proceedings or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit. Any lease agreement shall be in writing and shall provide that the terms of the lease shall be subject in all respect to the provisions of the Declaration and the By-Laws and that any failure by the Lessee to comply with the terms of such documents shall be in default under the lease.

(O) Sale or Re-Sale of Units. Without limiting in any way the prohibitions and restrictions stated in Paragraph "10-F" above, or any rights of the Declarant as otherwise provided, however, in order to extend respective rights to all Unit Owners without infringing on the rights of any Unit Owner and to provide for a uniform, tasteful and attractive method of allowing any Unit Owners to advertise the sale of any respective unit or units, the Association shall immediately establish and maintain an AVAILABLE PROPERTIES bulletin board in an area such as between Buildings 6 & 2 or at the tennis courts or mailboxes. Said AVAILABLE PROPERTIES bulletin board shall be constructed and maintained in accordance with the general appearance of the exterior of all units and common areas and shall be constructed to have a safety-glass or plexi-glass cover which shall remain locked at all times. Any Unit Owner desiring to place a qualified unit sale or resale bulletin thereon shall submit the same to any officer of the Association or the property manager. Any and all documentation (e.g. "bulletins") posted shall be strictly limited in content to that which advertises the sale or resale of any unit and is further limited to the following information: Unit

number; brief description of unit; price of sale or resale; price if furnishings included; financing information; the name and phone number of the seller and its agent, if any; and involvement of property management, if any. All bulletins shall also be strictly limited to the uniform size of 7 – ¼ inches by 4 inches. The number of signs displayed and the manner in which available property signs may be rotated will be governed by the Board of Directors. (10/20/90)

With a 66 2/3 majority vote accepting this amendment, the Unit Owners, knowingly, willingly and voluntarily agree to support and abide by 10F of the Declaration: "No signs or other advertising devices shall be displayed which are visible from the exterior of any unit or on the common areas and facilities." and accept the fact that the bulletin board will be the Condominium unit owners only on-site expression of units for sale and for re-sale. Any other signs or advertising devices posted by a Unit Owner will be in violation of this Amendment. Any Unit Owner who knowingly, willingly and voluntarily allows or posts any kind of sign in or on their unit such as, but not limited to, windows, exterior facilities, or on any of the common areas except for the designated Available Property Bulletin sign, shall immediately be served with a restraining order and the property owner will be liable for any and all costs pertaining to this action. (10/20/90)

11. EASEMENTS.

(A) Use and Enjoyment. Every unit owner, his family living in his unit, his tenants, permitted guests, shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities, except Limited Common Areas and Facilities, (including the right of access, ingress and egress to and from his unit over those portions of the property designated for such purpose) and such easement shall be appurtenant to and shall pass with the title to every unit, subject to the following provisions:

(1) The right of the Board of Directors to control the use and enjoyment thereof as provided in this Declaration, and in the duly adopted Rules and Regulations of the Association, which shall include, but not be limited to the right of the Board to limit use and enjoyment thereof to the unit owners, and their respective families living in the unit, tenants and guests, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by a unit owner, his family, tenants, and guests;

(2) The right of the Board of Directors to limit the number of guests of unit owners; and

(3) The right of the Board to suspend the voting rights and right to use of the recreational facilities by a unit owner, his tenants, and guests, for any period of time during which an assessment against his unit remains unpaid or any separate charge incurred by such unit owner for use of the recreational facilities remains unpaid, or for infraction of its published Rules and Regulations.

(B) Maintenance and Repair. There shall be an easement through the units and the Common Areas and Facilities for the installation, maintenance, repair and replacement of units and the Common Areas and Facilities. Use of this easement shall be only during normal business hours, except that access may be had at any time in the case of emergency.

(C) Structural Support. Every portion of a unit or the Common Areas and Facilities which contributes to the structural support of another unit shall be burdened with an easement of structural support.

(D) Encroachments. If any portion of the Common Areas and Facilities encroaches upon any unit or any unit encroaches upon any other unit or upon any portion of the common areas and Facilities or the Limited Common Areas and Facilities as a result of settling or shifting of a building, or as the result of survey error or error in description, an easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. If any building, any unit, any adjoining unit, or any adjoining part of the Common Areas and Facilities or the Limited Common Areas and Facilities, shall be partial or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt upon the original site and upon the same Plans as the original building, encroachments of parts of the Common Areas and Facilities or the Limited Common Areas and Facilities upon any unit or of any unit upon any other unit or upon any portion of the Common Areas and Facilities or the Limited Common Areas and Facilities, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist as long as the subject building shall stand.

(E) Utilities. There shall be a general easement upon, across, above and under all of the property for ingress, egress, installation, replacing, repairing, and maintaining all utilities including, but not limited to, water, sewer, telephone and electricity or other community service, (i.e. master television antenna system or security system, if installed) which the Declarant, or the Association, has installed or might determine to install to serve the Property. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain wire, conduits, cables and the like on, above, across, under, and through the roofs, and exterior walls of the units. Should any party furnishing any service covered by this general easement request a specific easement by separate recordable document, Declarant, or the Association, as the case may be, shall have the right to grant such easement under the terms hereof.

(F) Other. There shall be a general easement to the Association, its directors, officers, agents, and employees (including, but not limited to, any manager employed by the Association) to enter upon the property or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with the permission of the unit owner directly affected thereby.

12. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON PROPERTY.

Recognizing that the proper use of a Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Areas and Facilities in common with the Owners of all other Condominium Units, and that it is in the interest of all Owners that the ownership of the Common Area and Facilities be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Areas and Facilities appurtenant to each Condominium Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division.

13. ADMINISTRATION OF THE CONDOMINIUM BY TOXAWAY VIEWS HOMEOWNERS ASSOCIATION. To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a non-profit North Carolina Corporation known and designated as Toxaway Views Homeowners Association (herein "Association") has been organized, and said corporation shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. A true copy of said By-Laws are annexed hereto and expressly made a part hereof as Exhibit "C". The Owner or Owners of each Condominium Unit shall automatically become members of the Association upon acquiring an

ownership interest in title to any Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, and such membership shall terminate automatically upon the Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership. In the administration of the operation and management of the Condominium, the Association is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner of this DECLARATION, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the condominium units and Common Areas and Facilities as its Board of Directors may deem to be in the best interest.

14. USE OF COMMON AREAS AND FACILITIES SUBJECT TO RULES OF ASSOCIATION.

Each unit owner shall have the right to use the Common Areas and Facilities in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other unit owners. The Board shall, if any question arises, determine the purpose for which a part of the Common Areas and Facilities is intended for use. The Board shall have the right to promulgate rules and regulations limiting the use of Common Areas and Facilities to unit owners and their guests as well as provide for the exclusive use of a part of the Common Areas and Facilities by a unit owner and his guests for special occasions, which exclusive use may be conditioned upon, among other things, payment of a fee. Any unit owner may delegate, in accordance with the provisions of this DECLARATION and the By-Laws and reasonable rules and regulations of the Board his right to use Common Areas and Facilities to the immediate members of his family living in the unit, to a limited number of guests, or to tenants who reside in his condominium unit.

15. LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY CONDOMINIUM UNITS; NO RIGHT TO ALTER COMMON AREAS AND FACILITIES. No Owner of a Condominium Unit shall permit any structural modifications or alteration to be made to such Condominium Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Condominium in part or in its entirety. No Owner shall cause any improvements or changes to be made on the exterior of the Condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects or machines which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first obtained. No Unit Owner shall cause any object to be fixed to the Common Areas and Facilities or to any Limited Common Areas and Facilities (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Areas and Facilities or Limited Common Areas and Facilities without the written consent of the Association being first obtained.

16. RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON AREAS AND FACILITIES AND ASSESSMENT THEREFORE. The Association shall have the right to make such alterations or improvements to the Common Areas and Facilities which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of

such alterations and improvements are approved by the Board of Directors of the Association, and their costs shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner or Owners of certain Condominium Unit or Units requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

17. MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS. Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit which, if omitted, would offset the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may cause. The Owner of each Condominium Unit shall be liable and responsible for maintenance, repair, and replacement of all heating and air conditioning equipment serving his unit regardless of where located, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of all drywall, molding, paneling, bathroom and kitchen fixtures, light fixtures, wall and ceiling covering materials, matting, carpeting, drapes and furnishings, and all other accessories which such owner may desire to place or maintain in his Condominium Unit. Whenever the maintenance, repair and replacement of any item for which the Owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. Each unit owner shall be responsible for keeping the Limited Common Areas and Facilities under his control and dominion in a neat, sightly and proper manner. This shall not impose upon the unit owner the obligation to maintain or repair any structural or other similar item on property located within the Limited Common Areas and Facilities assigned to his unit, unless the damage is caused intentionally or negligently by the unit owner or his family, guests, invitees or agents. All doors, window frames, panes and screens are a part of the respective Condominium Units and shall be maintained by the respective Unit Owners. A Unit Owner shall not paint or otherwise decorate or change the outside appearance of the building in which his unit is located, including doors or windows, or any appurtenance thereto or Limited Common Area serving his unit without the written consent of the Board. The Unit Owner must, and is hereby required to maintain the inside temperature of the Unit at no less than the minimum active setting on the Unit's thermostat, whether the Owner is in residence or not. This requirement is imposed because there are water pipes within certain of the interior walls, which if they froze and burst could damage the Unit and the Building. Damage caused by an Owner's failure to provide minimum heat as required above, shall be repaired at the sole expense of that Owner.

18. MAINTENANCE AND REPAIR OF COMMON AREAS AND FACILITIES BY THE ASSOCIATION. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Areas and Facilities, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Areas and Facilities for the furnishing of utility, heating and other services to the Condominium Units and said Common Areas and Facilities, and should any damage be caused to any Condominium Unit by virtue

of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Areas and Facilities, the Association shall, at its expense, repair such damage. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair at its expense, is occasioned by any act of a Condominium Unit Owner, his immediate family, guests or invitees, and such loss or damage may be covered by any insurance in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If such unit owner defaults in his obligation herein and such default is not cured by him within fifteen (15) days from written demand by the Association, the same may be cured by the Association and the cost thereof shall be assessed against the unit owned by the subject unit owner.

All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration, and replacement of the Common Areas and Facilities shall be approved in writing, jointly by the President and Treasurer. In the absence or disability of the President, the Vice-president may perform the duties herein of the President, and the Assistant Treasurer may perform the duties of the Treasurer herein the absence or disability of the Treasurer. Notwithstanding the foregoing, the Board may authorize any officer, member, committee, or independent manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration, or replacement of the Common Areas and Facilities, so long as the resolution granting such authority specifically limits the maximum amount which may be authorized on each occasion and so long as the subject resolution described the items which may be authorized on each occasion and so long as the subject resolution described the items which may be so authorized.

19. AUTHORITY TO PURCHASE INSURANCE. Insurance policies upon the Property (except title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustee for the Condominium Unit Owners, for the benefit of the Condominium Unit Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Units Owners, the Association and their respective servants, agents and guests. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Condominium Unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation referred to above if available.

20. INSURANCE COVERAGE TO BE MAINTAINED: USE AND DISTRIBUTION OF INSURANCE PROCEEDS.

(A) The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium Units and Common Property:

(1) Casualty insurance covering the building and all improvements upon the land and all personal property subject to this Declaration and any additions added by amendment, except such personal property as may be owned by the Condominium Unit Owners, shall be procured in an amount

equal to the maximum insurable replacement value thereof (exclusive of excavation, foundations, streets and parking facilities) as determined annually by the insurance company affording such coverage; and provided that such policies may be written on a co-insurance basis of not less than eighty percent (80%). If co-insurance is purchased by the Association, an insurance policy with an agreed amount endorsement or its equivalent will be obtained. Such coverage shall afford protection against; (a) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious mischief.

(2) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association, including legal liability, hired automobile, non-owned automobile and off-premises employee coverages.

(3) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Condominium Unit Owners as a group to a Condominium Unit Owner.

(4) Fidelity Coverage protecting against dishonest acts by Association officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association in the amount of one year's operating budget, plus projected reserve balances during the budget year. If professional management is obtained by the Association and it has this coverage and it handles the funds, then this requirement will be satisfied.

(B) Premiums upon insurance policies purchased by the Association shall be paid by said Association and charged as Common Expense.

(C) All insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, and their respective interest may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association as Insurance Trustee. The Association shall hold such proceeds in trust for the benefit of the Association, the Condominium Unit Owners and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to Common Property; In undivided shares for each Condominium Unit Owner and his mortgagee, if any, which is set forth as the Condominium Unit Owner's share as then exists under Paragraph 8 above.

(2) Proceeds on account of damages to Condominium Units shall be held in the following undivided shares:

(a) Partial destruction when the Condominium is to be restored; For the Owners of damaged Condominium Units in proportion to the costs of repairing the damage suffered by each damaged Condominium Unit.

(b) Total destruction of the Condominium or where the Condominium is not to be restored; For all Condominium Unit Owners and their mortgagees, the share of each being set forth in Paragraph 8 above.

(D) In the event a mortgagee endorsement has been issued as to a Condominium Unit, the share of the Condominium Unit Owner shall be held for the mortgagee and the Condominium Unit Owner as their

interest may appear, but nothing herein contained shall be construed so as to give any mortgagee the right to determine or participate in the determination of reconstruction or repair.

(E) Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Condominium Unit Owners in the following manner:

(1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Condominium Unit Owners, all remittances to Condominium Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(2) If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the Condominium Unit Owners, remittances to Condominium Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(F) Each Unit Owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such Owner's Unit, or another Unit, or upon the Common Areas and Facilities in such amounts as the Board of Directors, shall, from time to time, determine, but in no case less than \$100,000 for each occurrence.

21. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE: DAMAGE TO COMMON AREAS AND FACILITIES: DAMAGE TO CONDOMINIUM UNITS.

(A) If any part of the common areas and facilities shall be damaged by casualty, the determination of whether or not to reconstruct or repair it shall be made as follows:

(1) Partial destruction shall be destruction of two-thirds (2/3) or less of the building. In the event of partial destruction, the Common Areas and Facilities shall be reconstructed or repaired unless this Declaration is terminated by the unanimous vote of all of the Condominium Unit Owners at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.

(2) Total destruction shall be destruction of more than two-thirds (2/3) of the building. In the event of total destruction, the Common Areas and Facilities shall not be reconstructed or repaired, if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, or if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, Condominium Unit Owners who own three-fourths (3/4) or more of the building vote against reconstruction or repair.

(3) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications contained herein.

(B) If the damage is only to those parts of one or more Condominium Units for which the responsibility of maintenance and repair is that of the Unit Owner, then the Condominium Unit Owner shall be

responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association of follows:

(1) Immediately after the casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deem appropriate.

(2) When the damage is to both Common Areas and Facilities and Condominium Units, the insurance proceeds shall be applied first to the costs of repairing the Common Areas and Facilities and the balance to the Condominium Units.

(C) Each Condominium Unit Owner delegates to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association, except in any case where the damage is restricted to one Condominium Unit.

22. ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES. The Association shall maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the transfer of any Condominium Unit to a third party, the transferee shall notify the Association in writing of his interest in such Condominium Unit, together with the recording information necessary to identify the instrument by which the transferee has acquired his interest. The Owner of each Condominium Unit shall also notify the Association of the parties holding any mortgage on any Condominium Unit, the amount of such mortgage and the recording information necessary to identify the mortgage. The holder of any mortgage upon any Condominium Unit may notify the Association of the existence of any mortgage and the Association shall register in its records all pertinent information relating thereto.

23. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT. The Association is given the authority to administer the operation and management of the Condominium as being in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses (herein "common expense"). To provide the funds necessary for such proper operation, management and capital improvement, the Association has been granted the right to make, levy and collect assessments against the Unit Owners and their Condominium Units. In furtherance thereof, the following provisions shall be operative and binding upon the Owners of all Condominium Units.

(A) All assessments levied against the Unit Owners and their Condominium Units shall be uniform and, unless specifically otherwise provided for herein, all assessments made by the Association shall be in such amount that any assessment levied against a Unit Owner and his Condominium Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit bears to the total undivided interest in Common Areas and Facilities appurtenant to all Condominium Units. Should the Association be the Owner of a Condominium Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived from the leasing of such Unit or Units by the Association, shall be apportioned and assessment therefore levied ratably among

the Owners of all Units which are not owned by the Association, based upon their proportionate interests in Common Areas and Facilities exclusive of the interest therein appurtenant to any Unit or Units owned by the Association.

(B) Assessments provided for herein shall be payable in monthly installments on or before the first day of each month, or in such other manner as the Board of Directors of the Association shall determine. Such assessments shall commence for each Unit subject hereto on the day of the recording of this Declaration, and with respect to additional units, on the day of the recording of a Supplemental Declaration affecting such units.

(C) The Board of Directors of the Association shall establish as Annual advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Paragraph "D" hereof, items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies shall be delivered to each Owner of a Condominium Unit and the assessment for said year shall be established based upon such budget, although the non-delivery of a copy of it to each Owner shall not affect the liability of any Owner for such assessment. A majority of the Owners must approve an increase in the yearly assessment paid monthly if the increase exceeds the assessment for the previous year by more than Ten Percent (10%).

(D) The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, shall designate a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Areas and Facilities (herein "Capital Improvement Fund") which shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Areas and Facilities, and the replacement of personal property constituting a portion of the Common Areas and Facilities held for the joint use and benefit of the Owners of Condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Areas and Facilities. The amount collected for the Capital Improvement Fund shall be maintained in separate account by the Association and shall be used only to make capital improvements to Common Areas and Facilities. Any interest earning on the capital improvement fund may be expended for current operation and maintenance.

(E) All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation and the By-Laws of the Association. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Areas and Facilities, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Condominium Unit. When the Owner of a Condominium Unit shall cease to be a member of the Association, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to

the Association by such Owner, as all funds which any Owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Condominium.

(F) The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of its due date. When in default, the delinquent assessment or delinquent installment thereof due to Association shall bear interest at Twelve (12%) Percent per annum until paid in full to the Association.

(G) The Owner or Owners of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorney's fees, whether suit be brought or not.

(H) No Owner of a Condominium Unit may exempt himself from liability for any assessment levied against him or his Condominium Unit by waiver of the use of enjoyment or any of the Common Areas and Facilities, or by abandonment of the Condominium Unit or in any other way.

(I) Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses therefore, and that such proper operation and maintenance results in benefit to all of the Owners of Condominium Units, and that the payment of such common expenses represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, which lien shall secure the funds due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit. The lien granted to the Association may be foreclosed as provided in Chapter 44A of the North Carolina General Statutes or in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to reasonable rental from the Owner of any Condominium Unit from the date on which the payment of any assessment or installment thereof become delinquent, and shall be entitled to the appointment of a Receiver for said Condominium Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, including interest at Twelve (12%) Percent on any such advances so made. All persons who shall acquire any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

(J) The Lien herein granted to the Association shall be enforceable from the time of recording a claim of lien in the public records of Transylvania County, North Carolina, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien shall have been fully paid. Such claims of lien shall include only

assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, it shall be satisfied of record.

The Lien provided for herein shall be subordinated to the lien of any mortgage or deed of trust. Any person, firm or corporation acquiring title to any Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities by any foreclosure, deed in lieu of foreclosure, or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Condominium Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment for which the party so acquiring title shall not be liable, shall be absorbed and paid by all Owners of all Condominium Units as a part of the common expense, although nothing herein contained shall release the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

(K) Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owners, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Condominium Unit is to be leased, sold, or mortgaged at the time when payment of any assessment against the Owner of said Condominium Unit and such Condominium Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to the payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the Owner of any Condominium Unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Condominium Unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser therefore.

Institution of a law suit to attempt to collect the payment of any delinquent assessment shall not be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to Association.

24. COMMON SURPLUS. "Common Surplus", meaning all funds and other assets of the Association (including excess of receipts of the Association, including but not limited to assessments, rents, profits and revenues from whatever source over amount of the common expense), shall be owned by the Owners of all Condominium Units in the same proportion that the undivided interest in Common Areas and

Facilities appurtenant to each Owner's Condominium Unit bears to the total of all undivided interest in Common Areas and Facilities appurtenant to all Condominium Units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution of any insurance indemnity herein provided, or upon termination of the Condominium, and attribution of distribution of common surplus which may be made from time to time shall be made to the then Owners of Condominium Units in accordance with their percentage interest in common surplus as declared herein.

25. CONDEMNATION.

(A) General. Whenever all or any part of the property shall be taken by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association.

Unless otherwise required by law at the time of such taking, any award made therefore shall be disbursed by the Association as hereinafter provided in this Section.

(B) Common Areas. If the taking is confined to the Common Areas and Facilities on which improvements shall have been constructed and if at least Seventy-Five (75%) Percent of the total vote of the Association shall decide within sixty (60) days after such taking to replace such improvements, or any part thereof, on the remaining land included in the Common Areas and Facilities and according to plans therefore to be approved by the Association, then the Board shall arrange for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the property is to be repaired or reconstructed as provided for in Section 21 hereof. The disbursement is subject, however, to the right hereby reserved to the Association which may be exercised by a majority of the total vote thereof to provide for the disbursement by the Association of the remaining proceeds held by it (after payment of all costs incident to such replacement) to the owners or any one or more of them (and to their respective mortgagees) in amounts disproportionate to the Percentage Interests appurtenant to their units established herein, which disproportionate amounts shall correspond with any disproportionate damages sustained by the owners of any one or more of them as the Association may determine. If at least Seventy-Five (75%) Percent of the total vote of the Association shall not decide within sixty (60) days after such taking to replace such improvements or if the taking is confined to the Common Areas and Facilities on which no improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to the replacement of improvements taken, including the right reserved to the Association to provide for the disbursement of the remaining proceeds held by it to the owners in disproportionate amounts.

(C) Units. If the taking includes one or more units, any part or parts thereof, or the Limited Common Areas and Facilities or parts thereof to which a unit has exclusive use, then the award shall be disbursed and all related matters, including without limitation alteration of the Percentage Interest appurtenant to each unit, shall be handled pursuant to and in accordance with the consent of all owners expressed in a duly recorded amendment to this DECLARATION. Such amendments, if any, shall realign the Percentage Interests, establish the method of distributing the condemnation award, and include such other provisions as all of the unit owners deem reasonable and appropriate. Further provided, such amendment shall be executed by the mortgagee of such units and shall not prejudice the creditors or other third parties who have an interest in the condemnation award with respect to their right, if any, in such award. In the event that such an amendment

shall not be recorded within ninety (90) days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Section 21 herein, whereupon the development will be terminated in the manner therein prescribed.

26. TERMINATION. The Condominium shall be terminated, if at all, in the following manner:

(A) The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument duly recorded; and, provided that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the Property as provided in Subparagraph "C" below. The termination shall become effective when such agreement has been recorded in the public records of Transylvania County, North Carolina.

(B) If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Transylvania County, North Carolina.

(C) After termination of the Condominium, the Condominium Unit Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens against the Condominium Units or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit Owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Areas and Facilities previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be held for the Unit Owners in the same proportion, as their respective undivided interest in the Common Areas and Facilities. The costs incurred by the Association in connection with the termination shall be a common expense.

(D) Following termination, the property may be partitioned and sold upon the application of any Condominium Unit Owner. Following a termination, if the Board of Directors determines by not less than a majority vote to accept an offer for the sale of the property, each Condominium Unit Owner shall be bound to execute such deed and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

(E) The members of the Board of Directors acting collectively as agent for all Condominium Unit Owners, shall continue to have such powers as granted herein, even though the Association may be dissolved upon a termination.

27. ADDITION OF LAND AND UNITS. Any one or more of all of Phases 2 through 12 may be added to the condominium property by Declaration without the further consent of the unit owners and institutional lenders by the filing of a Supplementary Declaration which describes or identifies the property to be added, specifically incorporates the terms and conditions of this DECLARATION, and makes the property

described therein together with all improvements, and easements, rights and appurtenances thereunto subject to this DECLARATION. In addition, such Supplementary Declarations shall have added thereto surveys and plans and certificates required by the Act together with such other provisions as deemed necessary by the Declarant. Upon such recording the property described in the Supplementary Declaration shall become part of the Condominium property as if such property had been included in the DECLARATION, and by accepting a deed subject to this DECLARATION and any applicable Supplementary Declaration, unit owners agree to such additions to the condominium.

28. AMENDMENTS. An amendment to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or members, such proposed Amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give to each member written notice of such Special Meeting, stating the time and place, and reciting the proposed Amendment in reasonable detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment proposed, must be approved by an affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the members owning Units in the Condominium in order for such Amendment to become effective. Thereupon such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment so certified and executed with the same formalities as a deed, shall be recorded in the Transylvania Public Registry within twenty (20) days from the date on which the same became effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

No alteration in the percentage of ownership in Common Areas and Facilities appurtenant to each Condominium Unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of basis of ownership of Common Surplus, or alteration of voting rights in the Association, shall be made without the prior written consent of all of the Owners of all Condominium Units and all of the Lenders holding first mortgages or first deeds of trust on the Condominium Units, subject to the provisions for adding additional phases pursuant to Subparagraph A above.

No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Lender shall be made without prior written consent of all Lenders holding mortgages on Condominium Units in the Condominium being first had and obtained.

No alternation, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Developer shall be made without the written consent of said party being first had and obtained.

29. REMEDIES IN EVENT OF DEFAULT. The Owner and Owners of each Condominium Unit shall be governed by and shall comply with the provision of this Declaration and the Articles of Incorporation and By-Laws of the Association, as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owner of other Condominium Units to the following relief:

(A) Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by a aggrieved Unit Owner.

(B) Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

(C) In any proceeding arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

(D) The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.

(E) All rights, remedies and privileges granted to the Association or the Owner or Owners of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of this Declaration or other above mentioned documents, shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

(F) The failure of the Declarant to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or other abovementioned documents shall not constitute a waiver of the right of Developer to thereafter enforce such right, provision, covenant or condition in the future.

(G) The failure of a Lender to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration or other above-mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

30. RIGHTS RESERVED UNTO LENDERS. As long as any Lender shall hold any mortgage upon any Condominium Unit or Units, or shall be the Owner of any Condominium Unit or Units, such Lender shall have the following rights:

(A) To examine, upon request and at reasonable times and upon reasonable notice, the books and records of the Association, and to be furnished a copy of the annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

(B) To be given written notice by the Association of the call of any meeting of the membership, which notice shall state the purpose of such meeting; and to designate a representative to attend.

(C) To be given written notice of default by any Owner owing a Condominium Unit encumbered by a mortgage held by the Lender, such notice to be sent to the place which it may designate in writing.

(D) To be given written notice of any loss to or taking of, the common elements of the Condominium if such loss or taking exceeds \$15,000.00 or damage to a Condominium Unit in excess of \$1,000.00.

(E) To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

Whenever any Lender desires the provisions of this Article to be applicable to it, it shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, identifying the Condominium Unit or Units upon which any such Lender holds any mortgage, or identifying any Condominium Units owned by it, together with sufficient facts to identify such mortgage and which notice shall designate the place to which notices are to be given by the Association to such Lender.

31. RIGHT OF DECLARANT TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION. Until eighty (80) condominium units in TOXAWAY VIEWS have been sold and conveyed, or until December 31, 1988, whichever shall first occur, Declarant shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association. Thereafter, so long as the Declarant owns at least one condominium unit, it shall have the right to designate select one person who shall serve as a member of the Board of Directors of the Association.

In the event of dissolution of Declarant at the time when it is the Owner of a Condominium Unit, then the rights of the Declarant shall pass to and may be exercised by its successors receiving ownership of any such Condominium Unit in dissolution. Whenever Declarant shall be entitled to designate and select any person to serve on the Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Declarant shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designate and selected by Declarant need not be a resident in the Condominium. However, Declarant shall be responsible for the payment of any assessments which may be levied by the Association against any Condominium Unit or Units owned by the said Declarant, and for complying with the remaining terms and provisions hereof in the same manner as any other Owner of a Condominium Unit or Units.

32. MISCELLANEOUS.

(A) In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable, such holding shall not affect, alter, modify or impair in any manner any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

(B) The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium Ownership. Throughout this Declaration wherever appropriate the singular shall include the plural, and the masculine gender the feminine or neuter. The Article headings are for convenience of reference only and shall not be considered term of this Declaration.

(C) The restrictions and burdens imposed by the covenants of the Declaration shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities. This Declaration shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become Owners of Condominium Units in the Condominium, and their respective heirs, legal representative, successors and assigns.

(D) The following named individual is designated as the person to receive service of process for the Association:

John Anthony Fisher, III
Toxaway Views, Inc.
#307, Highway 64 West
Lake Toxaway, NC 28747

(E) Be it resolved that in consideration of the mutual benefits hereby conferred, it is and shall be permitted that a road connection be made off of the road which runs past building number one, on to a road which runs from Highway 64 nearly South, on property adjacent to and immediately East of Toxaway Views. This connection shall allow construction vehicles to come on to Toxaway Views without using the paved entrance and will thereby reduce the wear on the paved roads of the project (4/30/85).

IN WITNESS WHEREOF, TOXAWAY VIEWS INC has caused these presents to be executed in its name, by its President and its Corporate Seal to be hereunto affixed, attested by its Secretary, this 17th day of June, 1983.

TOXAWAY VIEWS INC.

BY: JOHN ANTHONY FISHER III

President

CORPORATE SEAL

ATTEST:

JEANETTE K. FISHER
SECRETARY

The undersigned Jerry H. Jerome, Trustee, and Brevard Federal Savings and Loan Association, Brevard, N.C. 28712, beneficiary under Deed of Trust from John Anthony Fisher, III and wife, Jeanette K. Fisher dated February 3rd, 1983 and recorded in Book 130, page 92I in Transylvania County Registry, join in this Declaration for the purpose of subordinating the lien of said Deed of Trust to this Declaration and the Condominium created hereby.

JERRY H. JEROME (SEAL)
Jerry H. Jerome, Trustee

BREVARD FEDERAL SAVINGS AND LOAN
ASSOCIATION

BY: JERRY H. JEROME
PRESIDENT

Corporate Seal

ATTEST:

Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

This the 17th day of June, 1983, personally came before me JOHN ANTHONY FISHER, III who, being by me duly sworn says that he is the President of TOXAWAY VIEWS, INC and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation.

CLAIRE A. SMITH
Notary Public

My Commission Expires 8/10/86

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Claire A. Smith, a Notary Public in and for said County and State, do hereby certify that JERRY H. JEROME, trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 17th day of June, 1983.

CLAIRE A. SMITH
Notary Public

My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate(s) of CLAIRE A. SMITH
A Notary (ies) Public of said County and State is/are certified to be correct. This 17 day of June, 1983, and have been filed for registration on the 17 day of June, 1983 in Book No. 4 of page 42 at 2:30 o'clock PM.

FRED H. ISRAEL
Register of Deeds, Transylvania County

EXHIBIT 'A'

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

BEGINNING at a six inch by eight inch rock with an "X" scribed on its top, on the south side of an old road in the line of property belonging to Lake Toxaway Company and running thence from the point of beginning with the line of Lake Toxaway Company, two calls as follows: North 19 deg. 59 min. East, 1013.32 feet to an iron pipe; thence North 02 deg. 38 min. East, 182.85 feet to an iron pipe; thence North 8 deg. 36 min. West, 67.51 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the Highway three calls as follows: South 82 deg. 55 min. East, 143.40 feet; North 81 deg. 21 min. East, 106.02 feet; North 54 deg. 46 min. East, 41.18 feet; thence leaving the Highway and running South 27 deg. 48 min. East, 101.30 feet to an iron pipe; thence North 40 deg. 03 min. East, 257.63 feet to an iron pipe; thence South 35 deg. 03 min. East, 94.38 feet to an iron pipe; thence South 14 deg. 22 min. East, 90.29 feet to an iron pipe; thence South 04 deg. 22 min. West, 88.12 feet to an iron pipe; thence South 8 deg. 45 min. West, 176.18 feet to an iron pipe; thence South 04 deg. 59 min. East, 62.60 feet to an iron pipe; thence South 8 deg. 35 min. West, 160.24 feet to an iron pipe; thence South 54 deg. 34 min. West, 63.35 feet to an iron pipe; thence South 61 deg. 46 min. West, 136.48 feet to an iron pipe; thence South 49 deg. 30 min. West, 96.50 feet to an iron pipe; thence South 38 deg. 09 min. West, 90.07 feet to an iron pipe; Thence South 54 deg. 08 min West, 111.14 feet to an iron pipe; thence South 69 deg. 32 min. West, 75.41 feet to an iron pipe; thence South 84 deg. 53 min. West, 103.27 feet to an iron pipe; thence South 63 deg. 37 min. West, 86.05 feet to an iron pipe; thence South 29 deg. 30 min. West, 153.51 feet to an iron pipe; thence South 39 deg. 54 min. West, 108.60 feet to an iron pipe; thence South 39 deg. 21 min. West, 120.30 feet to the point of beginning. Containing 10.90 acres, more or less, as surveyed and platted by William Leonard, RLS on September 14th, 1982.

Second Tract

BEGINNING at a point in the center of the pavement of U.S. Highway 64 which said point stand the following two calls: from a concrete monument (said monument being the southeast corner of the Cash property in the line of Lake Toxaway Company) South 86 deg. 35 min. East, 152.50 feet and North 8 deg. 36 min. West, 67.51 feet and running thence from the said point of beginning thus established South 8 deg. 36 min. East, 67.51 feet to any iron pin the Northeastern corner of a tract of land owned by Lake Toxaway Company; thence with the Toxaway line North 86 deg. 35 min. West, 152.50 feet to a concrete monument the Southeast corner of the Cash property described in Deed Book 219, page 810; thence with the Cash line North 1 deg. 54 min. East, 600.0 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the pavement in a south and then southeast direction, to the point of beginning containing 0.8 acres, more or less, as surveyed and platted by William Leonard, RLS.

Subject to the reservation in favor of John Anthony Fisher, III and wife, Jeanette K. Fisher the right, exclusive of all others, to grant or deny, on such terms and conditions as thy deem convenient, permission for cable television companies to lay, operate and tap on to any unit on the subject property, any transmission cable or any other apparatus relating to cable television or other cable supplied information services.

EXHIBIT "B"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

See site plan in Condominium File (plat file 2, slide 290)

ALDERMAN

ARCHITECT

STATE OF NORTH CAROLINA

COUNTY OF TRANSYLVANIA

ARCHITECT'S CERTIFICATION

I, R. JAMES ALDERMAN, III, a registered architect in the State of North Carolina, No. 3873; do hereby certify that the plans filed as a part of the "Declaration of Condominium of Toxaway Views Condominium" being filed simultaneously with the certification are full and exact copies of the plans of Building Number 1, Phase 1, which have been used in the construction thereof and show graphically all particulars of said building; including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers and sizes of the units as built.

This the 9th day of June, 1983.

R. JIM ALDERMAN
Registered Architect

STATE OF NORTH CAROLINA

COUNTY OF JACKSON

I, JOYCE A. BURNETTE, a notary public, hereby certify that R. JAMES ALDERMAN personally appeared before me this date and acknowledged the execution of this instrument. This the 9th day Of June, 1983.

JOYCE A. BURNETTE
Notary Public

My Commission Expires: September 7, 1987

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

ARCHITECT'S CERTIFICATION

I, R. JAMES ALDERMAN, III, a registered architect in the State of North Carolina, No. 3873; do hereby certify that the plans filed as a part of the "Declaration of Condominium of Toxaway Views Condominium" having been filed previously with a similar certification, are likewise full and exact copies of the plans of Building Number 2 (or B), Phase I, which have been used in the construction thereof and which show graphically all particulars of said building; including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers and sizes of the units as build, except that the first digit of the unit numbers in Building 2 will be 2 instead of 1.

This is the 14th day of October, 1983.

R. JAMES ALDERMAN

Registered Architect

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JOYCE A. BURNETTE, a notary public, hereby certify that R. JAMES ALDERMAN, III personally appeared before me this date and acknowledged the execution of this instrument. This the 14th day of October, 1983.

JOYCE A. BURNETTE

MY COMMISSION EXPIRES: September 7, 1987

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

The foregoing certificate(s) of JOYCE A. BURNETTE, a Notary Public of said County and State is/are certified to be correct. This 28th day of November, 1983 and have been filed for registration on the 28 day of November, 1983. In Book NO. 4 of Page 191 at 10:00 o'clock a.m.

Fred H. Israel

Register of Deeds, Transylvania County

V.L. Edwards, Deputy

ALDERMAN

ARCHITECT

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, R. James Alderman, III, a Registered Architect in the State of North Carolina, No. 3873, do hereby certify that the plans being filed simultaneously with Exhibit A as a part of the "Declaration of Condominium of Toxaway Views Condominiums", are full and exact copies of the plans of the Third Level of Building I with Loft, Phase 2; and that from a personal inspection of the premises I further certify that, except for the differences of detail noted on Exhibit A (recorded herewith), the said building and level were actually constructed as shown on the said plans; and that the said plans, as modified by Exhibit A, correctly reflect the Third Level of Building I of Phase 2, Toxaway Views, including but not limited to the layout, location, ceiling and floor elevations, unit numbers, and sizes of units a built.

This the 20 day of July, 1984.

R. JAMES ALDERMAN
Registered Architect

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Claire A. Smith, a Notary Public, hereby certify that R. James Adlerman, III, personally appeared before me this date and acknowledged the execution of this instrument. This the 20th day of July, 1984.

Claire A. Smith
Notary Public

My Commission Expires: 8/10/86

EXHIBIT "D"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

The plat of survey of TOXAWAY VIEWS, PHASE I, dated September 14th, 1982, and prepared by William Leonard, Registered Land Surveyor, consisting of one sheet, and the Plans for TOXAWAY VIEWS, PHASE I, dated September 23rd, 1982 prepared by National Homes Corporation, entitled "TOXAWAY VIEWS" and consisting of 5 sheets, all of which was attached to this Declaration at the time it was duly filed for record in the office of the Register of Deeds for Transylvania County, North Carolina, in Condo File Number __ Said Survey and Plans are incorporated herein by reference as if fully set out herein.

EXHIBIT "E"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

<u>Unit Number</u>	<u>Ownership Percentage</u>
101	12.5%
102	12.5%
103	12.5%
104	12.5%
201	12.5%
202	12.5%
203	12.5%
204	12.5%

SUPPLEMENTARY DECLARATION OF UNIT
OWNERSHIP FOR TOXAWAY VIEWS, PHASE II

Toxaway Views, Inc. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration.

Phase II will consist of two buildings, of which only the first is now ready for submission to Unit Ownership.

1. Building Location. The building, to be known as Building Three of Toxaway Views, is located as follows: The northeast corner of Building Three stands North 85 deg. West, 33 feet from boundary corner #11 as shown on the plat of Toxaway Views (by William Leonard, RLS) numbered RE-D2-83-207, previously recorded. The building's exterior walls run from that point as follows: North 78 deg. 30 min. West, 42.4 feet; South 11 deg. 30 min. West, 64.9 feet; South 78 deg. 30 min. East, 42.4 feet; and North 11 deg. 30 min. East, 64.9 feet to the beginning.

2. Building Description. Building Three is a wood and stone structure containing six living units, arranged two per level on each of three levels. Filed simultaneously with this Supplementary Declaration are duplicates of the plans of Building Three, together with a Drawing ("Exhibit A") by R. James Alderman, Architect, showing certain details on the third level where actual construction differed from the plans.

3. Incorporation of Condominium Provisions. The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I, are hereby incorporated into this Declaration for Phase II as if set out word for word herein, except for Part 9 which has been amended as set out below, and as to which the amended version applies. (See Attached "Exhibit B")

4. Revision of Common Interests. As contemplated by Part 8 of the initial Declaration, the percentage interests of the various Unit Owners is hereby revised to take into account the six new Units in Building Three. Pending further construction, the appurtenant common interests are hereby amended to be as follows:

<u>Unit</u>	<u>Interest</u>
101	7.14%
102	7.14%
103	7.14%
104	7.14%
201	7.14%
202	7.14%
203	7.14%
204	7.14%
301	7.14%
302	7.14%
303	7.14%
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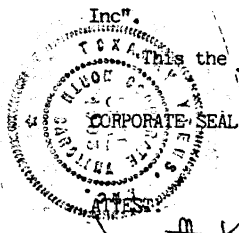
This is the 29th day of June, 1984.

4-127

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

AMENDMENT TO THE
DECLARATION OF CONDOMINIUM OF
TOXAWAY VIEWS, PHASE I

The Declaration of Unit Ownership and appurtenant documents recorded in Condominium Book 4, beginning at page 42 and running through page 81 is hereby amended such that wherever reference is made at any place within those pages noted to "Toxaway Views Condominium Association" there shall be read in substitution therefore "Toxaway Views Homeowners Association,



This the 12th day of August, 1983.

TOXAWAY VIEWS, INC.

BY: John Anthony Fisher III
President

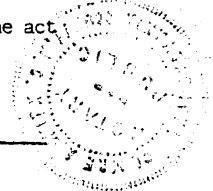
Janette K. Fisher
Secretary

37446

State of North Carolina
County of Transylvania

This the 12th day of August, 1983, personally came before me JOHN ANTHONY FISHER, III who, being by me duly sworn says that he is the President of TOXAWAY VIEWS, INC. and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of the said corporation.

Claire A. Smith
Notary Public



My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA: COUNTY OF TRANSYLVANIA

The foregoing certificate(s) of Claire A. Smith
a Notary (ies) Public of said

County and State is/are certified to be correct. This 15 day of Aug, 1983, and have been filed for registration on the 15 day of Aug, 1983 in Book No. 4 of page 127 at 11:30 o'clock A. M.

Fred H. Israel
Register of Deeds, Transylvania County

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

TOXAWAY VIEWS, INC a North Carolina corporation with its principal place of business in Transylvania County, Lake Toxaway, North Carolina (herein "Declarant") does hereby make, declare and establish this Declaration of Condominium as and for the plan of dwelling ownership of TOXAWAY VIEWS, PHASE I, being the property and improvements hereinafter described.

36693

1. ESTABLISHMENT OF CONDOMINIUM. Phase I is the first condominium phase of a series of twelve (12) condominium phases which the Developer proposes to create, each of which, if developed, will be located within (but not necessarily encompassing all) the real property described in Exhibit "A" attached hereto and incorporated herein by reference. All of these condominiums are being developed under a Common Plan which includes this Declaration, the features of which include common recreation facilities and the providing of maintenance and other services through a common administration. Each parcel or tract of land, with the improvements thereon or to be placed thereon, which may be submitted to the condominium form of ownership pursuant to this Common Plan shall constitute an addition to the original Condominium and shall be designated consecutively as TOXAWAY VIEWS, PHASE I, TOXAWAY VIEWS, PHASE II, and such similar designation for each Phase through TOXAWAY VIEWS, PHASE XII. In addition, in order to facilitate the operation and administration of all phases of the condominium under the Common Plan, there shall be formed the non-profit corporation known as TOXAWAY VIEWS CONDOMINIUM ASSOCIATION, which shall have the general authority and responsibility for the operation and administration of the condominium and all of its dedicated phases. The authority and responsibility of TOXAWAY VIEWS CONDOMINIUM ASSOCIATION shall be as described in this Declaration, and its Articles of Incorporation and By-Laws.

Declarant does hereby submit the property, more particularly described on Exhibit "B" (see site plan in Condominium File for reference) together with the improvements located thereon and all easements, rights, and appurtenances belonging thereunto to condominium ownership under the provisions of Chapter 47A of the General Statutes of North Carolina (Unit Ownership Act), and hereby declares the same to be a condominium to be known and identified as TOXAWAY VIEWS, PHASE I, which shall contain eight (8) living units and their supporting facilities and other appurtenant improvements. By Supplementary Declaration, in the manner hereinafter provided, Declarant may from time to time add additional phases and subject such land and buildings and improvements thereon to this DECLARATION, and thereafter such land therein described shall be and become subject to the Act and this DECLARATION as if included from the beginning. By acceptance of a deed to a condominium unit created hereby or by Supplementary Declaration, each unit owner agrees that such additional phases and units therein may be added to the condominium property and that the percentage interest in the common areas and facilities will be reduced as set out in Section 8 hereof.

2. DEFINITIONS. The following words, when used in this DECLARATION, or any Supplement or amendment hereto, unless the context requires otherwise, shall have the following meanings:

(A) Act. The Unit Ownership Act of North Carolina, North Carolina General Statute Chapter 47A, as amended.

(B) Assessment. An owner's share of the common expenses assessed against such owner and his unit from time to time by the Association in the manner hereinafter provided.

(C) Association. An association of and limited to the owners of condominium units, in the form of a non-stock, non-profit membership corporation organized under the laws of the State of North Carolina as TOXAWAY VIEWS CONDOMINIUM ASSOCIATION, INC.

(D) Common Areas and Facilities. All of the condominium property and every part thereof, excluding the units, but including limited common areas and facilities.

(E) Common Expenses. (I) Expenses of administration, maintenance, repair, and replacements of the Common Areas and Facilities and the Limited Common Areas and Facilities; (II) Expenses determined by the Association to be Common Expenses, and which are lawfully assessed against the Unit Owners; (III) Expenses declared to be Common Expenses by the provisions of the act of the Condominium Documents; and (IV) all sums lawfully assessed against the Unit Owners by the Association.

(F) Condominium Documents. This DECLARATION, the By-Laws attached as Exhibit "C", and RULES AND REGULATIONS as may be established by the Association governing the use of the condominium property, and Supplementary Declarations adding property to the condominium, all as may be amended from time to time.

(G) Condominium Property. All of the property submitted to the Unit Ownership Act by the DECLARATION or by Supplementary Declarations, being the property described on Exhibit "A" of this DECLARATION, or so much thereof as shall be submitted from time to time; the buildings and all other improvements situated thereon, whether the same be common areas and facilities or units or any part thereof, and all easements and rights appurtenant thereto.

(H) Declarant. The Declarant is TOXAWAY VIEWS, INC., a North Carolina corporation, or its successor in fee ownership of all remaining units (more than one unit) unsold to purchasers as use as residences. At no point in time shall there be more than one "Declarant".

(I) Limited Common Areas and Facilities. Those areas so designated on the plans attached hereto and incorporated herein by this reference, identified in Section 5 hereof.

(J) Majority or Majority of Unit Owners. The owners of more than Fifty Percent (50%) of the aggregate interest in the common areas and facilities as established by the Declaration assembled at a duly called meeting of the unit owners. All percentage interest stated herein for voting purposes means the owners of that percent of the common areas and facilities as determined by the percentage interest stated in this DECLARATION.

(K) Member. A unit owner and member of the Association.

(L) Percentage Interest. The percentage of undivided interest each Unit Owner owns in the Common Areas and Facilities as set forth in Section 8 of this DECLARATION.

(M) Person. Any individual, corporation, partnership, association, trustee, fiduciary or other legal entity and shall mean the plural or combination of the same where applicable.

(N) Plans. The site plan by William Leonard, surveyor, and the plans of the buildings and units by National Homes Corporation, dated September 23rd, 1982, entitled TOXAWAY VIEWS, and attached to this DECLARATION as Exhibit "D". (plat file 2, slide 290 A)

(O) Supplementary Declaration. The document filed by Declarant to include one or more of Phases 2 through twelve (12) within the condominium property, in the manner provided hereinafter.

(P) Unit. Those parts of the condominium property described in Section 4 hereof which are subject to the DECLARATION from time to time, and which are shown and designated on the plans as units.

(Q) Unit Owner. The record legal fee owner or owners of a unit, excluding any lender, trustee or creditor whose interest in the unit is merely as security for the performance of an obligation.

3. DESCRIPTION OF BUILDINGS. TOXAWAY VIEWS, PHASE I, shall contain two (2) non-contiguous multi-unit buildings. Each building is designated on the site plan which is a part of the plans attached hereto as Exhibit "D" and made a part of this description by reference. Building No. 1 contains four units and Building No. 2 contains four units. The balance of the property may contain up to twenty nine (29) non-contiguous four or six unit buildings. All four unit buildings will be two stories in height, and all six unit buildings will be three stories. Each building will contain two units on each floor. The four unit buildings involved in Phase I are described graphically in the Plans of such buildings, a copy of which is recorded in the CondoFile which shows the particulars of each building, including the location, layout, number of rooms, dimensions, ceiling and floor elevations, approximate area, building designations, unit numbers and location of common areas and facilities affording access to each unit.

The buildings are principally constructed with wood fram, gypsum dry walls and an exterior of cedar siding, and composition shingle roofs. The floors of all buildings in Phase I are constructed of footers and block posts with wood floor joists.

For a more particular description of the principal materials of which such buildings are constructed, reference is made to the Plans filed herewith as Exhibit "D".

4. DESCRIPTION OF UNITS. Each building in each Phase contains four units connected to one another by common walls or floors or ceilings. Each unit is designated on the Plans recorded in the Condominium File by a numerical designation. In Phase I, there is one basic floor plan or type of unit, and such unit type is described as follows:

A one-level residential unit containing approximately 1,160 square feet of heated area, and attached wooden decks (see later references to limited Common Areas) aggregating approximately 300 square feet of surface. The unit contains two bedrooms, two full baths, living and dining rooms and kitchen. The living room features a fireplace in its exterior wall.

Unit Dimensions.

Each unit shall include all the space within the boundaries thereof. Each Unit is bounded both as to horizontal and vertical boundaries by the unexposed facing of drywall (the facing next to studs or structural portions of buildings) of its walls and ceilings and the unfinished upper surface of floors. It is the intent that each unit will include all interior drywall, panelling and molding and any surface finish, or wallpaper, and all finished flooring, such as exposed wooden flooring, vinyl or linoleum floor covering, matting and carpeting, but will not include studs, supports and wall insulation, concrete slabs, floor or ceiling joists. Each unit shall be deemed to include the interior and exterior of any and all doors, windows, sliding glass doors and other closures. Included as a part of a unit are all door locks or other security or mechanical devices which control the opening and closing of doors and windows. Included also as part of a unit are the following: (a) the heating and air conditioning systems serving the unit, wherever located; (b) all electrical switches, electrical outlets and light fixtures within the boundaries of a unit together with the electrical breaker panel serving the unit, wherever located; (c) the electrical wiring and service system, wherever located, from the service meter to the place where it connects with all uses within the unit; (d) the plumbing for water service from the last junction with a water line serving another unit to its end use in a unit; and (e) the drainage or sewer plumbing from its collection point in a unit to their junction with a line servicing other units. In interpreting the DECLARATION and its Plans, the actual physical boundary of a unit as originally constructed, or of a unit as reconstructed in substantial compliance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in this DECLARATION or its Plans, regardless of settling or lateral movement of the buildings, and regardless of minor variances between boundaries shown on the Plans and those of the Unit.

5. COMMON AREAS AND FACILITIES. The general common areas and facilities consists of the entire property other than the condominium units, including without limitation:

(A) The land on which the buildings are erected and all the land surrounding the buildings which lies within the boundaries of the land from time to time, subject to the DECLARATION, and every part of the

building and property other than the condominium units.

(B) The foundation and structural members, including columns, girders, beams and supports.

(C) All installations designed and intended for common use, such as but not limited to, telephone, electricity, gas, hot and cold water, plumbing, sewer, heat, ventilation, air conditioning, and incineration (including all pumps, pipes, ducts, shafts, conduits, vents, wire, tubes, and cables designed and intended for common use in connection therewith), whether located in common areas or condominium units, excluding from such installations all parts thereof, and all items affixed or connected thereto, not designed or intended for common use.

(D) All apparatus and equipment designed and intended for common use such as, but not limited to, tanks, pumps, motors, fans, compressors, condensers, and control apparatus and equipment, whether located in common areas or in condominium units, excluding from such apparatus and equipment all parts thereof, and all items affixed or connected thereto, not designed or intended for common use.

(E) Easements for access, maintenance, repair, construction or replacement of the above-mentioned equipment, apparatus, installations, appurtenances, and common areas and facilities, and for all other services necessary or convenient to the existence, maintenance, safety and use of property.

(F) The yards, landscaping, fences, non-public roads and driveways, parking areas, walks, retaining walls, paved areas, and the pool and tennis court, if constructed, and all other maintenance and recreational areas. The property shall contain unmarked parking spaces to accommodate approximately one and one half (1 1/2) automobiles for each condominium unit.

(G) Any portion of the property shown and designated on the Plans as Common or Limited Common Areas.

6. LIMITED COMMON AREAS AND FACILITIES. Ownership of a unit shall entitle the owner thereof to the exclusive use or use with others necessarily served thereby of the Limited Common Areas and Facilities appurtenant to such unit and so designated in the Plans. Limited Common Areas and Facilities shall not be construed or interpreted to be separate and apart from the Common Areas and Facilities in general, being limited only with respect to the reserved use thereof by the unit or units served. Limited Common Areas and Facilities shall include, if appropriate, all balconies, patios below balconies; stairways and entrance areas, and any area designated on the Plans as a Limited Common Area, or set out by the Board of Directors as Limited Common Area for a unit.

Exclusive use of the Limited Common Area may be delegated by an owner to the immediate members of his family, his guests, or tenants who reside in his unit. Owners may place plants, furniture, or other similar items within the Limited Common Areas and Facilities adjacent or appurtenant to the unit, subject to reasonable rules and regulations duly adopted by the Board with respect thereto. No owner shall build or construct any type storage or workshop facility or other similar type of structure within the Limited Common Areas and Facilities unless prior approval is obtained from the Board of Directors. The Board shall have the right to approve, from time to time, changes in existing Limited Common Areas and Facilities, and to approve additional or new Limited Common Areas and Facilities for the exclusive use of the unit to which such Limited Common Areas and Facilities shall appertain; provided, that such additional Limited Common Areas and Facilities shall be immediately adjacent to the unit to which it shall appertain.

7. RECREATIONAL FACILITIES. As provided herein, Declarant intends to add subsequent phases to the condominium by Supplementary Declarations. If (100) units (Phases I through X) have been constructed and brought within the condominium property, Declarant will, if a subsequent phase is added (a minimum of one

building with four units) construct and bring within the condominium as a General Common Area, a swimming pool and a tennis court.

8. OWNERSHIP OF CONDOMINIUM UNITS AND APPURTENANT INTEREST IN COMMON PROPERTY. Each Condominium Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Condominium Unit, an undivided interest in the Common Areas and Facilities. The undivided interest appurtenant to each Condominium Unit shall be as set out in Exhibit "E" attached hereto and made a part hereof. The proportional interest in the Common Areas and Facilities that is appurtenant to each Condominium Unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each Unit at the date of the Declaration bears to the then aggregate fair market value of all of the Units having an interest in the Common Areas and Facilities. The fair market value of each Unit and the aggregate fair market value of all the Units have been determined by the Declarant and are binding upon all Unit Owners. Such determination shall not restrict the Declarant or any subsequent owner in establishing a sales price for any particular unit.

The Declarant intends to, but does not obligate itself, to add additional phases to the Condominium. If said phases are built, they will be built in substantially the same manner as Phase I. If additional phases are added, the undivided percentage interest appurtenant to each unit will decrease provided, however, if all eleven (11) additional phases are built and added to the Condominium, the appurtenant undivided interest of each unit owner in the total Common Areas and Facilities shall not be less than forty percent (40%); provided, further, that said appurtenant undivided interest of each owner may be more than the aforesaid minimum interest if fewer than eleven (11) phases are added to the Condominium and depending upon the types of units to be contained within additional phases. The appurtenant undivided interest in the Common Areas and Facilities for each unit in such additional phases shall be determined for each type unit based on the fair market value for such type unit as of the date of this DECLARATION. A Supplementary Declaration shall be made to bring each such additional phase under this Condominium and attached to and incorporated within each Supplementary Declaration shall be a schedule of the exact appurtenant undivided interest of each owner in the total Common Areas and Facilities as of the time each new phase is added.

9. RESTRICTION AGAINST FURTHER SUBDIVISION OF CONDOMINIUM UNITS: SEPARATE CONVEYANCE OF APPURTENANT COMMON PROPERTY PROHIBITED. No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File. Doors or other closures may be added to provide access from one unit to another provided that the written approval of the Association is first obtained as to the location and structural soundness thereof. The undivided interest in the Common Areas and Facilities declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, and the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a Condominium Unit, shall be null and void insofar as it purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, unless it purports to convey, devise, or encumber the entire Condominium Unit. Any instrument conveying, devising, or encumbering any Condominium Unit, which described said Condominium Unit by the numerical designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Areas and Facilities. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants, or as tenants by the entirety.

10. RESTRICTIVE COVENANTS.

(A) Residential. Each of the units now constructed or to be constructed on the property shall be, and the same hereby are, restricted exclusively to residential use. The provisions of this paragraph do not apply to property being used by the Association as incidental to the operations and organization of the Association.

(B) Construction and Sale. Anything contained herein to the contrary notwithstanding, it shall be permissible for the Declarant to maintain during the period of construction and sale of units upon such portion of the property as Declarant may deem necessary, such facilities as in the sole discretion of the Declarant may be reasonably required, convenient, or incidental to the construction and sale of units, including, but without limitation, a business office, storage area, construction yard, signs, model units, and sales office.

(C) Business Activities. No business activities shall be conducted on any portion of the property, provided, however, the foregoing restrictions shall not apply to the Declarant as provided above; provided further, private offices may be maintained in a unit so long as such use is incidental to the primary residential use of the unit and is approved by the Board of Directors.

(D) Alterations and Attachments by Unit Owner. No unit owner shall make structural alterations or modifications to his unit or to any of the Common Areas and Facilities, without the written approval of the Board of Directors. The Board of Directors shall not approve of any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or overall appearance of the Condominium Property.

(E) Motor Vehicles. No motor vehicles (other than private passenger vehicles), boat, boat trailer, mobile home, motor home, trailer, or any similar items shall be stored in or upon the Common Areas and Facilities, unless placed upon a portion of the Common Areas and Facilities which may be designated from time to time by the Board for the storage of such items.

(F) Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of any unit or on the Common Areas and Facilities, except that the Declarant is exempt from this provisions as provided above.

(G) Prohibitions in Use of Common Areas and Facilities. Except on specific approval of the Board, the Common Areas and Facilities, including Limited Common Areas, shall not be used for temporary or permanent storage of supplies, personal property, trash, or refuse of any kind, except in common trash receptacles placed at the discretion of the Board, nor shall they be used in any way for the drying or airing of clothing, rugs, or other fabrics. Entrances, sidewalks, yards, driveways, parking areas, and stairways shall not be obstructed in any way. In general, no activities shall be carried on nor condition maintained by any unit owner either in his unit or upon the Common Areas and Facilities if such activities should despoil, or tend to despoil, the appearance of the Condominium Property. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all owners of the condominium property and is necessary for the protection of the unit owners and is enforceable by the Board or any one or more unit owners.

(H) Animals. No animal shall be kept on the Condominium Property, except for small household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint as is necessary to prevent them from being or becoming obnoxious or offensive on account of noise, odor, unsanitary conditions, or other nuisance. No savage or dangerous animal shall be kept or permitted on the Condominium Property. No more than two household pets may be housed within a unit without written permission of the Board. No pets may be permitted to run loose upon the Common Areas and Facilities, and any unit owner who causes or permits any animal to be brought or kept upon the Condominium Property shall indemnify

and hold harmless for and from any loss, damage, or liability which it sustains as a result of the presence of such animal on the Condominium Property, regardless of whether the Association or the Board has given its permission thereof.

(I) Access to Units. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon oral or written notice to its owner, as may be necessary for the maintenance, repair, or replacement of any of the Common Areas and Facilities. The Association or its agent shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to Common Areas and Facilities or to another unit. This right of access shall include the right to turn on a Unit's heating system to its minimum active setting.

(J) Nuisances. No nuisances shall be allowed upon the Condominium Property and no person shall engage in any use, practice, or activity upon such property which is noxious, offensive, or a source of annoyance to unit owners or which unreasonably interferes with the peaceful possession and proper use of the property by any unit owner. All parts of the property shall be kept in a clean and sanitary condition; and no rubbish, refuse, or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. Any unit owner (or his family, tenants, guest, or agents) who dump or place any trash or debris upon any portion of the property shall be liable to the Association for the actual cost of removal thereof or the sum of \$25.00 which ever is greater, and the same shall be added to and become a part of the assessment next coming due to which the unit owner is subject. No unit owner shall permit any use of his unit or make any use of the Common Areas and Facilities which will increase the rate of insurance upon the Condominium Property.

(K) Lawful Use. No unlawful use shall be made of the Condominium Property nor any part thereof. All valid laws, ordinances, and regulations of governmental bodies have jurisdiction thereof shall be observed.

(L) Restriction in Transfer of Common Areas. The Association shall not seek to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Areas and Facilities, without the written approval of owners and mortgagees of units totalling 75% of the percentage interest in the Common Areas and Facilities, and all of those having use of Limited Common Areas and Facilities, and all of those having use of Limited Common Areas thereby affected. The granting of easements for public utilities or other public purposes consistent with the intended use of Common Areas and Facilities shall not be deemed a transfer within the meaning of this paragraph.

(M) Rules and Regulations. The Board may from time to time promulgate reasonable rules and regulations respecting the restrictive covenants set out in this Section 10, but such rules and regulations shall be consistent with these restrictions and not in derogation or intended as amendment thereof.

(N) Leasing of Units. With the exception of a lender in possession of a condominium unit following a default in a mortgage, a foreclosure proceedings or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit. Any lease agreement shall be in writing and shall provide that the terms of the lease shall be subject in all respect to the provisions of the Declaration and the By-Laws and that any failure by the Lessee to comply with the terms of such documents shall be in default under the lease.

11. EASEMENTS.

(A) Use and Enjoyment. Every unit owner, his family living in his unit, his tenants, permitted guests, shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities, except Limited Common Areas and Facilities.

ities, (including the right of access, ingress and egress to and from his unit over those portions of the property designated for such purpose) and such easement shall be appurtenant to and shall pass with the title to every unit, subject to the following provisions:

(1) The right of the Board of Directors to control the use and enjoyment thereof as provided in this Declaration, and in the duly-adopted Rules and Regulations of the Association, which shall include, but not be limited to the right of the Board to limit use and enjoyment thereof to the unit owners, and their respective families living in the unit, tenants and guests, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by a unit owner, his family, tenants, and guests;

(2) The right of the Board of Directors to limit the number of guests of unit owners; and

(3) The right of the Board to suspend the voting rights and right to use of the recreational facilities by a unit owner, his tenants, and guests, for any period of time during which an assessment against his unit remains unpaid or any separate charge incurred by such unit owner for use of the recreational facilities remains unpaid, or for infraction of its published Rules and Regulations.

(B) Maintenance and Repair. There shall be an easement through the units and the Common Areas and Facilities for the installation, maintenance, repair and replacement of units and the Common Areas and Facilities. Use of this easement shall be only during normal business hours, except that access may be had at any time in the case of emergency.

(C) Structural Support. Every portion of a unit or the Common Areas and Facilities which contributes to the structural support of another unit shall be burdened with an easement of structural support.

(D) Encroachments. If any portion of the Common Areas and Facilities encroaches upon any unit or any unit encroaches upon any other unit or upon any portion of the Common Areas and Facilities or the Limited Common Areas and Facilities as a result of settling or shifting of a building, or as the result of survey error or error in description, an easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. If any building, any unit, any adjoining unit, or any adjoining part of the Common Areas and Facilities or the Limited Common Areas and Facilities, shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt upon the original site and upon the same Plans as the original building, encroachments of parts of the Common Areas and Facilities or the Limited Common Areas and Facilities upon any unit or of any unit upon any other unit or upon any portion of the Common Areas and Facilities or the Limited Common Areas and Facilities, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the subject building shall stand.

(E) Utilities. There shall be a general easement upon, across, above and under all of the property for ingress, egress, installation, replacing, repairing, and maintaining all utilities including, but not limited to, water, sewer, telephone and electricity or other community service, (i.e. master television antenna system or security system, if installed) which the Declarant, or the Association, has installed or might determine to install to serve the Property. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain wire, conduits, cables and the like on, above, across, under, and through the roofs and exterior walls of the units. Should any party furnishing any service covered by this

general easement request a specific easement by separate recordable document, Declarant, or the Association, as the case may be, shall have the right to grant such easement under the terms hereof.

(F) Other. There shall be a general easement to the Association, its directors, officers, agents, and employees (including, but not limited to, any manager employed by the Association) to enter upon the property or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with the permission of the unit owner directly affected thereby.

12. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON PROPERTY. Recognizing that the proper use of a Condominium Unit by an Owner or Owners is dependent upon the use and enjoyment of the Common Areas and Facilities in common with the Owners of all other Condominium Units, and that it is in the interest of all Owners that the ownership of the Common Areas and Facilities be retained in common by the Owners, it is hereby declared that the proportional undivided interest in the Common Areas and Facilities appurtenant to each Condominium Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division.

13. ADMINISTRATION OF THE CONDOMINIUM BY TOXAWAY VIEWS CONDOMINIUM ASSOCIATION. To efficiently and effectively provide for the administration of the Condominium by the Owners of the Condominium Units, a non-profit North Carolina Corporation known and designated as TOXAWAY VIEWS CONDOMINIUM ASSOCIATION (herein "Association") has been organized, and said corporation shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. A true copy of said By-Laws are annexed hereto and expressly made a part hereof as Exhibit "C". The Owner or Owners of each Condominium Unit shall automatically become members of the Association upon acquiring an ownership interest in title to any Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, and such membership shall terminate automatically upon the Owner or Owners being divested of such ownership interest in the title to such Condominium Unit, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership. In the administration of the operation and management of the Condominium, the Association is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner of this DECLARATION, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the condominium units and Common Areas and Facilities as its Board of Directors may deem to be in the best interest.

14. USE OF COMMON AREAS AND FACILITIES SUBJECT TO RULES OF ASSOCIATION
Each unit owner shall have the right to use the Common Areas and Facilities in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other unit owners. The Board shall, if any question arises, determine the purpose for which a part of the Common Areas and Facilities is intended for use. The Board shall have the right to promulgate rules and regulations limiting the use of Common Areas and Facilities to unit owners and their guests as well as provide for the exclusive use of a part of the Common Areas and Facilities by a unit owner and his guests for special occasions, which exclusive use may be conditioned upon, among other things, payment of a fee. Any unit owner may delegate, in accordance with the provisions of this DECLARATION and the By-Laws and reasonable rules and regulations of the Board his right to use Common Areas and Facilities to the immediate members of his family living in the unit, to a limited number of guests, or to tenants who reside in his condominium unit.

15. LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY CONDOMINIUM UNITS: NO RIGHT TO ALTER COMMON AREAS AND FACILITIES. No Owner of a Condominium Unit shall permit any structural modification or alteration to be made to such Condominium Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the Condominium in part or in its entirety. No Owner shall cause any improvements or changes to be made on the exterior of the Condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects or machines which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first obtained. No Unit Owner shall cause any object to be fixed to the Common Areas and Facilities or to any Limited Common Areas and Facilities (including the location or construction of fences and the planting or growing of flowers, trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Areas and Facilities or Limited Common Areas and Facilities without the written consent of the Association being first obtained.

16. RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON AREAS AND FACILITIES AND ASSESSMENT THEREFOR. The Association shall have the right to make such alterations or improvements to the Common Areas and Facilities which do not prejudice the rights of the Owner of any Condominium Unit in the use and enjoyment of his Condominium Unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and their costs shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner or Owners of certain Condominium Unit or Units requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner or Owners of the Condominium Unit or Units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.

17. MAINTENANCE AND REPAIR BY OWNERS OF CONDOMINIUM UNITS. Every Owner shall perform promptly all maintenance and repair work within his Condominium Unit which, if omitted, would offset the Condominium, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may cause. The Owner of each Condominium Unit shall be liable and responsible for maintenance, repair, and replacement of all heating and air conditioning equipment serving his unit regardless of where located, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his Condominium Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of all drywall, molding, paneling, bathroom and kitchen fixtures, light fixtures, wall and ceiling covering materials, matting, carpeting, drapes and furnishings, and all other accessories which such owner may desire to place or maintain in his Condominium Unit. Whenever the maintenance, repair and replacement of any item for which the Owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Condominium Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. Each unit owner shall be responsible for keeping the Limited Common Areas and Facilities under his control and dominion in a neat, sightly and proper manner. This shall not impose upon the unit owner the obligation to maintain or repair any structural or other similar item on property located within the Limited Common Areas and Facilities assigned to his unit, unless the damage is caused intentionally or negligently by the unit owner or his family, guests, invitees or agents. All doors, window frames,

panes and screens are a part of the respective Condominium Units and shall be maintained by the respective Unit Owners. A Unit Owner shall not paint or otherwise decorate or change the outside appearance of the building in which his unit is located, including doors or windows, or any appurtenance thereto or Limited Common Area serving his unit without the written consent of the Board. The Unit Owner must, and is hereby required to maintain the inside temperature of the Unit at no less than the minimum active setting on the Unit's thermostat, whether the Owner is in residence or not. This requirement is imposed because there are water pipes within certain of the interior walls, which if they froze and burst could damage the Unit and the Building. Damage caused by an Owner's failure to provide minimum heat as required above, shall be repaired at the sole expense of that Owner.

18. MAINTENANCE AND REPAIR OF COMMON AREAS AND FACILITIES BY THE ASSOCIATION. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Areas and Facilities, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Areas and Facilities for the furnishing of utility, heating and other services to the Condominium Units and said Common Areas and Facilities, and should any damage be caused to any Condominium Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Areas and Facilities, the Association shall, at its expense, repair such damage. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair at its expense, is occasioned by any act of a Condominium Unit Owner, his immediate family, guests or invitees, and such loss or damage may be covered by any insurance in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. If such unit owner defaults in his obligation herein and such default is not cured by him within fifteen (15) days from written demand by the Association, the same may be cured by the Association and the cost thereof shall be assessed against the unit owned by the subject unit owner.

All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration, and replacement of the Common Areas and Facilities shall be approved in writing, jointly by the President and Treasurer. In the absence or disability of the President, the Vice-President may perform the duties herein of the President, and the Assistant Treasurer may perform the duties of the Treasurer herein in the absence or disability of the Treasurer. Notwithstanding the foregoing, the Board may authorize any officer, member, committee, or independent manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration, or replacement of the Common Areas and Facilities, so long as the resolution granting such authority specifically limits the maximum amount which may be authorized on each occasion and so long as the subject resolution described the items which may be authorized on each occasion and so long as the subject resolution described the items which may be so authorized.

19. AUTHORITY TO PURCHASE INSURANCE. Insurance policies upon the Property (except title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustee for the Condominium Unit Owners, for the benefit of the Condominium Unit Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the Condominium Units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Condominium Unit Owners, the Association and their respective servants, agents and guests. Each Condominium Unit Owner may obtain insurance, at his own expense, affording coverage upon his Condominium Unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation referred to above if available.

20. INSURANCE COVERAGE TO BE MAINTAINED: USE AND DISTRIBUTION OF INSURANCE PROCEEDS.

(A) The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium Units and Common Property:

(1) Casualty insurance covering the building and all improvements upon the land and all personal property subject to this Declaration and any additions added by amendment, except such personal property as may be owned by the Condominium Unit Owners, shall be procured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation, foundations, streets and parking facilities) as determined annually by the insurance company affording such coverage; and provided that such policies may be written on a co-insurance basis of not less than eighty percent (80%). If co-insurance is purchased by the Association, an insurance policy with an agreed amount endorsement or its equivalent will be obtained. Such coverage shall afford protection against; (a) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious mischief.

(2) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association, including legal liability, hired automobile, non-owned automobile and off-premises employee coverages.

(3) All liability insurance shall contain cross-liability endorsements to cover liabilities of the Condominium Unit Owners as a group to a Condominium Unit Owner.

(4) Fidelity Coverage protecting against dishonest acts by Association officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association in the amount of one year's operating budget, plus projected reserve balances during the budget year. If professional management is obtained by the Association and it has this coverage and it handles the funds, then this requirement will be satisfied.

(B) Premiums upon insurance policies purchased by the Association shall be paid by said Association and charged as Common Expense.

(C) All insurance policies purchased by the Association shall be for the benefit of the Association and the Condominium Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association as Insurance Trustee. The Association shall hold such proceeds in trust for the benefit of the Association, the Condominium Unit Owners and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to Common Property; In undivided shares for each Condominium Unit Owner and his mortgagee, if any, which is set forth as the Condominium Unit Owner's share as then exists under Paragraph 8 above.

(2) Proceeds on account of damages to Condominium Units shall be held in the following undivided shares:

(a) Partial destruction when the Condominium is to be restored; For the Owners of damaged Condominium Units in proportion to the costs of repairing the damage suffered by each damaged Condominium Unit;

(b) Total destruction of the Condominium or where the Condominium is not to be restored; For all Condominium Unit Owners and their mortgagees, the share of each being set forth in Paragraph 8 above.

(D) In the event a mortgagee endorsement has been issued as to a Condominium Unit, the share of the Condominium Unit Owner shall be held for the mortgagee and the Condominium Unit Owner as their interest may appear, but nothing herein contained shall be construed so as to give any mortgagee the right to determine or participate in the determination of reconstruction or repair.

(E) Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Condominium Unit Owners in the following manner:

(1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Condominium Unit Owners, all remittances to Condominium Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(2) If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the Condominium Unit Owners, remittances to Condominium Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Condominium Unit and may be enforced by him.

(F) Each Unit Owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such Owner's Unit, or another Unit, or upon the Common Area and facilities in such amounts as the Board of Directors, shall, from time to time, determine, but in no case less than \$100,000.00 for each occurrence.

21. RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE: DAMAGE TO COMMON AREAS AND FACILITIES: DAMAGE TO CONDOMINIUM UNITS.

(A) if any part of the common areas and facilities shall be damaged by casualty, the determination of whether or not to reconstruct or repair it shall be made as follows:

(1) Partial destruction shall be destruction of two-thirds (2/3) or less of the building. In the event of partial destruction, the Common Areas and Facilities shall be reconstructed or repaired unless this Declaration is terminated by the unanimous vote of all of the Condominium Unit Owners at a meeting of the members of the Association called and held prior to commencement of such reconstruction or repair.

(2) Total destruction shall be destruction of more than two-thirds (2/3) of the building. In the event of total destruction, the Common Areas and Facilities shall not be reconstructed or repaired, if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, or if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, Condominium Unit Owners who own three-fourths (3/4) or more of the building vote against reconstruction or repair.

(3) Any such reconstruction or repair shall be sub-

stantially in accordance with the plans and specifications contained herein.

(B) If the damage is only to those parts of one or more Condominium Units for which the responsibility for maintenance and repair is that of the Unit Owner, then the Condominium Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association as follows:

(1) Immediately after the casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors deem appropriate.

(2) When the damage is to both Common Areas and Facilities and Condominium Units, the insurance proceeds shall be applied first to the costs of repairing the Common Areas and Facilities and the balance to the Condominium Units.

(C) Each Condominium Unit Owner delegates to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association, except in any case where the damage is restricted to one Condominium Unit.

22. ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES. The Association shall maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the transfer of any Condominium Unit to a third party, the transferee shall notify the Association in writing of his interest in such Condominium Unit, together with the recording information necessary to identify the instrument by which the transferee has acquired his interest. The Owner of each Condominium Unit shall also notify the Association of the parties holding any mortgage on any Condominium Unit, the amount of such mortgage and the recording information necessary to identify the mortgage. The holder of any mortgage upon any Condominium Unit may notify the Association of the existence of any mortgage and the Association shall register in its records all pertinent information relating thereto.

23. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT. The Association is given the authority to administer the operation and management of the Condominium as being in the best interest of the Owners of all Condominium Units. To properly administer the operation and management of the Condominium, the Association will incur for the mutual benefit of all of the Owners of Condominium Units, costs and expenses (herein "common expense"). To provide the funds necessary for such proper operation, management and capital improvement, the Association has been granted the right to make, levy and collect assessments against the Unit Owners and their Condominium Units. In furtherance thereof, the following provisions shall be operative and binding upon the Owners of all Condominium Units:

(A) All assessments levied against the Unit Owners and their Condominium Units shall be uniform and, unless specifically otherwise provided for herein, all assessments made by the Association shall be in such an amount that any assessment levied against a Unit Owner and his Condominium Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Condominium Units as the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit bears to the total undivided interest in Common Areas and Facilities appurtenant to all Condominium Units. Should the Association be the Owner of a Condominium Unit or Units, the assessment which would otherwise be due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which may be derived

from the leasing of such Unit or Units by the Association, shall be apportioned and assessment therefor levied ratably among the Owners of all Units which are not owned by the Association, based upon their proportionate interests in Common Areas and Facilities exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

(B) Assessments provided for herein shall be payable in monthly installments on or before the first day of each month, or in such other manner as the Board of Directors of the Association shall determine. Such assessments shall commence for each Unit subject hereto on the day of the recording of this Declaration, and with respect to additional units, on the day of the recording of a Supplemental Declaration affecting such units.

(C) The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year (which shall correspond to the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Paragraph "D" hereof, items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies shall be delivered to each Owner of a Condominium Unit and the assessment for said year shall be established based upon such budget, although the non-delivery of a copy of it to each Owner shall not affect the liability of any Owner for such assessment. A majority of the Owners must approve an increase in the yearly assessment paid monthly if the increase exceeds the assessment for the previous year by more than Ten Percent (10%).

(D) The Board of Directors of the Association, in establishing the Annual Budget for operation, management and maintenance of the Condominium, shall designate a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Areas and Facilities (herein "Capital Improvement Fund") which shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Areas and Facilities, and the replacement of personal property constituting a portion of the Common Areas and Facilities held for the joint use and benefit of the Owners of Condominium Units. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors to collect and maintain a sum reasonably necessary to anticipate the need for replacement of Common Areas and Facilities. The amount collected for the Capital Improvement Fund shall be maintained in separate account by the Association and shall be used only to make capital improvements to Common Areas and Facilities. Any interest earned on the capital improvement fund may be expended for current operation and maintenance.

(E) All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium or to the proper undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation and the By-Laws of the Association. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Areas and Facilities, shall be held for the benefit of the members of the Association, no member of the Association

shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Condominium Unit. When the Owner of a Condominium Unit shall cease to be a member of the Association, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all funds which any Owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Condominium.

(F) The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of its due date. When in default, the delinquent assessment or delinquent installment thereof due to Association shall bear interest at Twelve (12%) Percent per annum until paid in full to the Association.

(G) The Owner or Owners of each Condominium Unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such Condominium Unit while such party or parties are Owner or Owners of a Condominium Unit. In the event that any Unit Owner or Owners are in default in payment of any assessment or installment owed to the Association, such Unit Owner or Owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorney's fees, whether suit be brought or not.

(H) No Owner of a Condominium Unit may exempt himself from liability for any assessment levied against him or his Condominium Unit by waiver of the use of enjoyment or any of the Common Areas and Facilities, or by abandonment of the Condominium Unit or in any other way.

(I) Recognizing that proper operation and management of the Condominium requires the continuing payment of costs and expenses thereof, and that such proper operation and maintenance results in benefit to all of the Owners of Condominium Units, and that the payment of such common expenses represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of each Unit Owner, the Association is hereby granted a lien upon each Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, which lien shall secure the funds due for all assessments now or hereafter levied against the Owner of each such Condominium Unit, which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Condominium Unit. The lien granted to the Association may be foreclosed as provided in Chapter 44A of the North Carolina General Statutes or in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to reasonable rental from the Owner of any Condominium Unit from the date on which the payment of any assessment or installment thereof become delinquent, and shall be entitled to the appointment of a Receiver for said Condominium Unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, including interest at Twelve(12%) Percent on any such advances so made. All persons who shall acquire any interest in the ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any Condominium Unit expressly subject to such lien rights.

(J) The Lien herein granted to the Association shall be enforceable from the time of recording a claim of lien in the public records of Tran-

sylvania County, North Carolina, which claim shall state the description of the Condominium Unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, it shall be satisfied of record.

The lien provided for herein shall be subordinated to the lien of any mortgage or deed of trust. Any person, firm or corporation acquiring title to any Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities by any foreclosure, deed in lieu of foreclosure, or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Condominium Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment for which the party so acquiring title shall not be liable, shall be absorbed and paid by all Owners of all Condominium Units as a part of the common expense, although nothing herein contained shall release the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

(K) Whenever any Condominium Unit may be leased, sold or mortgaged by the Owner thereof, the Association, upon written request of the Unit Owners, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such Unit. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Condominium Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the Owner of said Condominium Unit and such Condominium Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to the payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the Owner of any Condominium Unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Condominium Unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser therefor.

Institution of a law suit to attempt to collect the payment of any delinquent assessment shall not be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by

foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to Association.

24. COMMON SURPLUS. "Common Surplus", meaning all funds and other assets of the Association (including excess of receipts of the Association, including but not limited to assessments, rents, profits and revenues from whatever source over amount of the common expense), shall be owned by the Owners of all Condominium Units in the same proportion that the undivided interest in Common Areas and Facilities appurtenant to each Owner's Condominium Unit bears to the total of all undivided interest in Common Areas and Facilities appurtenant to all Condominium Units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution of any insurance indemnity herein provided, or upon termination of the Condominium, any attribution or distribution of common surplus which may be made from time to time shall be made to the then Owners of Condominium Units in accordance with their percentage interest in common surplus as declared herein.

25. CONDEMNATION.

(A) General. Whenever all or any part of the property shall be taken by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association. Unless otherwise required by law at the time of such taking, any award made therefor shall be disbursed by the Association as hereinafter provided in this Section.

(B) Common Areas. If the taking is confined to the Common Areas and Facilities on which improvements shall have been constructed and if at least Seventy-Five (75%) Percent of the total vote of the Association shall decide within sixty (60) days after such taking to replace such improvements, or any part thereof, on the remaining land included in the Common Areas and Facilities and according to plans therefore to be approved by the Association, then the Board shall arrange for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the property is to be repaired or reconstructed as provided for in Section 21 hereof. The disbursement is subject, however, to the right hereby reserved to the Association which may be exercised by a majority of the total vote thereof to provide for the disbursement by the Association of the remaining proceeds held by it (after payment of all costs incident to such replacement) to the owners or any one or more of them (and to their respective mortgagees) in amounts disproportionate to the Percentage Interests appurtenant to their units established herein, which disproportionate amounts shall correspond with any disproportionate damages sustained by the owners of any one or more of them as the Association may determine. If at least Seventy-Five (75%) Percent of the total vote of the Association shall not decide within sixty (60) days after such taking to replace such improvements or if the taking is confined to the Common Areas and Facilities on which no improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken, including the right reserved to the Association to provide for the disbursement of the remaining proceeds held by it to the owners in disproportionate amounts.

(C) Units. If the taking includes one or more units, any part or parts thereof, or the Limited Common Areas and Facilities or parts thereof

to which a unit has exclusive use, then the award shall be disbursed and all related matters, including without limitation alteration of the Percentage Interest appurtenant to each unit, shall be handled pursuant to and in accordance with the consent of all owners expressed in a duly recorded amendment to this DECLARATION. Such amendments, if any, shall realign the Percentage Interests, establish the method of distributing the condemnation award, and include such other provisions as all of the unit owners deem reasonable and appropriate. Further provided, such amendment shall be executed by the mortgagee of such units and shall not prejudice the creditors or other third parties who have an interest in the condemnation award with respect to their rights, if any, in such award. In the event that such an amendment shall not be recorded within ninety (90) days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Section 21 herein, whereupon the development will be terminated in the manner therein prescribed.

26. TERMINATION. The Condominium shall be terminated, if at all, in the following manner:

(A) The termination of the Condominium may be effected only by the unanimous agreement of all Condominium Unit Owners expressed in an instrument duly recorded; and, provided that the holders of all liens affecting any of the Condominium Units consent thereunto, or agree, by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the Condominium Unit Owner in the Property as provided in Subparagraph "C" below. The termination shall become effective when such agreement has been recorded in the public records of Transylvania County, North Carolina.

(B) If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and the Declaration of Condominium revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the public records of Transylvania County, North Carolina.

(C) After termination of the Condominium, the Condominium Unit Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens against the Condominium Unit or Units formerly owned by such Condominium Unit Owners shall have mortgages and liens upon the respective undivided shares of the Condominium Unit owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the Common Areas and Facilities previously owned by each Unit Owner. All funds held by the Association and insurance proceeds, if any, shall be held for the Unit Owners in the same proportion, as their respective undivided interest in the common areas and facilities. The costs incurred by the Association in connection with the termination shall be a Common Expense.

(D) Following termination, the property may be partitioned and sold upon the application of any Condominium Unit Owner. Following a termination, if the Board of Directors determines by not less than a majority vote to accept an offer for the sale of the property, each Condominium Unit Owner shall be bound to execute such deed and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

(E) The members of the Board of Directors acting collectively as agent for all Condominium Unit Owners, shall continue to have such powers as granted herein, even though the Association may be dissolved upon a termination.

27. ADDITION OF LAND AND UNITS. Any one or more of all of Phases 2 through 12 may be added to the condominium property by Declaration without the further consent of the unit owners and institutional lenders by the filing of a Supplementary Declaration which describes or identifies the property to be added, specifically incorporates the terms and conditions of this DECLARATION, and makes the property described therein together with all improvements, and easements, rights and appurtenances thereunto subject to this DECLARATION. In addition, such Supplementary Declarations shall have added thereto surveys and plans and certificates required by the Act together with such other provisions as deemed necessary by the Declarant. Upon such recording the property described in the Supplementary Declaration shall become part of the Condominium property as if such property had been included in the DECLARATION, and by accepting a deed subject to this DECLARATION and any applicable Supplementary Declaration, unit owners agree to such additions to the condominium.

28. AMENDMENTS. An amendment to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the Condominium Units, whether meeting as members or by instrument in writing signed by them. Upon any Amendment to this Declaration being proposed by the Board of Directors or members, such proposed Amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give to each member written notice of such Special Meeting, stating the time and place, and reciting the proposed Amendment in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment proposed must be approved by an affirmative vote of sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the members owning Units in the Condominium in order for such Amendment to become effective. Thereupon such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment so certified and executed with the same formalities as a deed, shall be recorded in the Transylvania Public Registry within twenty (20) days from the date on which the same became effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

No alteration in the percentage of ownership in Common Areas and Facilities appurtenant to each Condominium Unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the

Association in accordance with the provisions hereof, or alteration of basis of ownership of Common Surplus, or alteration of voting rights in the Association, shall be made without the prior written consent of all of the Owners of all Condominium Units and all of the Lenders holding first mortgages or first deeds of trust on the Condominium Units, subject to the provisions for adding additional phases pursuant to Subparagraph A above.

No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Lender shall be made without prior written consent of all Lenders holding mortgages on Condominium Units in the Condominium being first had and obtained.

No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Developer shall be made without the written consent of said party being first had and obtained.

29. REMEDIES IN EVENT OF DEFAULT. The Owner and Owners of each Condominium Unit shall be governed by and shall comply with the provision of this Declaration and the Articles of Incorporation and By-Laws of the Association, as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owner of other Condominium Units to the following relief:

(A) Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by a aggrieved Unit Owner.

(B) Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

(C) In any proceeding arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

(D) The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provision, covenant or condition in the future.

(E) All rights, remedies and privileges granted to the Association or the Owner or Owners of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of this Declaration or other above mentioned documents, shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

(F) The failure of the Declarant to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or other abovementioned documents shall not constitute a waiver of the right of Developer to thereafter enforce such right, provision, covenant or condition in the future.

(G) The failure of a Lender to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration or other above-mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

30. RIGHTS RESERVED UNTO LENDERS. As long as any Lender shall hold any mortgage upon any Condominium Unit or Units, or shall be the Owner of any Condominium Unit or Units, such Lender shall have the following rights:

(A) To examine, upon request and at reasonable times and upon reasonable notice, the books and records of the Association; and to be furnished a copy of the annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

(B) To be given written notice by the Association of the call of any meeting of the membership, which notice shall state the purpose of such meeting; and to designate a representative to attend.

(C) To be given written notice of default by any Owner owing a Condominium Unit encumbered by a mortgage held by the Lender, such notice to be sent to the place which it may designate in writing.

(D) To be given written notice of any loss to or taking of, the common elements of the Condominium if such loss or taking exceeds \$15,000.00 or damage to a Condominium Unit in excess of \$1,000.00

(E) To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

Whenever any Lender desires the provisions of this Article to be applicable to it, it shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, identifying the Condominium Unit or Units upon which any such Lender holds any mortgage, or identifying any Condominium Units owned by it, together with sufficient facts to identify such mortgage and which notice shall designate the place to which notices are to be given by the Association to such Lender.

31. RIGHT OF DECLARANT TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION. Until eighty (80) condominium units in TOXAWAY VIEWS have been sold and conveyed, or until December 31, 1988, whichever shall first occur, Declarant shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association. Thereafter, so long as Declarant owns at least one condominium unit, it shall have the right to designate and select one person who shall serve as a member of the Board of Directors of the Association.

In the event of dissolution of Declarant at the time when it is the Owner of a Condominium Unit, then the rights of the Declarant shall pass to and may be exercised by its successors receiving ownership of any such Condominium Unit in dissolution.

Whenever Declarant shall be entitled to designate and select any person to serve on the Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Declarant shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by Declarant need not be a resident in the Condominium. However, Declarant shall be responsible for the payment of any assessments which may be levied by the Association against any Condominium Unit

or Units owned by the said Declarant, and for complying with the remaining terms and provisions hereof in the same manner as any other Owner of a Condominium Unit or Units.

32. MISCELLANEOUS.

(A) In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable, such holding shall not affect, alter, modify or impair in any manner any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

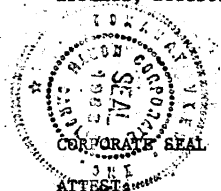
(B) The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration wherever appropriate the singular shall include the plural, and the masculine gender the feminine or neuter. The Article headings are for convenience of reference only and shall not be considered terms of this Declaration.

(C) The restrictions and burdens imposed by the covenants of this Declaration shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities. This Declaration shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become Owners of Condominium Units in the Condominium, and their respective heirs, legal representative, successors and assigns.

(D) The following named individual is designated as the person to receive service of process for the Association:

John Anthony Fisher, III
Post Office Box 72
Highway 64
Lake Toxaway, N.C. 28747

IN WITNESS WHEREOF, TOXAWAY VIEWS INC has caused these presents to be executed in its name, by its President and its Corporate Seal to be hereunto affixed, attested by its Secretary, this 17th day of June, 1983.



TOXAWAY VIEWS INC.

BY: John Anthony Fisher III
President

Jerry H. Jerome
Secretary

The undersigned Jerry H. Jerome, Trustee, and Brevard Federal Savings and Loan Association, Brevard, N.C. 28712, beneficiary under Deed of Trust from John Anthony Fisher, III and wife, Jeanette K. Fisher dated February 3rd, 1983 and recorded in Book 130, page 921 in Transylvania County Registry,

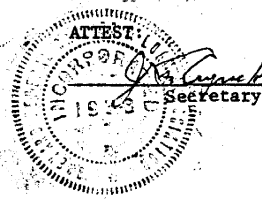
join in this Declaration for the purpose of subordinating the lien of said Deed of Trust to this Declaration and the Condominium created hereby.

Jerry H. Jerome (Seal)
Jerry H. Jerome, Trustee

BREVARD FEDERAL SAVINGS AND LOAN ASSOCIATION

BY: Jerry H. Jerome
President

Corporate Seal



STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

This the 17th day of June, 1983, personally came before me JOHN ANTHONY FISHER, III who, being by me duly sworn says that he is the President of TOKAWAY VIEWS, INC and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation.

Claire A. Smith
Notary Public

My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Claire A. Smith, a Notary Public in and for said County and State, do hereby certify that JERRY H. JEROME, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 17th day of June, 1983.

Claire A. Smith
Notary Public

My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate(s) of Claire A. Smith

a Notary (ies) Public of said County and State is/are certified to be correct. This 17 day of JUNE, 1983, and have been filed for registration on the 17 day of JUNE, 1983 in Book No. 4 of page 42 at 2:30 o'clock P. M.

Fred H. Small
Register of Deeds, Transylvania County

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

BEGINNING at a six inch by eight inch rock with and "X" mark scribed on its top, on the south side of an old road in the line of property belonging to Lake Toxaway Company and running thence from the point of beginning with the line of Lake Toxaway Company, two calls as follows: North 19 deg. 59 min. East, 1013.32 feet to an iron pipe; thence North 02 deg. 38 min. East, 182.85 feet to an iron pipe; thence North 8 deg. 36 min. West, 67.51 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the Highway three calls as follows: South 82 deg. 55 min. East, 143.40 feet; North 81 deg. 21 min. East, 106.02 feet; North 54 deg. 46 min. East, 41.18 feet; thence leaving the Highway and running South 27 deg. 48 min. East, 101.30 feet to an iron pipe; thence North 40 deg. 03 min. East, 257.63 feet to an iron pipe; thence South 35 deg. 03 min. East, 94.38 feet to an iron pipe; thence South 14 deg. 22 min. East, 90.29 feet to an iron pipe; thence South 04 deg. 22 min. West, 88.12 feet to an iron pipe; thence South 8 deg. 45 min. West, 176.18 feet to an iron pipe; thence South 04 deg. 59 min. East, 62.60 feet to an iron pipe; thence South 8 deg. 35 min. West, 160.24 feet to an iron pipe; thence South 54 deg. 34 min. West, 63.35 feet to an iron pipe; thence South 61 deg. 46 min. West, 136.48 feet to an iron pipe; thence South 49 deg. 30 min. West, 96.50 feet to an iron pipe; thence South 38 deg. 09 min. West, 90.07 feet to an iron pipe; thence South 54 deg. 08 min. West, 111.14 feet to an iron pipe; thence South 69 deg. 32 min. West, 75.41 feet to an iron pipe; thence South 84 deg. 53 min. West, 103.27 feet to an iron pipe; thence South 63 deg. 37 min. West, 86.05 feet to an iron pipe; thence South 29 deg. 30 min. West, 153.51 feet to an iron pipe; thence South 39 deg. 54 min. West, 108.60 feet to an iron pipe; thence South 39 deg. 21 min. West, 120.30 feet to the point of beginning. Containing 10.90 acres, more or less, as surveyed and platted by William Leonard, RLS on September 14th, 1982.

Second Tract

BEGINNING at a point in the center of the pavement of U.S. Highway 64 which said point stands the following two calls: from a concrete monument (said monument being the southeast corner of the Cash property in the line of Lake Toxaway Company) South 86 deg. 35 min. East, 152.50 feet and North 8 deg. 36 min. West, 67.51 feet and running thence from the said point of beginning thus established South 8 deg. 36 min. East, 67.51 feet to an iron pin the Northeastern corner of a tract of land owned by Lake Toxaway Company; thence with the Toxaway line North 86 deg. 35 min. West, 152.50 feet to a concrete monument the Southeast corner of the Cash property described in Deed Book 219, page 810; thence with the Cash line North 1 deg. 54 min. East, 600.0 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the pavement in a south and then southeast direction, to the point of beginning containing 0.8 acres, more or less, as surveyed and platted by William Leonard, RLS.

Subject to the reservation in favor of John Anthony Fisher, III and wife, Jeanette K. Fisher the right, exclusive of all others, to grant or deny, on such terms and conditions as they deem convenient, permission for cable television companies to lay, operate and tap on to any unit on the subject property, any transmission cable or any other apparatus relating to cable television or other cable supplied information services.

67

EXHIBIT "B"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I.

See site plan in Condominium File *(plat file 2, slide 290)*

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

68

ARCHITECT'S CERTIFICATION

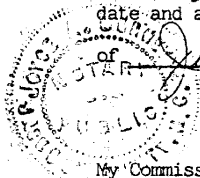
I, R. JAMES ALDERMAN, III, a registered architect in the State of North Carolina, No. 3873; do hereby certify that the plans filed as a part of the "Declaration of Condominium of Toxaway Views Condominiums" being filed simultaneously with the certification are full and exact copies of the plans of Building Number 1, Phase 1, which have been used in the construction thereof and show graphically all particulars of said building; including, but not limited to, the layout, location, ceiling and floor elevations, unit numbers and sizes of the units as built.

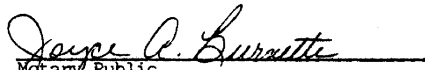
This the 9th day of JUNE, 1983.


Registered Architect

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

I, Joyce A. Burnette, a notary public, hereby certify that R. James Alderman III personally appeared before me this date and acknowledged the execution of this instrument. This the 9th day of June, 1983.




Notary Public

My Commission Expires:

My Commission Expires September 7, 1987

EXHIBIT "C"

BY-LAWS
OF
TOXAWAY VIEWS CONDOMINIUM ASSOCIATION

Article I

NAME, PURPOSE AND APPLICABILITY

1.1 Name. The name of this condominium association shall be TOXAWAY VIEWS CONDOMINIUM ASSOCIATION, a non-profit corporation organized under the laws of the State of North Carolina.

2.2 Purpose. The purpose of the Association shall be to administer, manage, and operate the condominium property in accordance with the Unit Ownership Act, the Declaration, and these By-Laws, as each may be amended from time to time. The Association shall not engage in any activities other than those directly related to administration of the condominium property and the unit owners' responsibilities with respect to the same.

1.3 Applicability. These By-Laws are applicable to so much of the property known as TOXAWAY VIEWS as such property is described on Schedule A attached to the Declaration as shall be submitted to such Declaration from time to time. These By-Laws are binding on all present or future owners, tenants, guests, residents, or other persons occupying or using the facilities of such condominium property. The mere acquisition, rental, or act of occupancy of any part of the condominium property will signify that these By-Laws are accepted, ratified and will be complied with. The provisions of the Declaration regarding the governing and administration of the Association are incorporated herein by reference.

Article II

DEFINITIONS

The definition of words contained in the Declaration, Section 2, shall apply to those words and terms as used in these By-Laws.

Article III

OFFICES, REGISTERED AGENT, SEAL, FISCAL YEAR

3.1 Principal Office, Registered Office. The principal office of the Association shall be located at Post Office Box 72 (or Highway 64) Lake Toxaway, N.C. 28747, and the initial registered office of the Association shall be located at Post Office Box 72 (or Highway 64), Lake Toxaway, N.C. 28747.

3.2 Registered Agent. The initial Registered Agent for the unit owners for matters incident to the Condominium Property and the initial Registered Agent for the Association is Robert S. Cilley. The individual serving as Registered Agent may be removed from office and replaced at any time by vote of the Board of Directors of the Association.

3.3 Other Offices. The Association may have other offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

3.4 Seal. The seal of the Association shall contain the name of the Association, the word "Seal" and such other words and figures as desired by the Board of Directors.

When obtained, the seal shall be impressed in the margin of the minutes of the initial meeting of the Board of Directors.

3.5 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Article IV

MEMBERSHIP

4.1 Qualification. Membership in the Association shall be confined to and consist of the unit owners. Membership shall be appurtenant to and inseparable from unit ownership. No unit owner shall be required to pay any consideration whatsoever for his membership. Membership in the Association shall inure automatically to unit owners upon acquisition of the fee simple title, whether encumbered or not, to any one or more units. The date of registration of the conveyance in the Transylvania County Registry of the unit in question shall govern the date of ownership of each particular unit.

4.2 Place of Meetings. All meetings of the membership shall be held in the County of Transylvania, North Carolina, at such place as is convenient to the members as may be designated by the Board of Directors.

4.3 Annual Meetings. The first Annual Meeting of the unit owners shall be held either (a) at the date and hour designated by the Declarant, or (b) at 8:00 P.M. on the first Wednesday next following or coincidental with the expiration of thirty (30) days from the day the 4th unit is conveyed by Declarant or (c) at 8:00 P.M. on April 30th, 1984, whichever shall first occur. Thereafter, the Annual Meeting shall be held on the first Wednesday after July 4th of each year at 8:00 P.M.

4.4 Substitute Annual Meetings. If an Annual Meeting shall not be held on the day designated by these By-Laws, a substitute Annual Meeting may be called in accordance with the provisions of Section 4.5 and 4.6 immediately below. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

4.5 Special Meetings. After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the President, Board of Directors or pursuant to the written request of the owners of not less than twenty percent (20%) of the votes of the Membership by written notice to all unit owners. Business to be acted upon at all Special Meetings shall be confined to the objects stated in the notice of such meeting.

4.6 Notices of Meetings, Waiver. Written or printed notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any Membership meeting, either personally or by mail, by or at the direction of the President, the Secretary or other person calling the meeting, to each Member entitled to vote at such meeting. Notice shall be deemed given upon deposit in an official depository of the United States Postal Service in an envelope properly addressed to each unit owner at the address of such unit or at any other address supplied to the Association by the owner, with sufficient postage affixed thereto. Notice given to any one tenant in common or tenant by entirety of a unit shall be deemed notice to all co-owners of the subject unit. In the case of a Special Meeting, the notice of the meeting shall state specifically the purpose or purposes for which the meeting is called; however,

in the case of an Annual or Substitute Annual Meeting, the notice of meeting need not state specifically the business to be transacted thereat. Any member may waive the necessity of formal notice to him by signing a written waiver either before or after the meeting; and upon execution of such waiver, the Member shall not be entitled thereafter to object to the meeting being held or matters being passed upon at the meeting because of lack of notice thereof.

4.7 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members holding fifty percent (50%) of the total vote of the Membership shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented. The Members of any 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.

4.8 Voting Rights. The total number of votes of all unit owners shall be one hundred (100), and the owner or owners of each unit shall be entitled to cast the number of votes equal to the percentage interest in the common areas and facilities appurtenant to such unit, such percentage being set forth in the Declaration of Supplementary Declaration. If a unit is owned by two or more persons (whether individually or in a fiduciary capacity), the votes allocated to the unit may be cast by any one of the co-owners, in person or by proxy. If more than one of the co-owners vote, the unanimous action of all co-owners voting shall be necessary to effectively cast the votes allocated to the subject unit.

4.9 Proxies. Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after 10 years from the date of its execution unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. All of the above provisions concerning the voting by co-owners shall apply to votes cast for any one unit by two or more proxy holders.

4.10 Majority Vote. The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a higher percentage vote is required by the Declaration, these By-Laws or by-law.

4.11 Actions Without Meeting. Any action which may be taken at a meeting of the Membership may be taken without a meeting if a consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by persons who would be entitled to vote all of the outstanding votes upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

Article V

BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of the Association shall be

managed by the Board of Directors or by such committees as the Board may establish pursuant to Section 6 of the By-Laws.

5.2 Number, Term and Qualification. The initial Board of Directors shall consist of the three (3) individuals named by the Declarant. From and after the date of the first Annual Membership Meeting, there shall be five (5) Directors. The initial Board shall serve until their successors are elected at the first Annual Membership Meeting. Except for the initial Directors, and thereafter except for up to three (3) Directors who may be employees of or designated by Declarant, all of the Directors at all times while in office shall be members of the Association. Any qualified Director may be re-elected in office. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

5.3 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee consisting of a Chairman, who shall be a member of the Board, and at least two (2) Members of the Association. 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, and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its direction, determine; however, in no event shall the nominations be less than the number of vacancies. Nominations may be made also from the floor at the Annual Meeting.

5.4 Election of Directors. At the first Annual Membership Meeting, the members shall elect five Directors. Two of such directors shall serve for a term of two years, and the remaining three directors shall serve for a term of one year. The two directors receiving the largest number of votes shall serve for the two year period and the remaining three directors shall serve for the one year period. Thereafter, at the Second Annual Meeting and each Annual Meeting thereafter, three directors shall be elected with the two directors receiving the largest number of votes to serve for a term of two years, and the third director elected to serve for a one-year period. All directors shall serve until their successors are elected and qualified. If any member so demands or if the presiding officer so directs, the election of directors shall be by ballot. Otherwise, the election shall be by voice vote. Persons receiving the highest number of votes shall be elected. Cumulative voting shall not be permitted.

5.5 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any Special Meeting of the Membership provided the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Directors are so removed, their successors as Directors may be elected by the Membership at the same meeting to fill the unexpired terms of the Directors so removed.

5.6 Vacancies. A vacancy occurring in the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; however, a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an annual or substitute Annual Meeting, or at a Special Meeting of Members called for that purpose, or by unanimous consent of the Members without meeting. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

5.7 Chairman. There may be a Chairman of the Board elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. In the absence of the Chairman, the President shall preside at all meetings of the Board.

5.8 Compensation. No Member of the Board shall receive any compensation from the Association for acting as such; provided, however, each Director, upon approval of the Board, shall be reimbursed for reasonable out-of-pocket expenses

incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board compensating a Director for unusual and extraordinary services rendered; further provided, each Director, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation.

5.9 Loans to Directors and Officers. No loans shall be made by the Association to its Directors or Officers.

5.10 Liability of Directors. To the extent permitted by law, each Director shall be indemnified by the Association with respect to any liability and expenses of litigation arising out of his lawful activities within the scope of his duties as a Director.

5.11 Meeting of Directors.

(a) Regular Meetings. Regular Meetings shall be held, without notice, at such hour and address as may be fixed from time to time by resolution of the Board. Should any such 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.

(b) Special Meetings. Special Meetings shall be held when called by the President of the Association or by any Director after not less than three (3) nor more than thirty (30) days' written notice to each Director.

(c) Notices of Special Meetings. The notice provided for herein may be waived by written instrument signed by those Directors who do not receive such notice. Except to the extent otherwise required by law, the purpose of a Directors' Special Meeting need not be stated in the notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting unless subject Director gives written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is not called lawfully.

(d) Approved Meeting Place. All Directors' meetings shall be held in the County of Transylvania, State of North Carolina, unless a majority of the Directors then in office agree in writing to hold a meeting or meetings at another location.

(e) Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business and 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 or decision of the Board.

5.12 Action Without 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 of the Directors. Any action so approved shall have the same effect as if taken at a meeting of the Directors. Such written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

5.13 Presumption of Assent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent otherwise is entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

5.14 Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of TOXAWAY VIEWS except such powers and duties as by law or by the Condominium documents may not be delegated by the unit owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Common Areas and Facilities;
- (b) Determination of the funds required for operation, administration, maintenance and other affairs of TOXAWAY VIEWS and collection of the Common Expenses from the unit owners, as provided in the Declaration;
- (c) Employment and dismissal of personnel necessary for the efficient operation and maintenance of TOXAWAY VIEWS;
- (d) Adoption of Rules and Regulations covering the details of the operation and use of the Condominium Property;
- (e) Opening of bank accounts on behalf of the Association and designating the signatures required therefor;
- (f) Purchasing units at foreclosure or other judicial sales in the name of the Association, or its designee;
- (g) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of Directors), or otherwise dealing with units acquired by the Association or its designee;
- (h) Obtaining insurance for TOXAWAY VIEWS pursuant to the Declaration;
- (i) Keeping detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities, specifying and identifying the maintenance and repair expenses of the Common Areas and facilities and any other expenses incurred. Such records and the vouchers accrediting the entries thereupon shall be available for examination by all of the unit owners, or their duly authorized agents or attorneys at convenient hours on working days. All Books and records shall be kept in accordance with good and accepted accounting practices and an outside audit shall be made at least once a year.
- (j) Keeping a complete record of the minutes of all meetings of the Directors and Membership in a minute book in which shall be inserted written records of actions taken by the Directors and Members by consent without meeting; and
- (k) supervising all officers, agents, and employees of the Association and insuring that their duties are properly performed.

5.5 Independent Manager. The Board may employ or enter into a management contract with any individual or firm it deems appropriate and in the best interest of the Association concerning the routine management of the Condominium Property. Any such management contract shall provide that the same may be terminated by the Board of Directors for cause at any time upon thirty (30) days notice to the manager. No such contract may bind the Association in excess of one year from the date of its inception. The Board may delegate to such person or firm (herein referred to in these By-Laws as "Independent Manager") such duties and responsibilities in the management of the Condominium Property as the Board deems appropriate. Nevertheless, the Board may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the Act. The Board shall have authority to fix reasonable compensation for the Independent Manager. The Independent Manager shall at all times

be answerable to the Board and subject to its direction.

Article VI

COMMITTEES

6.1 Creation. The Board, by resolutions adopted by a majority of the number of Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium Property. Each committee so created shall have such authorities and responsibilities as the Board deems appropriate and as set forth in the resolutions creating such committee. The Board shall elect the members of such committee. Each committee shall have in its membership at least one (1) member of the Board.

6.2 Vacancy. Any vacancy occurring on a committee shall be filled by a majority vote of the number of Directors then holding office at a regular or special meeting of the Board.

6.3 Removal. Any member of a committee may be removed at any time with or without cause by a majority of the number of Directors then holding office.

6.4 Minutes. Each committee shall keep regular minutes of its proceedings, and report the same to the Board when required.

6.5 Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility or liability imposed upon it or him by law. If action taken by a committee is not considered formally thereafter by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Article VII

OFFICERS

7.1 Enumeration of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board may from time to time elect. Except for the President, no officer need be a member of the Board.

7.2 Election and Term. The officers of the Association shall be elected annually by the Board. Such elections shall be held at the first meeting of the Board next following the Annual or Substitute Annual Meeting of the Members. Each officer shall hold office until his death, resignation, removal, or until his successor is elected and qualified.

7.3 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby.

7.4 Vacancy. A vacancy in any office may be filled by the election by the Board of a successor to such office. Such election may be held at any meeting of the Board. The officer elected to such vacancy shall serve for the remaining term of the officer he replaced.

7.5 Multiple Offices. The person holding the office of President shall not also hold the offices of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person.

7.6 President. The President shall be the chief executive officer of the

Association and shall be the Chairman of the Board of Directors, if no other member of the Board be so designated, and shall preside at all meetings of the Members. In the absence of an elected Chairman, he shall preside also at all meetings of the Board. He shall see that the orders and resolutions of the Board are carried out and shall sign in behalf of the Association all written instruments regarding the Common Areas and Facilities and all promissory notes of the Association, if any. He shall have all powers necessary as the person responsible to carry out and perform actions of the Board or to execute authority given him by the Board.

7.7 Vice-President. The Vice-Presidents in the order of their election, unless otherwise determined by the Board, in the absence or disability of the President, shall perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board shall prescribe.

7.8 Secretary. The Secretary shall keep the minutes of all meetings of Members and of the Board, shall have charge of such books and papers as the Board may direct, and shall perform all duties and have such powers as the Board shall prescribe.

7.9 Treasurer. The Treasurer shall have the responsibility for keeping full and accurate financial records in books of account showing all receipts and disbursements, and the preparation of all required financial statements. He shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year, shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the Membership at its Annual Meeting, and shall deliver a copy of each to the Members. He shall perform all duties and have such powers as the Board shall prescribe.

7.10 Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or by the Board.

Article VIII

GENERAL PROVISIONS

8.1 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Declaration, or these By-Laws.

8.2 Fidelity Bond. The Board of Directors may require that all employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association as a common expense.

8.3 Conflicts. If there are conflicts or inconsistencies between the provisions of North Carolina law or the Declaration and these By-Laws, the provisions of North Carolina law and the Declaration (in that order) shall prevail.

8.4 Amendments. These By-Laws may be amended by the vote of Members owning at least a majority of the interest in the Common Areas and Facilities, provided that no such amendment shall be effective until placed in writing, executed and acknowledged by Members owning at least a majority of the Common Areas and Facilities, and filed for registration in the Transylvania County Registry; provided, however, if a larger vote is required to take or refrain from taking a specific action, as set forth in these By-Laws, no amendment shall be made unless and until the Members holding such larger percentage interest in the Common Areas and Facilities execute such amending instrument. All persons or entities who own or hereafter acquire any interest in the condominium property shall be bound to abide by any amendment to these By-Laws, upon the same being passed as provided herein and duly set forth in an amended Declaration and By-Laws, and duly recorded as provided herein.

77

EXHIBIT "D"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

The plat of survey for TOXAWAY VIEWS, PHASE I, dated September 14th , 1982, and prepared by William Leonard , Registered Land Surveyor, consisting of one sheet, and the Plans for TOXAWAY VIEWS, PHASE I, dated September 23rd , 1982 prepared by National Home Corporation , entitled "TOXAWAY VIEWS and consisting of 5 sheets, all of which was attached to this Declaration at the time it was duly filed for record in the office of the Register of Deeds for Transylvania County, North Carolina, in Condo File Number _____. Said Survey and Plans are incorporated herein by reference as if fully set out herein.

EXHIBIT "E"

TO DECLARATION CREATING UNIT OWNERSHIP AND ESTABLISHING
RESTRICTIONS, COVENANTS, AND CONDITIONS FOR TOXAWAY VIEWS, PHASE I

<u>Unit Number</u>	<u>Ownership Percentage</u>
101	12.5%
102	12.5%
103	12.5%
104	12.5%
201	12.5%
202	12.5%
203	12.5%
204	12.5%

EXHIBIT C (1)
RULES AND REGULATIONS
OF
TOXAWAY VIEWS

1. The sidewalks, entrances, passages, vestibules, stairways, outside corridors and halls must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.
2. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by a Unit Owner on any part of the outside or inside of the premises or building without the prior written consent of the Association.
3. No awnings or other projections shall be attached to the outside walls of the building and no blinds, shades or screens shall be attached to or hung in, or used in connection with the outside of any window or door of the demised premises, without prior written consent of the Association.
4. No baby carriages, bicycles or other such objects shall be allowed to stand in the halls, passageways, or other common areas of the building.
5. Children shall not play in the common halls or breezways. Children under nine (9) years of age shall not be allowed in the common areas unless accompanied by an adult.
6. All garbage and refuse must be placed in containers with tops closed.
7. The Association may retain a pass key to the premises. No Unit Owner shall alter any lock or install a new lock or a knocker on any of the premises without a written consent of the Association or the Association's agent. In case such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association pursuant to the right of access to the demised premises.
8. No Unit Owner shall allow anything whatever to fall from the windows,

doors or balconies of the premises, nor shall sweep or throw from the premises any dirt or other substance into any of the corridors, halls, ventilators or elsewhere in the building or upon the grounds.

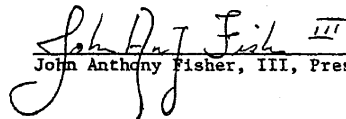
9. No garbage cans, supplies, milk bottles or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows or balconies or placed upon the window sills. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors, or in common areas.
10. No Unit Owner shall make or permit any disturbing noises in the building by himself, his family, servants, employees, agents, visitors and licencees, nor do or permit anything by such persons that will interfere with the rights, comforts, or convenience of other Unit Owners. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument, or operate or suffer to be operated a phonograph, television set or radio in his Unit between the hours of eleven o'clock P.M. (11:00 P.M.) and the following eight o'clock A.M. (8:00 A.M.), if the same shall disturb or annoy other occupants of the building. No Unit Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give or permit to be given vocal or instrumental instruction at any time.
11. No radio or television aerial shall be installed without the written consent of the Association. Any aerial erected on the roof or exterior walls of the building without the consent of the Association in writing is liable to removal without notice. No Unit Owner shall purport to give any easement or right of way to any utility or cable television company.
12. No dogs, cats, or other pets shall be allowed to run at large in the common areas of the Condominium, and the Association reserves the right to make rules and regulations with respect to the keeping of pets on the premises.
13. No Unit Owner shall allow any insecticide or other pollutant to flow into any stream or lake adjoining the property, nor shall he block the flow of any

stream or drainage area without the consent of the Association.

14. No Unit shall be occupied by more than six (6) persons at any one time.
15. No Unit Owner shall keep more than two (2) automobiles on the premises nor occupy more than two (2) parking spaces in connection with the use of his Unit, except such as may be occupied by his bona fide temporary guests in areas designated for guest parking.
16. No motorcycles or motor homes or camping or travel trailers shall be permitted on the premises at any time.
17. Cars are not to be washed anywhere on the premises.

I do hereby certify that the foregoing is a true and exact copy of the Rules and Regulations of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION, INC. which were duly adopted at a meeting of the directors thereof, and that the same have not been amended, altered rescinded and are still in full force and effect.

This the 17th day of June, 1983.


John Anthony Fisher, III, President

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE II

Toxaway Views, Inc. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part 1 of the said initial Declaration. Phase II will consist of two buildings, of which only the first is now ready for submission to Unit Ownership.

1. Building Location. The building, to be known as Building Three of Toxaway Views, is located as follows: The northeast corner of Building three stands North 85 deg. West, 33 feet from boundary Corner #11 as shown on the plat of Toxaway Views (by William Leonard, RLS) numbered RE-D2-83-207, previously recorded. The building's exterior walls run from that point as follows: North 78 deg. 30 min. West, 42.4 feet; South 11 deg. 30 min. West, 64.9 feet; South 78 deg. 30 min. East, 42.4 feet; and North 11 deg. 30 min. East, 64.9 feet to the beginning.

2. Building Description. Building Three is a wood and stone structure containing six living units, arranged two per level on each of three levels. Filed simultaneously with this Supplementary Declaration are duplicates of the plans of Building Three, together with a Drawing ("Exhibit A") by R. James Alderman, Architect, showing certain details on the third level where actual construction differed from the plans.

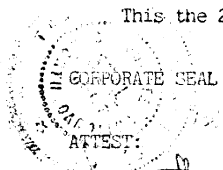
3. Incorporation of Condominium Provisions. The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I, are hereby incorporated into this Declaration for Phase II as if set out word for word herein, except for Part 9, which has been amended as set out below, and as to which the amended version applies. (See attached "Exhibit B")

4. Revision of Common Interests: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various Unit Owners is hereby revised to take into account the six new Units in Building Three. Pending further construction, the appurtenant common interests are hereby amended to be as follows:

<u>Unit</u>	<u>Interest</u>
101	7.14%
102	7.14%
103	7.14%
104	7.14%
201	7.14%
202	7.14%
203	7.14%
204	7.14%
301	7.14%
302	7.14%
303	7.14%
304	7.14%
305	7.16%
306	7.16%

11235

This the 29th day of June, 1984.



TOXAWAY VIEWS, INC.

BY: John Anthony Fisher III (seal)
President

Jeanette K. Fisher
Secretary

John Anthony Fisher III (seal)
John Anthony Fisher, III, individually

Jeanette K. Fisher (seal)
Jeanette K. Fisher, individually

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JEANETTE K. FISHER personally came before me this day and acknowledged that she is the Secretary of TOXAWAY VIEWS, 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, sealed with its corporate seal and attested by her at its Secretary.

Witness my hand and official stamp or seal, this 29th day of June, 1984.

Clair A. Smith
Notary Public

My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JOHN ANTHONY FISHER, III, individually and JEANETTE K. FISHER, individually personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 29th day of June, 1984.

Clair A. Smith
Notary Public

My Commission Expires: 8/10/86

STATE OF NORTH CAROLINA/COUNTY OF TRANSYLVANIA

The foregoing certificate(s) of Clair A. Smith

Public of said County and State is/are certified to be correct. This 6th day of July, 1984 and have been filed for registration on the 6th day of July, 1984 in Book No. CD-4 of page 358 at 2:00 o'clock P. M.

Fred H. Israel
Register of Deeds, Transylvania County

THIS IS IN LIEU AND SUBSTITUTION OF PARAGRAPH #9 OF THE DECLARATION OF CONDOMINIUM OF TOXAWAY VIEWS:

9. RESTRICTION AGAINST FURTHER SUBDIVISION OF CONDOMINIUM UNITS:

SEPARATE CONVEYANCE OF APPURTENANT COMMON PROPERTY PROHIBITED. No condominium unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File. Doors or other closures may be added to provide access from one unit to another, provided that the written approval of the Association is first obtained as to the location and structural soundness thereof. The undivided interest in the Common Areas and Facilities declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, except that the Developer shall be able to mortgage the site (i.e. foundation location extended thirty feet outward) of new buildings, prior to the completion and submission to condominium ownership of such buildings, such mortgage to be converted into one on the building's units (and their appropriately calculated common interest) upon the building's completion and submission to the condominium form of ownership; and except as just provided, the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Unit. Except as just provided, as to the Developer, any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a Condominium Unit, shall be null and void insofar as it purports to affect any interest in a condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, unless it purports to convey, devise or encumber the entire Condominium Unit. Any instrument conveying, devising or encumbering any Condominium Unit, which describes said Unit by the numerical designation assigned thereto in the Unit Ownership File, shall be construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Areas and Facilities. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants, or tenants by the entireties; but any attempt, whether by deed, devise, or otherwise, to create a periodic tenancy in any

Condominium Unit (whether so called, or called "time sharing," or "interval ownership" or any other term for recurring periodic fee ownership) shall be void, invalid and null, as such tenancy is specifically hereby prohibited.

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE II

Toxaway Views, Inc. does hereby supplement its initial (phase I) Declaration of Unit Ownership, as contemplated in Part 1 of the said initial Declaration. Phase II consists of two buildings, of which one was previously submitted, and the other is now ready for submission to Unit Ownership.

1. Building Location: The building, to be known as Building Four of Toxaway Views, is located as follows: The Southernmost corner of Building Four of Toxaway Views stands North 37 deg. 18 min. East 50.4 feet from boundary corner no. 15 as shown on the plat of Toxaway Views (by William Leonard, RLS) numbered R E-D2-83-202, previously recorded. The buildings exterior wassl are respectively 42.5 feet long (oriented South 39 deg. 5 min. East) and 64.9 feet long (oriented South 50 deg. 55 min. West).

2. Building Description: Building Four is a wood and stone structure containing six living units, arranged two per level on each of three levels. Filed simultaneously with this Supplementary Declaration are duplicates of plans of Building Four, together with a certification by R.James Alderman, Architect. Unless indicated thereon, Building Four corresponds to the plans, already filed, of Building Three.

3. Incorporation of Condominium Provisions: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I, are hereby into this Declaration for Phase II as if set out word for word herein, except for Part 9, which has been amended as set out below, and as to which the amended version applies, and except for the amendments to the Declaration of Unit Ownership passed at the April 30, 1985 meeting of the Owners' Association.

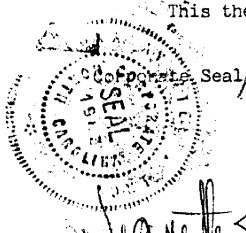
4. Revision of Common Interests: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various Unit Owners is hereby revised to take into account the six new Units in Building Four. Pending further construction, the appurtenant common interests are hereby amended to be as follows:

44757

<u>Unit</u>	<u>Interest</u>
101	5.0%
102	5.0%
103	5.0%
104	5.0%
201	5.0%
202	5.0%
203	5.0%
204	5.0%
301	5.0%
302	5.0%
303	5.0%
304	5.0%
305	5.0%
306	5.0%
401	5.0%
402	5.0%
403	5.0%
404	5.0%
405	5.0%
406	5.0%

5- 288

This the third day of May, 1985.



TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III (seal)
John Anthony Fisher, III, president

Jeanette K. Fisher
Jeanette K. Fisher, secretary

John Anthony Fisher, III
John Anthony Fisher, III, individually

Jeanette K. Fisher
Jeanette K. Fisher, individually

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JEANETTE K. FISHER personally came before me this day and acknowledged that she is the Secretary of TOXAWAY VIEWS, 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, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 3rd day of May, 1985.

Marlene Bayard (Pratt)
Notary Public

My commission expires 8-5-85

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the County and State aforesaid, certify that JOHN ANTHONY FISHER, III, individually and JEANETTE K. FISHER, individually personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this the 3rd day of May, 1985.

Marlene Bayard (Pratt)
Notary Public

My commission expires 8-5-85

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY
The foregoing certificate of Marlene Bayard (Pratt)
a Notary Public () of the
State and County designated, is (are) certified to
be correct,
This 3 day of May, 1985
Fred H. Sprad
Register of Deeds

Filed for registration on the 3rd day of May
1985 at 4:00 o'clock P.M. and registered and
verified on the 3rd day of May 1985
In Book No. 5 of page 287
Fred H. Sprad
Register of Deeds, Transylvania County

By *Rossy-Cully & Rankin*

707

SUPPLEMENTARY DECLARATION OF UNIT

OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

Toxaway Views, Inc. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase III consists of two buildings, of which one is now submitted. The other building is not yet completed, and is not submitted at this time.

1. BUILDING LOCATION: The building, to be known as Building Five of Toxaway Views, is located one hundred feet west of Building Four, and two hundred eighty feet south of Building Two.

2. BUILDING DESCRIPTION: Building Five is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Filed simultaneously with this Supplementary Declaration are duplicates of plans for Building Five, together with a certification by R. James Alderman, Architect. Building Five as built is as shown on those plans, except in the details pointed out by Mr. Alderman in his separate drawing, also recorded with the said plans. Building Five is built on a slope, and below the floor of the first living level the Developer has installed four garage spaces. These garage spaces are hereby defined to be limited common areas, as that term is itself defined in the original Declaration of Unit Ownership. The exclusive right to use any particular garage space shall be assigned initially by the Developer to a Unit owner, and that right to use shall thereafter be assignable by that Unit owner to any other Unit owner, and so forth. Having such an assignment will vest the holder thereof with the right to treat the garage space as limited common area appurtenant to that Unit owner's condominium Unit. No person who is not the owner of a Unit at Toxaway Views shall be eligible to hold an assignment of the right to use any limited common area, including these garage spaces.

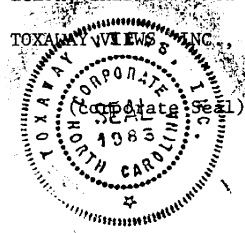
3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various Unit owners is hereby revised to take into account the eight new Units in Building Five. Pending further construction, the appurtenant common interests are hereby amended to be as follows:

Unit 101	3.57%	Unit 401	3.57%
Unit 102	3.57%	Unit 402	3.57%
Unit 103	3.57%	Unit 403	3.57%
Unit 104	3.57%	Unit 404	3.57%
Unit 201	3.57%	Unit 405	3.57%
Unit 202	3.57%	Unit 406	3.57%
Unit 203	3.57%	Unit 501	3.57%
Unit 204	3.57%	Unit 502	3.57%
Unit 301	3.57%	Unit 503	3.57%
Unit 302	3.57%	Unit 504	3.57%
Unit 303	3.57%	Unit 505	3.57%
Unit 304	3.57%	Unit 506	3.57%
Unit 305	3.57%	Unit 507	3.59%
Unit 306	3.57%	Unit 508	3.59%

In witness whereof, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its corporate Seal, all as the act and deed of the corporation, this the 19th day of August, 1986.

TOXAWAY VIEWS, INC., by: *John Anthony Fisher, III* (seal)
John Anthony Fisher, III, President



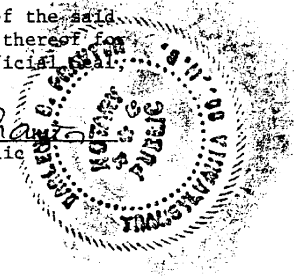
50781

State of North Carolina
Transylvania County

I, Darlene B. Praytor, a NOTARY PUBLIC of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and, being by me first duly sworn, said that he is the President of Toxaway Views, Inc., that the foregoing Supplementary Declaration of Unit Ownership was executed by him as the act and deed of the said corporation, and that he acknowledged his due execution thereof for the purposes therein expressed. Witness my hand and official seal, this the 19th day of August, 1986.

Darlene B. Praytor
Notary Public

My commission expires: 8-5-90



STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY
The foregoing certificate of Darlene B. Praytor
a Notary Public () of the
State and County designated, is (are) certified to
be correct,
This 19 day of August, 1986

Fred H. Small
Register of Deeds

Filed for registration on the 19 day of Aug.
1986 at 2:00 o'clock P. M. and registered and
verified on the 19 day of Aug. 1986
In Book No. CD 5 of page 717
Fred H. Small
Register of Deeds, Transylvania County

SUPPLEMENT AND AMENDMENT TO SUPPLEMENTARY DECLARATION
OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE II

6-16

Toxaway Views, Inc. does hereby supplement and amend the "Supplementary Declaration of Unit Ownership For Toxaway Views, Phase II" as recorded in Condominium Book 4, page 358, Transylvania County Registry, and in particular paragraph 2 of that Supplementary Declaration, which is hereby replaced in its entirety with the following: 2. Building Description. Building Three is a wood and stone structure containing six living units, arranged two per level on each of three levels, with a basement level which may be used to augment either or both of the Units immediately above (Units 301 and 302). In the event that a portion of the basement area is so used, the part used shall become and remain an inseparable part of the Unit above it. Such additions will be designated, if created, as Unit 301A and Unit 302A, but they shall thenceforth be transferred and transferrable only in conjunction with the main Unit to which each is attached; and transfer of the main Unit shall transfer the A-suffix Unit automatically, whether or not reference is made to it. The plans of Building Three (with drawings of modifications on the third level) are of record; and files simultaneously with this supplementary declaration is a drawing of Unit 302-A, with a certification by R. James Alderman, Architect. Unit 302-A is hereby created and declared to be incorporated into Toxaway Views, Phase II, as a part of Unit 302.

This the 30th day of January, 1987.

053173

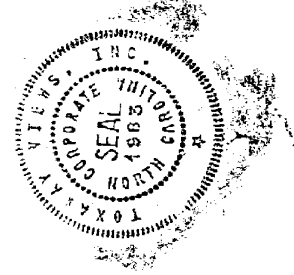
Toxaway Views, Inc.

By: [Signature]
President

[Signature]
Secretary

[Signature]
John Anthony Fisher, III, individually

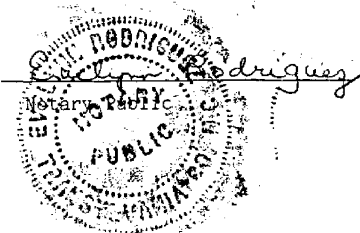
[Signature]
Jeanette K. Fisher, individually



State of North Carolina
County of Transylvania

I, a Notary Public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views, 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, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 30th day of January, 1987.



My Commission Expires: 9-10-91

6-17

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY

The foregoing certificate of Arley Rodriguez
a Notary Public () of the
State and County designated, is (are) certified to
be correct,

This 30 day of Jan, 1987

Paul H. Small
Register of Deeds

Filed for registration on the 30 day of Jan
1987 at 4:30 o'clock PM, and registered an
verified on the 30 day of Jan 1987
In Book No. 6 of page 16
Paul H. Small
Register of Deeds, Transylvania County



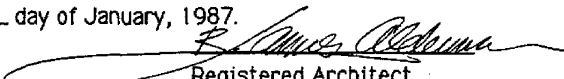
6-18

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

ARCHITECT'S CERTIFICATION

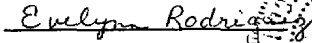
I, R. James Alderman, III, a Registered Architect in the State of North Carolina, No. 3873; do hereby certify that the plans being filed simultaneously with Exhibit A as a part of the "Declaration of Condominium of Toxaway Views Condominiums", are full and exact copies of the plans of Unit 302-A, and that from a personal inspection of the premises I further certify that, except for the differences of detail noted on Exhibit A (recorded herewith), the said Unit was actually constructed as shown on the said plans; and that the said plans, as modified by Exhibit A (recorded herewith), correctly reflect Unit 302-A, Toxaway Views, including but not limited to the layout, location, ceiling and floor elevations, unit number, and size of unit as built.

This the 29 day of January, 1987.

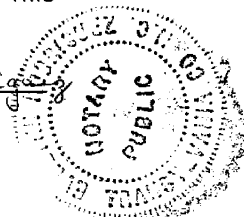

Registered Architect

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Evelyn Rodriguez a Notary Public, hereby certify that R. James Alderman, III, personally appeared before me this date and acknowledged the execution of this instrument. This the 29th day of January, 1987.


Notary Public

My commission expires: 9-10-91



SUPPLEMENT AND AMENDMENT TO SUPPLEMENTARY DECLARATION
OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE II

Toxaway Views, Inc. does hereby supplement and amend the "Supplementary Declaration of Unit Ownership for Toxaway Views, Phase II" as recorded in Condominium Book 4, Page 358, Transylvania County Registry, and in particular, Paragraphs 2 and 4 thereof, which are hereby replaced in their entirety by the following:

2. Building Description: Building Four is a wood and stone structure containing seven living units, arranged one on the ground level (Unit 401-A), and two per level on each of the upper three levels, with a basement area beneath Unit 402 which may, at the option of the Developer, be used to augment Unit 402, or become a new Unit 402-A, or remain common area. The plans of Building Four (with drawings of modifications on the third level) are of record, and filed simultaneously with this Supplementary Declaration is a drawing of Unit 401-A, with a certification by R. James Alderman, Architect. Unit 401-A is hereby created and declared to be incorporated into Toxaway Views, Phase II as an individual unit thereof.

4. Revision of Common Interests: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the creation of Unit 401-A. Pending further construction, the appurtenant common interests are hereby amended to be as follows:

Unit 101:	3.448%	Unit 401:	3.448%
Unit 102:	3.448%	Unit 401-A:	3.448%
Unit 103:	3.448%	Unit 402:	3.448%
Unit 104:	3.448%	Unit 403:	3.448%
Unit 201:	3.448%	Unit 404:	3.448%
Unit 202:	3.448%	Unit 405:	3.448%
Unit 203:	3.448%	Unit 406:	3.448%
Unit 204:	3.448%	Unit 501:	3.448%
Unit 301:	3.448%	Unit 502:	3.448%
Unit 302:	3.448%	Unit 503:	3.448%
Unit 303:	3.448%	Unit 504:	3.448%
Unit 304:	3.448%	Unit 505:	3.448%
Unit 305:	3.448%	Unit 506:	3.448%
Unit 306:	3.448%	Unit 507:	3.452%
		Unit 508:	3.452%

059730

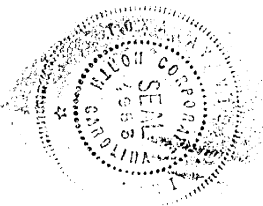
IN WITNESS WHEREOF, Toxaway Views, Inc., has caused this Supplementary Declaration of Unit Ownership for Phase II to be executed by its President and sealed with its corporate seal, all as the act and deed of the corporation, this the 8th day of April, 1988.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III
John Anthony Fisher, III
President

ATTEST:
Jeanette K. Fisher
Secretary

John Anthony Fisher, III
John Anthony Fisher, III
Jeanette K. Fisher
Jeanette K. Fisher



6-134

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, Notary Public, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is secretary of TOXAWAY VIEWS, 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, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and seal, this the 8th day of April, 1988.

Elizabeth W. Mize
Notary Public

My Commission expires: 2/4/92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, Notary Public, do hereby certify that JOHN ANTHONY FISHER, III and wife, JEANETTE K. FISHER personally appeared before me this date and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and seal, this the 8th day of April, 1988.

Elizabeth W. Mize
Notary Public

My Commission expires: 2/4/92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

The foregoing certificate of Elizabeth W. Mize, Notary Public, is certified to be correct. This instrument was presented for registration and recorded in this office in deed book 6, page 133.

This, the 11 day of April, 1988 at 12:30 o'clock P.M.

Fred H. Dorset
TRANSYLVANIA COUNTY REGISTER OF DEEDS

By: Debra M. Stamer
Deputy

6- 206

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

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Toxaway Views, Inc. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase III consists of two buildings, of which the second one is now submitted. The other building has been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28 deg. 11 min. West 71.06 feet; North 27 deg. 05 min. West 49.96 feet; North 87 deg. 00 min. West 35.0 feet; North 69 deg. 18 min. West 41.30 feet to the said point of Beginning and running thence South 15 deg. 00 min. West 45.0 feet; thence North 82 deg. 48 min. West 158.85 feet to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2 deg. 42 min. West 42.55 feet; North 11 deg. 19 min. East 25.5 feet; North 26 deg. 34 min. East 38.15 feet; thence South 81 deg. 35 min. East 107.62 feet to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23 deg. 14 min. East 41.76 feet; South 47 deg. 38 min. East 35.52 feet to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987.

000932

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 3, Slide 101 of the Transylvania County Registry, except in details pointed out by architect R. James Alderman in his separate drawing labeled Exhibit "A" which is recorded with his architect certification of Building 6, Unit 604. Units 601 and 602 are on the first level, 603 and 604 are on the second level. Although the remainder of the building is substantially complete, it is not certifiably complete at this point and is not submitted at this time. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows:

Unit 101	3.33%	Unit 401	3.33%
Unit 102	3.33%	Unit 401A	3.33%
Unit 103	3.33%	Unit 402	3.33%
Unit 104	3.33%	Unit 403	3.33%
Unit 201	3.33%	Unit 404	3.33%
Unit 202	3.33%	Unit 405	3.33%
Unit 203	3.33%	Unit 406	3.33%
Unit 204	3.33%	Unit 501	3.33%
Unit 301	3.33%	Unit 502	3.33%
Unit 302	3.33%	Unit 503	3.33%
Unit 303	3.33%	Unit 504	3.33%
Unit 304	3.33%	Unit 505	3.33%
Unit 305	3.33%	Unit 506	3.33%
Unit 306	3.33%	Unit 507	3.33%
		Unit 508	3.33%
		Unit 604	3.34%

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 17th day of March, 1989.

TOXAWAY VIEWS, INC.

By: *John Anthony Fisher, III* (SEAL)
John Anthony Fisher, III,
President

ATTEST:
(CORPORATE SEAL)
Jeanette K. Fisher
Corporate Secretary

John Anthony Fisher, III (SEAL)
John Anthony Fisher, III
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jewell B. Webb, a Notary Public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official stamp or seal, this 17th day of March, 1989.

My Commission expires: 9/28/91

Jewell B. Webb
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jewell B. Webb, a Notary Public of said state and county, do hereby certify that John Anthony Fisher and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official stamp or seal, this 17th day of March, 1989.

My Commission expires: 9/28/91

Jewell B. Webb
Notary Public

The foregoing Certificate of Jewell B. Webb is certified to be correct. This instrument and this certificate are duly registered in the date and time in the Book and Page shown on the first page hereof.

REGISTER OF DEEDS FOR TRANSYLVANIA COUNTY

By: *Fred H. Edwards*
Deputy/Assistant - Register of Deeds

Filed for registration on the 17 day of March
1989 at 3:30 o'clock P.M. and registered and
verified on the 17 day of March 1989
In Book No. 6 of page 206
Fred H. Edwards
Register of Deeds, Transylvania County

6-226

Prepared by: George T. Perkins, III

✓

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration, Phase III consists of two buildings of which the second one is now submitted. The other building has been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28° 11' West 71.06 ft.; N. 27° 05' West 49.96 ft.; North 87° 00' West 35.0 ft.; North 69° 18' West 41.30 ft. to the said point of BEGINNING and running thence South 15° 00' West 45.0 ft.; thence North 82° 48' West 158.85 ft. to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2° 42' West 42.55 ft.; North 11° 19' East 25.5 ft.; North 26° 34; East 38.15 ft.; thence South 81° 35' East 107.62 ft. to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23° 14' East 41.76 ft.; South 47° 38' East 35.52 ft. to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 3, Slide 101 of the Transylvania County Registry, except in details pointed out by architect R. James Alderman in his separate drawing labeled Exhibit "A" which is recorded with his architect certification of Building 6 Unit 605. Units 601 and 602 are on the first level; 603 and 604 are on the second level; 605 and 606 are on the third level. With the exception of Unit 604 (which has been previously dedicated) the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/31st undivided interest for each Unit

- Unit 101
- Unit 102
- Unit 103
- Unit 104
- Unit 201
- Unit 202
- Unit 203
- Unit 204
- Unit 301
- Unit 302
- Unit 303
- Unit 304
- Unit 305
- Unit 306
- Unit 401
- Unit 401A
- Unit 402
- Unit 403
- Unit 404
- Unit 405
- Unit 406
- Unit 501
- Unit 502
- Unit 503
- Unit 504
- Unit 505
- Unit 506
- Unit 507
- Unit 508
- Unit 604
- Unit 605

003075

6-227

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 31st day of August, 1989.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III (SEAL)
President

ATTEST:

Jeanette K. Fisher
Corporate Secretary

John Anthony Fisher, III (SEAL)
John Anthony Fisher, III,
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official seal, this the 31st day of August, 1989.

Elizabeth W. Mize
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that John Anthony Fisher, III and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official seal, this the 31st day of March, 1989.

Elizabeth W. Mize
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY

The foregoing certificate of ELIZABETH W. MIZE
a Notary Public () of the
State and County designated, is (are) certified to
be correct,

This 31 day of August, 1989

Fred H. Israel
Register of Deeds

Filed for registration on the 31 day of Aug
1989 at 5:00 o'clock P M, and registered and
verified on the 31 day of Aug 1989
In Book No. 6 of page 226
Fred H. Israel
Register of Deeds, Transylvania County

6-232

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP
FOR TOXAWAY VIEWS, INC., PHASE III

TOXAWAY VIEWS, INC., does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase III consists of two buildings, of which the second one is now submitted. The other building has been previously submitted. The purpose of this Supplementary Declaration is to submit Unit 601 to the condominium and to set out the undivided interest of each unit owner in the common areas of the condominium.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on plat by William Leonard, R.L.S., number RE-D2-83-207); North 28 deg. 11' West 71.06 feet; North 27 deg. 05' West 49.96 feet; North 87 deg. 00' West 35.0 feet; North 69 deg. 18' West 41.30 feet to the said point of Beginning and running thence South 15 deg. 00' West 45.0 feet; thence North 82 deg. 48' West 158.85 feet to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2 deg. 42' West 42.55 feet; North 11 deg. 19' East 25.5 feet; North 26 deg. 34' East 38.15 feet; thence South 81 deg. 35' East 107.62 feet to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23 deg. 14' East 41.76 feet; South 47 deg. 38' East 35.52 feet to the point of BEGINNING. Survey by William Leonard, R.L.S., done in October, 1987.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 3, Slide 101 of the Transylvania County Registry, except in details pointed out by architect R. James Alderman in his separate drawing labeled Exhibit "A" which is recorded with his architect certification of Building 6, Unit 601. Unit 601 consists of approximately 1160 square feet on the main floor, with two bedrooms, two full bathrooms, living and dining areas. The lower level consists of one room of approximately 1160 square feet. Units 601 and 602 are on the first level, 603 and 604 are on the second level. Although the remainder of the building is substantially complete, it is not certifiably complete at this point and is not submitted at this time. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The crawl space beneath the main floor of unit 601 is included with unit 601. Crawl space is as shown on plans previously filed in Plat File 3 at page 301, Transylvania County Registry. The developer reserves the right to install a basement for Unit 602 and to include said space in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTEREST: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows:


Unit 101	3.12%	Unit 402	3.12%
Unit 102	3.12%	Unit 403	3.12%
Unit 103	3.12%	Unit 404	3.12%
Unit 104	3.12%	Unit 405	3.12%
Unit 201	3.12%	Unit 406	3.12%
Unit 202	3.12%	Unit 501	3.12%

004354

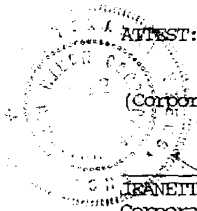
6-233

Unit 203	3.12%	Unit 502	3.12%
Unit 204	3.12%	Unit 503	3.12%
Unit 301	3.12%	Unit 504	3.12%
Unit 302	3.12%	Unit 505	3.12%
Unit 303	3.12%	Unit 506	3.12%
Unit 304	3.12%	Unit 507	3.12%
Unit 305	3.12%	Unit 508	3.12%
Unit 306	3.12%	Unit 604	3.12%
Unit 401	3.12%	Unit 605	3.12%
Unit 401A	3.12%	Unit 601	3.28%

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III, Unit 601, to be executed by its President and sealed with its corporate seal, all as the act and deed of the Corporation, this the 4th day of ~~November~~ ^{December}, 1989.

TOXAWAY VIEWS, INC. 

BY: *John A. Fisher, III* (SEAL)
JOHN ANTHONY FISHER, III, President

ATTEST:

(Corporate Seal)
Jeanette K. Fisher
JEANETTE K. FISHER,
Corporate Secretary

John A. Fisher, III (SEAL)
JOHN ANTHONY FISHER, III
Jeanette K. Fisher (SEAL)
JEANETTE K. FISHER

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the State and County aforesaid, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary.

This the 4th day of ~~November~~ ^{Dec.}, 1989.

My Commission Expires:
9-13-92

Jeanette McCall
Notary Public
(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the State and County aforesaid, do certify that John Anthony Fisher, III and wife, Jeanette K. Fisher personally appeared before me and acknowledged the execution of the foregoing instrument.

This the 4 day of ~~November~~ ^{December}, 1989.

My Commission Expires: _____
Notary Public

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA
The foregoing certificate of *Jeanette McCall*

Notar(y) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book CD 6, Page 232
This 4 day of December, 1989, at 4:00 o'clock P.M.

Paul H. Isaac
Register of Deeds
By: _____
Deputy Register of Deeds

MAIL

6-236

6-232

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP
FOR TOXAWAY VIEWS, INC., PHASE III

TOXAWAY VIEWS, INC., does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase III consists of two buildings, of which the second one is now submitted. The other building has been previously submitted. The purpose of this Supplementary Declaration is to submit Unit 601 to the condominium and to set out the undivided interest of each unit owner in the common areas of the condominium.

OFFICE
Prepared by & return to: Jeff Dunham/Sum Winkle Saw Firm, P.O. Box 7376, Asheville, TN 28802

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on plat by William Leonard, R.L.S., number RE-D2-83-207); North 28 deg. 11' West 71.06 feet; North 27 deg. 05' West 49.96 feet; North 87 deg. 00' West 35.0 feet; North 69 deg. 18' West 41.30 feet to the said point of Beginning and running thence South 15 deg. 00' West 45.0 feet; thence North 82 deg. 48' West 158.85 feet to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2 deg. 42' West 42.55 feet; North 11 deg. 19' East 25.5 feet; North 26 deg. 34' East 38.15 feet; thence South 81 deg. 35' East 107.62 feet to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23 deg. 14' East 41.76 feet; South 47 deg. 38' East 35.52 feet to the point of BEGINNING. Survey by William Leonard, R.L.S., done in October, 1987.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 3, Slide 101 of the Transylvania County Registry, except in details pointed out by architect R. James Alderman in his separate drawing labeled Exhibit "A" which is recorded with his architect certification of Building 6, Unit 601. Unit 601 consists of approximately 1160 square feet on the main floor, with two bedrooms, two full bathrooms, living and dining areas. The lower level consists of one room of approximately 1160 square feet. Units 601 and 602 are on the first level, 603 and 604 are on the second level. Although the remainder of the building is substantially complete, it is not certifiably complete at this point and is not submitted at this time. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The crawl space beneath the main floor of unit 601 is included with unit 601. Crawl space is as shown on plans previously filed in Plat File 3 at page 301, Transylvania County Registry. The developer reserves the right to install a basement for Unit 602 and to include said space in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTEREST: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows:

Unit 101	3.12%	Unit 402	3.12%
Unit 102	3.12%	Unit 403	3.12%
Unit 103	3.12%	Unit 404	3.12%
Unit 104	3.12%	Unit 405	3.12%
Unit 201	3.12%	Unit 406	3.12%
Unit 202	3.12%	Unit 501	3.12%

THIS DOCUMENT IS BEING RE-RECORDED TO INCLUDE A NOTARY ACKNOWLEDGEMENT WHICH HAD BEEN INADVERTANTLY OMITTED.

THIS THE 7 DAY OF DECEMBER, 1989.

Jeff Dunham
JEFF DUNHAM, Attorney

6-237
6-233

Unit 203	3.12%	Unit 502	3.12%
Unit 204	3.12%	Unit 503	3.12%
Unit 301	3.12%	Unit 504	3.12%
Unit 302	3.12%	Unit 505	3.12%
Unit 303	3.12%	Unit 506	3.12%
Unit 304	3.12%	Unit 507	3.12%
Unit 305	3.12%	Unit 508	3.12%
Unit 306	3.12%	Unit 604	3.12%
Unit 401	3.12%	Unit 605	3.12%
Unit 401A	3.12%	Unit 601	3.28%

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III, Unit 601, to be executed by its President and sealed with its corporate seal, all as the act and deed of the Corporation, this the 4th day of ~~November~~ ^{December} 1989.

TOXAWAY VIEWS, INC.

BY: John A. Fisher, III (SEAL)
JOHN ANTHONY FISHER, III, President

ATTEST:
(Corporate Seal)
Jeanette K. Fisher
JEANETTE K. FISHER,
Corporate Secretary

John A. Fisher, III (SEAL)
JOHN ANTHONY FISHER, III
Jeanette K. Fisher (SEAL)
JEANETTE K. FISHER

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the State and County aforesaid, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary.

This the 4th day of ~~November~~ ^{Dec.}, 1989.

My Commission Expires:

9-13-92

Jeanette McDaniel
Notary Public

(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the aforesaid State and County, do certify that Jeff Dunham personally appeared before me this day, and being duly sworn, stated that in his presence John Anthony Fisher, III and wife, Jeanette K. Fisher signed the foregoing instrument.

This the 7th day of December, 1989.

My Commission Expires:

3-25-90

Jamie B. Bateman (Notary)
Notary Public

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of Jamie B. Bateman (Notary)

Notar(y) (ies) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book CD6, Page 236.

This 11 day of December, 1989, at 2:00 o'clock P.M.

Fred W. Spaul
Register of Deeds

By: _____
Deputy Register of Deeds

6.238

Prepared by: George T. Perkins, III

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration, Phase III consists of two buildings. The first building and Units 601, 604 and 605 of the second building have been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28° 11' West 71.06 ft.; N. 27° 05' West 49.96 ft.; North 87° 00' West 35.0 ft.; North 69° 18' West 41.30 ft. to the said point of BEGINNING and running thence South 15° 00' West 45.0 ft.; thence North 82° 48' West 158.85 ft. to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2° 42' West 42.55 ft.; North 11° 19' East 25.5 ft.; North 26° 34' East 38.15 ft.; thence South 81° 35' East 107.62 ft. to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23° 14' East 41.76 ft.; South 47° 38' East 35.52 ft. to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987. Reference is hereby made to a plat recorded in Plat File 4, slide 52 for a more complete description of Building Six and the rest of the Toxaway Views Condominiums complex.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 4, slides 35 through 51 in the Transylvania County Registry, except as modified by plans previously filed in regard to Unit 6 and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A" which was filed with his certificate of completion and is recorded in Plat File 4, slide 30. Units 601 and 602 are on the first level; 603 and 604 are on the second level; 605 and 606 are on the third level. With the exception of Units 601, 604 and 605 (which have been previously dedicated) and 603 which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/33rd undivided interest for each Unit

- | | |
|-----------|----------|
| Unit 101 | Unit 402 |
| Unit 102 | Unit 403 |
| Unit 103 | Unit 404 |
| Unit 104 | Unit 405 |
| Unit 201 | Unit 406 |
| Unit 202 | Unit 501 |
| Unit 203 | Unit 502 |
| Unit 204 | Unit 503 |
| Unit 301 | Unit 504 |
| Unit 302 | Unit 505 |
| Unit 303 | Unit 506 |
| Unit 304 | Unit 507 |
| Unit 305 | Unit 508 |
| Unit 306 | Unit 601 |
| Unit 401 | Unit 603 |
| Unit 401A | Unit 604 |
| | Unit 605 |

001100

6.239

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 15th day of January, 1990.

TOXAWAY VIEWS, INC.

By: [Signature] (SEAL)
John Anthony Fisher, III
President

ATTEST:

[Signature]
Jeanette K. Fisher
Corporate Secretary

[Signature] (SEAL)
John Anthony Fisher, III,
[Signature] (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official seal, this the 15th day of January, 1990.

[Signature]
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that John Anthony Fisher, III and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official seal, this the 15th day of January, 1990.

[Signature]
Notary Public

My commission expires: 2-4-92

Filed for registration on the 15 day of Jan
19 90 at 12:45 o'clock P M, and registered and
verified on the 15 day of Jan 1990
In Book No. 6 of page 238
[Signature]
Register of Deeds, Transylvania County

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY
The foregoing certificate of Elizabeth W. Mize
a Notary Public () of the
State and County designated, is (are) certified to
be correct,
This 15 day of January, 1990
[Signature]
Register of Deeds

6-232

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP
FOR TOXAWAY VIEWS, INC., PHASE III

TOXAWAY VIEWS, INC., does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase III consists of two buildings, of which the second one is now submitted. The other building has been previously submitted. The purpose of this Supplementary Declaration is to submit Unit 601 to the condominium and to set out the undivided interest of each unit owner in the common areas of the condominium.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on plat by William Leonard, R.L.S., number RE-D2-83-207); North 28 deg. 11' West 71.06 feet; North 27 deg. 05' West 49.96 feet; North 87 deg. 00' West 35.0 feet; North 69 deg. 18' West 41.30 feet to the said point of Beginning and running thence South 15 deg. 00' West 45.0 feet; thence North 82 deg. 48' West 158.85 feet to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2 deg. 42' West 42.55 feet; North 11 deg. 19' East 25.5 feet; North 26 deg. 34' East 38.15 feet; thence South 81 deg. 35' East 107.62 feet to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23 deg. 14' East 41.76 feet; South 47 deg. 38' East 35.52 feet to the point of BEGINNING. Survey by William Leonard, R.L.S., done in October, 1987.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 3, Slide 101 of the Transylvania County Registry, except in details pointed out by architect R. James Alderman in his separate drawing labeled Exhibit "A" which is recorded with his architect certification of Building 6, Unit 601. Unit 601 consists of approximately 1160 square feet on the main floor, with two bedrooms, two full bathrooms, living and dining areas. The lower level consists of one room of approximately 1160 square feet. Units 601 and 602 are on the first level, 603 and 604 are on the second level. Although the remainder of the building is substantially complete, it is not certifiably complete at this point and is not submitted at this time. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The crawl space beneath the main floor of unit 601 is included with unit 601. Crawl space is as shown on plans previously filed in Plat File 3 at page 301, Transylvania County Registry. The developer reserves the right to install a basement for Unit 602 and to include said space in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTEREST: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows:

Unit 101	3.12%	Unit 402	3.12%
Unit 102	3.12%	Unit 403	3.12%
Unit 103	3.12%	Unit 404	3.12%
Unit 104	3.12%	Unit 405	3.12%
Unit 201	3.12%	Unit 406	3.12%

004357

Unit 203	3.12%	Unit 502	3.12%
Unit 204	3.12%	Unit 503	3.12%
Unit 301	3.12%	Unit 504	3.12%
Unit 302	3.12%	Unit 505	3.12%
Unit 303	3.12%	Unit 506	3.12%
Unit 304	3.12%	Unit 507	3.12%
Unit 305	3.12%	Unit 508	3.12%
Unit 306	3.12%	Unit 604	3.12%
Unit 401	3.12%	Unit 605	3.12%
Unit 401A	3.12%	Unit 601	3.28%

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III, Unit 601, to be executed by its President and sealed with its corporate seal, all as the act and deed of the Corporation, this the 4th day of ~~November~~ ^{December}, 1989.

TOXAWAY VIEWS, INC.

BY: John Anthony Fisher, III (SEAL)
JOHN ANTHONY FISHER, III, President

ATTEST:

(Corporate Seal)

Jeanette K. Fisher
JEANETTE K. FISHER,
Corporate Secretary

John Anthony Fisher, III (SEAL)
JOHN ANTHONY FISHER, III

Jeanette K. Fisher (SEAL)
JEANETTE K. FISHER

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the State and County aforesaid, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary.

This the 4th day of ~~November~~ ^{Dec.}, 1989.

My Commission Expires:

9-13-92

Jamett McNamee
Notary Public

(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a Notary Public of the State and County aforesaid, do certify that John Anthony Fisher, III and wife, Jeanette K. Fisher personally appeared before me and acknowledged the execution of the foregoing instrument.

This the 4 day of ~~November~~ ^{December}, 1989.

My Commission Expires:

Notary Public

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate _____ of Jamett McNamee

Notary Public is/are certified to be correct. This instrument was presented for registration and

6-242
Prepared by: George T. Perkins, III

SUPPLEMENTARY DECLARATION OF UNIT
OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration, Phase III consists of two buildings. The first building and Units 601, 603, 604, and 605 of the second building have been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28° 11' West 71.06 ft.; N. 27° 05' West 49.96 ft.; North 87° 00' West 35.0 ft.; North 69° 18' West 41.30 ft. to the said point of BEGINNING and running thence South 15° 00' West 45.0 ft.; thence North 82° 48' West 158.85 ft. to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2° 42' West 42.55 ft.; North 11° 19' East 25.5 ft.; North 26° 34'; East 38.15 ft.; thence South 81° 35' East 107.62 ft. to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23° 14' East 41.76 ft.; South 47° 38' East 35.52 ft. to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987. Reference is hereby made to a plat recorded in Plat File 4, slide 52 for a more complete description of Building Six and the rest of the Toxaway Views Condominiums complex.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 4, slides 35 through 51 in the Transylvania County Registry, except as modified by plans previously filed in regard to Unit 6 and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A" which was filed with his certificate of completion and is recorded in Plat File 4, slide 59. Units 601 and 602 are on the first level; 603 and 604 are on the second level; 605 and 606 are on the third level; and 607 and 608 are on the fourth level. With the exception of Units 601, 603, 604 and 605 (which have been previously dedicated) and 608 which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/34th undivided interest for each Unit

Unit 101	Unit 403
Unit 102	Unit 404
Unit 103	Unit 405
Unit 104	Unit 406
Unit 201	Unit 501
Unit 202	Unit 502
Unit 203	Unit 503
Unit 204	Unit 504
Unit 301	Unit 505
Unit 302	Unit 506
Unit 303	Unit 507
Unit 304	Unit 508
Unit 305	Unit 601
Unit 306	Unit 603
Unit 401	Unit 604
Unit 401A	Unit 605
Unit 402	Unit 608

000253

6-243

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 24th day of January, 1990.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III (SEAL)
John Anthony Fisher, III
President

ATTEST:

Jeanette K. Fisher
Corporate Secretary



John Anthony Fisher, III (SEAL)
John Anthony Fisher, III,
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official seal, this the 24th day of January, 1990.

Elizabeth W. Meyer
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that John Anthony Fisher, III and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official seal, this the 24th day of January, 1990.

Elizabeth W. Meyer
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY
The foregoing certificate of Elizabeth W. Meyer
a Notary Public () of the
State and County designated, is (are) certified to
be correct.
This 24 day of JAN, 19 90
Frank H. Jansel
Register of Deeds

Filed for registration on the 24 day of JAN
19 90 at 11:30 o'clock A.M., and registered and
verified on the 24 day of JAN 19 90
In Book No. CO-6 of page 242
Frank H. Jansel
Register of Deeds, Transylvania County

6-246

Prepared by: George T. Perkins, III

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration, Phase III consists of two buildings. The first building and Units 601, 604 and 605 of the second building have been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINNING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28° 11' West 71.06 ft.; N. 27° 05' West 49.96 ft.; North 87° 00' West 35.0 ft.; North 69° 18' West 41.30 ft. to the said point of BEGINNING and running thence South 15° 00' West 45.0 ft.; thence North 82° 48' West 158.85 ft. to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2° 42' West 42.55 ft.; North 11° 19' East 25.5 ft.; North 26° 34; East 38.15 ft.; thence South 81° 35' East 107.62 ft. to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23° 14' East 41.76 ft.; South 47° 38' East 35.52 ft. to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987. Reference is hereby made to a plat recorded in Plat File 4, slide 52 for a more complete description of Building Six and the rest of the Toxaway Views Condominiums complex.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 4, slides 35 through 51 in the Transylvania County Registry, except as modified by plans previously filed in regard to Unit 6 and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A" which was filed with his certificate of completion and is recorded in Plat File 4, slide 60. Units 601 and 602 are on the first level; 603 and 604 are on the second level; 605 and 606 are on the third level; and 607 and 608 are on the fourth level. With the exception of Units 601, 603, 604, 605 and 608 (which have been previously dedicated) and 602 which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/35th undivided interest for each Unit

- | | |
|-----------|----------|
| Unit 101 | Unit 403 |
| Unit 102 | Unit 404 |
| Unit 103 | Unit 405 |
| Unit 104 | Unit 406 |
| Unit 201 | Unit 501 |
| Unit 202 | Unit 502 |
| Unit 203 | Unit 503 |
| Unit 204 | Unit 504 |
| Unit 301 | Unit 505 |
| Unit 302 | Unit 506 |
| Unit 303 | Unit 507 |
| Unit 304 | Unit 508 |
| Unit 305 | Unit 601 |
| Unit 306 | Unit 602 |
| Unit 401 | Unit 603 |
| Unit 401A | Unit 604 |
| Unit 402 | Unit 605 |
| | Unit 608 |

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of

000122

6-247

Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 5th day of February, 1990.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III (SEAL)
John Anthony Fisher, III
President

ATTEST:

Jeanette K. Fisher
Corporate Secretary

John Anthony Fisher, III (SEAL)
John Anthony Fisher, III,
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, Inc., a North Carolina corporation, and that by authority duly given and as the act of teh Corporation, the foregoing instrument was signed in its name by its President, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official seal, this the 5th day of February, 1990.

Elizabeth W. Mize
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that John Anthony Fisher, III and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official seal, this the 5th day of February, 1990.

Elizabeth W. Mize
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY

The foregoing certificate of ELIZABETH W. MIZE
a Notary Public () of the
State and County designated, is (are) certified to
be correct.

This 5 day of Feb, 1990

Fred Helmsch
Register of Deeds

Filed for registration on the 5 day of Feb
1990 at 4:30 o'clock P.M. and registered and
verified on the 5 day of Feb 1990
In Book No. 10 of page 246
Fred Helmsch
Register of Deeds, Transylvania County

PREPARED BY: TOXAWAY VIEWS, INC

6-252

6-248

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation), Section 7 ("Recreational Facilities") of the Declaration is amended by adding the following:

The Declarant has constructed, and brought within the condominium as a General Common Areas, a tennis court.

Notwithstanding the 104 unit threshold above, the Declarant shall, at its own expense, and with all reasonable dispatch, construct and bring within the condominium, as a General Common Area, a swimming pool and all attendant areas including concrete deck, fence, heating system, pumphouse, manmade waterfall, landscaping and retaining walls. The pool shall be of gunite construction and shall be constructed by a properly licensed pool contractor which provides a warranty, with a building permit and constructed in accordance with specifications of the insurance industry. The pool shall be reasonably comparable to that of like condominiums in the immediate area. Declarant shall exercise reasonable discretion with respect to construction of the pool, keeping in mind the general status and aesthetics of the condominium. With respect to said pool, Declarant shall only construct same as detailed above; the Association shall be responsible for and pay for any and all obligations and costs beyond the initial construction of the pool and attendant areas including, but not limited to, periodic or regular repairs, up-keep and maintenance.

The Association agrees to and shall: maintain the pool and attendant area in conformity with general appearance standards set forth in this Declaration and in

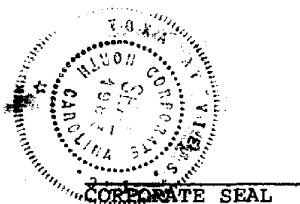
000423

6. 253
6-249

compliance with any applicable safety and sanitation standards, with maintenance being performed by a licensed pool service company; maintain "no diving" signs and not allow a diving board; maintain adequate insurance; maintain the pool at a minimum temperature of 75 degrees Fahrenheit, or such greater temperature as the Association's Board of Directors may so determine, and keep the pool open at such times (i.e. months and hours as the Association's Board of Directors shall determine; maintain the pool in a pleasing manner with no debris or unsightliness and not allow trash to accumulate nor allow broken, damaged, or unsightly or poorly constructed lawn furniture, it being understood that the pool area and any items therein shall be in keeping with the standards and aesthetic considerations of existing structures of the condominium. The Association agrees that it shall not abandon the pool and the attendant areas and that, at no time prior to completion of Phase XII, shall the pool be closed permanently, covered up (except to winterize), or filled in.

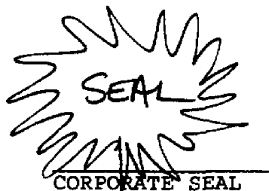
Amendment agreed to and adopted this 3rd day of February, 1990, and accepted by Declarant in consideration of the covenants of the Association set forth above.

DECLARANT, TOXAWAY VIEWS, INC



John G. Fish
PRESIDENT
Janette Fisher
SECRETARY

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



John G. Fish
PRESIDENT
Janette Fisher
SECRETARY

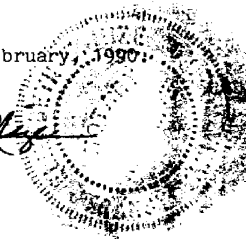
6-254
6-250

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, a Notary Public, of said State and County, do hereby certify that John Anthony Fisher, III personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation, and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 3rd day of February, 1990.

Elizabeth W. Mize
NOTARY PUBLIC



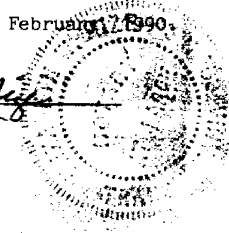
My Commission expires: 2/4/92.

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, a Notary Public, of said State and County, do hereby certify that John Anthony Fisher, III personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION, a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation, and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 3rd day of February, 1990.

Elizabeth W. Mize
NOTARY PUBLIC



My Commission expires: 2/4/92.

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing Certificate of ELIZABETH W. MIZE, a Notary Public, is certified to be correct. This instrument was presented for registration and recorded in this Office in Book CO 6, page 248.

This the 6 day of Feb, 1990 at 4:00 o'clock, P. M.

Fred W. Daniel
REGISTER OF DEEDS.

6-255

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on February 3, 1990.



TOXAWAY VIEWS HOMEOWNERS ASSOCIATION

John G. Fisher III
PRESIDENT
Jeanette Fisher
SECRETARY

STATE OF NORTH CAROLINA - COUNTY OF TRANSYLVANIA
I, a notary public of the County and State aforesaid, certify that Jeanette Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, a North Carolina corporation, and that the foregoing instrument was executed by her as Secretary and as the act of the corporation, the foregoing instrument was executed in its name by its President, sealed with its corporate seal and attested by its Secretary. WITNESS my hand and official seal, this the 14th day of February, 1990.

My commission expires: 2/4/92

Elizabeth W. [Signature]
Notary Public



6-304

Prepared by: George T. Perkins, III

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE III

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration, Phase III consists of two buildings. The first building and Units 601, 604 and 605 of the second building have been previously submitted.

1. BUILDING LOCATION: Building 6 is located on .35 acres situated as follows:

BEGINING at a point in the center of a road, located the following four calls from an iron pipe (said pipe being corner number 15 of the property of Toxaway Views, Inc. as shown on a plat by William Leonard, RLS, numbered RE-D2-83-207); North 28° 11' West 71.06 ft.; N. 27° 05' West 49.96 ft.; North 87° 00' West 35.0 ft.; North 69° 18' West 41.30 ft. to the said point of BEGINNING and running thence South 15° 00' West 45.0 ft.; thence North 82° 48' West 158.85 ft. to a point in the center of a roadway; thence with the center of the roadway, three calls as follows: North 2° 42' West 42.55 ft.; North 11° 19' East 25.5 ft.; North 26° 34' East 38.15 ft.; thence South 81° 35' East 107.62 ft. to a point in the center of the road first above mentioned; thence with the center of said road, two calls as follows: South 23° 14' East 41.76 ft.; South 47° 38' East 35.52 ft. to the point of BEGINNING. Survey by William Leonard, RLS, done in October, 1987. Reference is hereby made to a plat recorded in Plat File 4, slide 52 for a more complete description of Building Six and the rest of the Toxaway Views Condominiums complex.

2. BUILDING DESCRIPTION: Building 6 is a wood and stone structure containing eight living units, arranged two per level on each of four levels. Building 6 is built as shown on the plans previously filed in Plat File 4, slides 35 through 51 in the Transylvania County Registry, except as modified by plans previously filed in regard to Unit 6 and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A" which was filed with his certificate of completion and is recorded in Plat File 4, slide 73. Units 601 and 602 are on the first level; 603 and 604 are on the second level; 605 and 606 are on the third level; and 607 and 608 are on the fourth level. With the exception of Units 601, 602, 603, 604, 605 and 608 (which have been previously dedicated) and 606 which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications. Building 6 is built on a slope with a masonry crawl space below the floor of the first living level. The developer reserves the right to install basements for the two bottom living spaces and to include said spaces in future supplementary declarations.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase III as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 6. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/36th undivided interest for each Unit

- | | |
|-----------|----------|
| Unit 101 | Unit 404 |
| Unit 102 | Unit 405 |
| Unit 103 | Unit 406 |
| Unit 104 | Unit 501 |
| Unit 201 | Unit 502 |
| Unit 202 | Unit 503 |
| Unit 203 | Unit 504 |
| Unit 204 | Unit 505 |
| Unit 301 | Unit 506 |
| Unit 302 | Unit 507 |
| Unit 303 | Unit 508 |
| Unit 304 | Unit 601 |
| Unit 305 | Unit 602 |
| Unit 306 | Unit 603 |
| Unit 401 | Unit 604 |
| Unit 401A | Unit 605 |
| Unit 402 | Unit 606 |
| Unit 403 | Unit 608 |

002634

6-305

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase III to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 12th day of July, 1990.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher, III (SEAL)
John Anthony Fisher, III
President

ATTEST:
Jeanette K. Fisher
Corporate Secretary

John Anthony Fisher, III (SEAL)
John Anthony Fisher, III,
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official seal, this the 12th day of July, 1990.

Elizabeth W. Meigs
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of said state and county, do hereby certify that John Anthony Fisher, III and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official seal, this the 12th day of July, 1990.

Elizabeth W. Meigs
Notary Public

My commission expires: 2-4-92

STATE OF NORTH CAROLINA-TRANSYLVANIA COUNTY

The foregoing certificate of Elizabeth W. Meigs
a Notary Public () of the
State and County designated, is (are) certified to
be correct,

This 12 day of July, 1990

Frank H. Small
Register of Deeds

Filed for registration on the 12 day of July
19 90 at 11:30 o'clock A.M. and registered and
verified on the 12 day of July 1990
In Book No. 64 of page 304

Frank H. Small
Register of Deeds, Transylvania County

6-339

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation).

Section 3 is amended such that the fifth, sixth and seventh sentences (beginning "The balance" and ending "on each floor.") are deleted, and in their place is inserted the following:

The balance of the property may contain as many as twenty-nine condominium buildings, compatible in design with the original two buildings of Phase 1.

Amendment agreed to and adopted this 30th day of April, 1985, and accepted by Declarant in consideration of the covenants of the Association set forth above.

004574

DECLARANT, TOXAWAY VIEWS, INC

John Anthony Fisher III
PRESIDENT

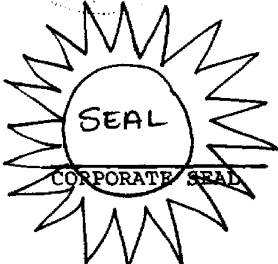
Walter K. Tucker
SECRETARY



TOXAWAY VIEWS HOMEOWNERS ASSOCIATION

John Anthony Fisher III
PRESIDENT

Walter K. Tucker
SECRETARY



6-340

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION described in and which executed the foregoing instrument; that he knows the common seal of said Association and that the seal affixed to the foregoing instrument is said common seal; that the name of the Association was subscribed thereto by him as its President; that the said President and Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Association; and that the said instrument is the act and deed of said Association.

WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

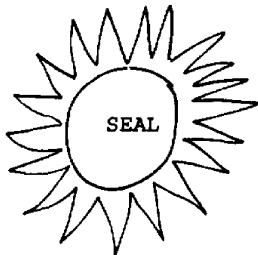
My Commission expires: 9-28-91

6-341

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on APRIL 30TH, 1985.

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



Joh. Anthony Fisher, III
PRESIDENT

Jeanette K. Fisher
SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, 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, sealed with its corporate seal and attested by her as its Secretary. WITNESS my hand and official seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My commission expires: 9-28-91

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of Jewell B. Webb

Notar(y) (ies) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book C06, Page 334

This 24 day of October, 1985, at 4:00 o'clock P.M.

J. H. Spaul
Register of Deeds

By: _____
Register of Deeds

6-334

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation),

Section 4 is amended such that its first sentence is deleted, and in its place is inserted the following:

Each building in Phase I contains four units, connected to one another by common walls or floors or ceilings.

Amendment agreed to and adopted this 30th day of April, 1985, and accepted by Declarant in consideration of the covenants of the Association set forth above.

004572

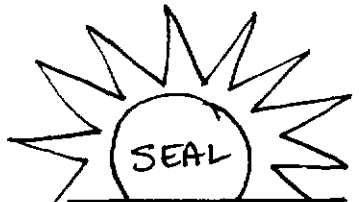
DECLARANT, TOXAWAY VIEWS, INC

John Anthony Fisher III
PRESIDENT
Janet K. Fisher
SECRETARY



TOXAWAY VIEWS HOMEOWNERS ASSOCIATION

John Anthony Fisher III
PRESIDENT
Janet K. Fisher



6-335

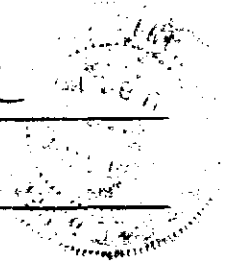
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91



STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION described in and which executed the foregoing instrument; that he knows the common seal of said Association and that the seal affixed to the foregoing instrument is said common seal; that the name of the Association was subscribed thereto by him as its President; that the said President and Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Association; and that the said instrument is the act and deed of said Association.

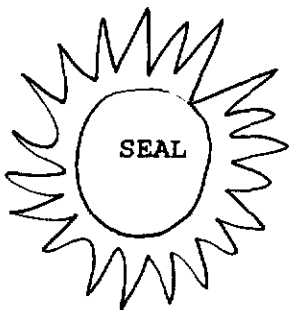
WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

6-336

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on 30TH of APRIL, 1985.

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



Jeanette K. Fisher
PRESIDENT
Jeanette K. Fisher
SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, 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, sealed with its corporate seal and attested by her as its Secretary. WITNESS my hand and official seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My commission expires: 9-28-91

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA
The foregoing certificate _____ of Jewell B. Webb

6-330

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation),

Section 2 ("Definitions:") of the Declaration is amended by adding the following, after subpart (Q):

(R) Special Commercial Area Such portion of the Condominium Property as may be set aside by the Declarant (with the consent of a two-thirds majority of the members of the Association) for non-residential use.

Amendment agreed to and adopted this 30th day of April 1985, and accepted by Declarant in consideration of the covenants of the Association set forth above.

DECLARANT, TOXAWAY VIEWS, INC


PRESIDENT


SECRETARY


CORPORATE SEAL

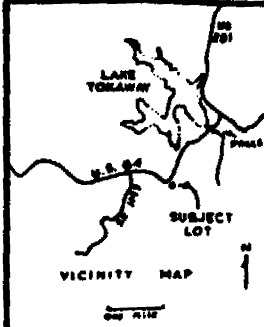
TOXAWAY VIEWS HOMEOWNERS ASSOCIATION


PRESIDENT

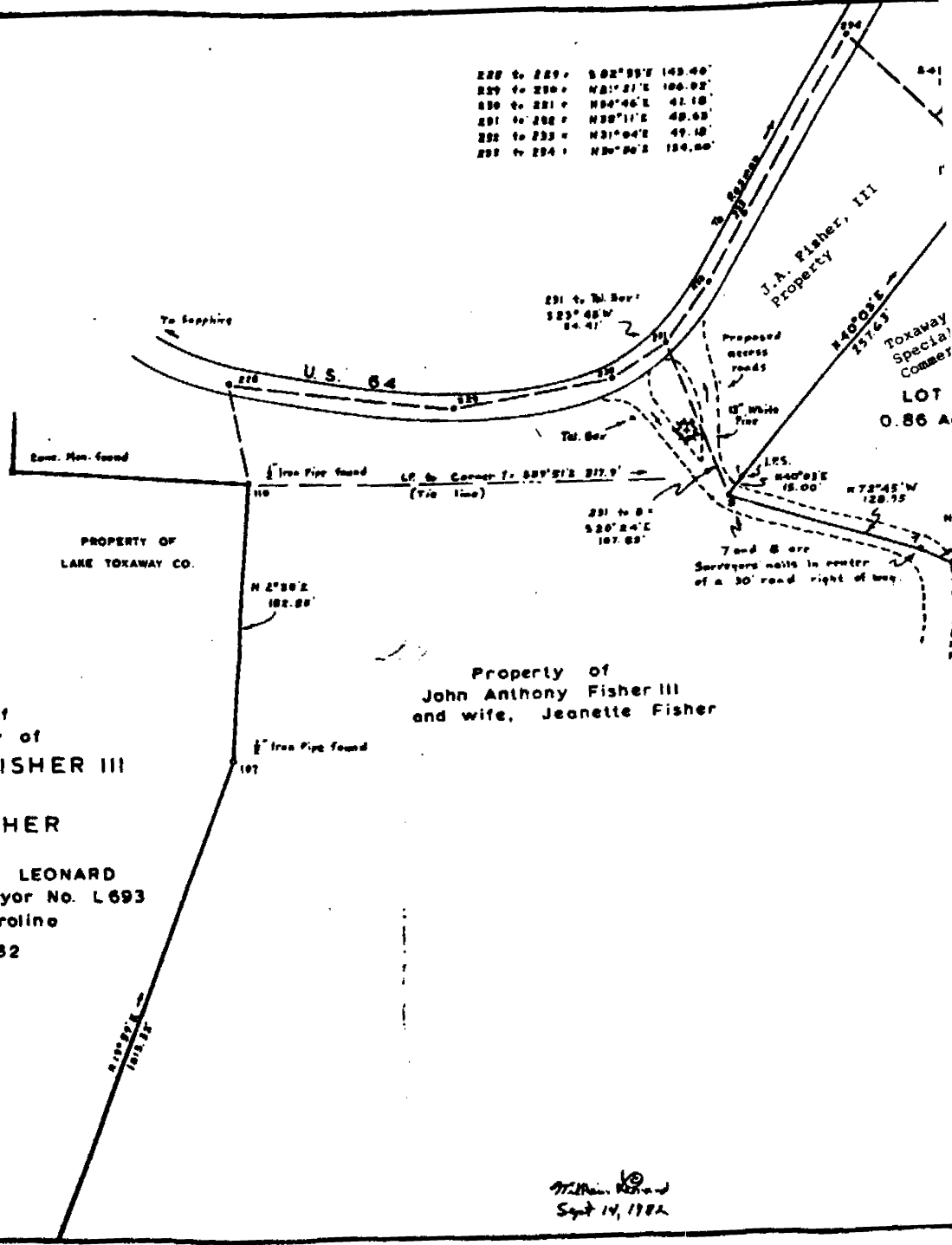
001571



6-331



227 to 229	S 82° 59' E	143.40'
229 to 230	N 21° 21' E	100.02'
230 to 231	N 50° 46' E	41.18'
231 to 232	N 33° 11' E	49.63'
232 to 233	N 31° 04' E	49.18'
233 to 234	N 30° 06' E	134.00'



Map of a Survey of
 A Portion of Property of
JOHN ANTHONY FISHER III
 and wife
JEANETTE FISHER

Surveyed by **WILLIAM LEONARD**
 N.C. Registered Land Surveyor No. L693
 Brevard, North Carolina
 September 14, 1982

SCALE 1"=50'

W. Leonard
 Sept 14, 1982

6-332

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION described in and which executed the foregoing instrument; that he knows the common seal of said Association and that the seal affixed to the foregoing instrument is said common seal; that the name of the Association was subscribed thereto by him as its President; that the said President and Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Association; and that the said instrument is the act and deed of said Association.

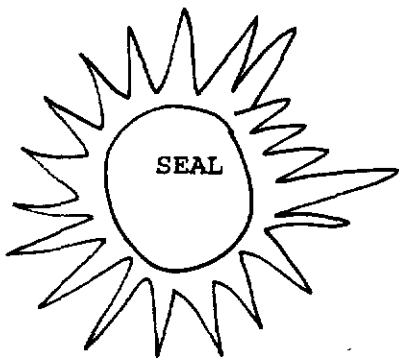
WITNESS my hand and Notarial Seal, this the 30TH day of APRIL, 1985.

6-333

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on APRIL 30TH, 1985.

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



John Anthony Fisher III
PRESIDENT

Jeanette K. Fisher
SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, 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, sealed with its corporate seal and attested by her as its Secretary. WITNESS my hand and official seal, this the 30TH day of APRIL, 1985.

Jewel B. Webb
Notary Public

My commission expires: 9-28-91

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA
The foregoing certificate _____ of *Jewel B. Webb*

6-327

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

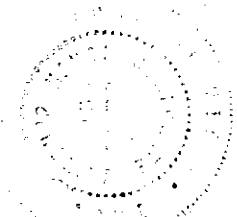
As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation),

Section 8 is amended such that in the second sentence of the second paragraph, the word "manner" is deleted, and in its place is inserted the word "style". The third sentence in that same second paragraph is amended such that the words "forty per cent (40%)" are deleted and in their place is inserted the words "six-tenths per cent (.6%)".

Amendment agreed to and adopted this 30th day of April, 1985, and accepted by Declarant in consideration of the covenants of the Association set forth above.

004570

DECLARANT, TOXAWAY VIEWS, INC



CORPORATE SEAL

John Anthony Fisher III
PRESIDENT

Deborah K. Fisher
SECRETARY

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



John Anthony Fisher III
PRESIDENT

6-328

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jewell B. Webb, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 30th day of APRIL, 1985.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jewell B. Webb, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION described in and which executed the foregoing instrument; that he knows the common seal of said Association and that the seal affixed to the foregoing instrument is said common seal; that the name of the Association was subscribed thereto by him as its President; that the said President and Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Association; and that the said instrument is the act and deed of said Association.

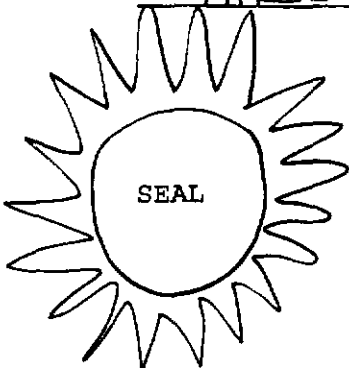
WITNESS my hand and Notarial Seal, this the 30th day of APRIL, 1985.

6-329

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on APRIL 30TH, 1985.

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



John Anthony Fisher III
PRESIDENT
Jeanette K. Fisher
SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, 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, sealed with its corporate seal and attested by her as its Secretary. WITNESS my hand and official seal, this the 30TH day of APRIL, 1985.

Jewell B. Webb
Notary Public

My commission expires:

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of *Jewell B. Webb*

6-323

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation),

Section 9 ("Restrictions Against Further Subdivision of Condominium Units; Separate Conveyance of Appurtenant Common Property Prohibited :) of the Declaration is amended by adding the following:

No Condominium Unit may be divided or subdivided into a smaller Unit or Units than as shown in the Unit Ownership File. Doors or other closures may be added to provide access from one Unit to another provided that the written approval of the Association is first obtained as to the location and structural soundness thereof. The undivided interest in the Common Areas and Facilities declared to be an appurtenance to each Condominium Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Condominium Unit, except that the Developer shall be able to mortgage the site *i.e. foundation location extended thirty feet outward) of new buildings, prior to completion and submission to condominium ownership of such buildings, such mortgage to be converted into one on the building's units (and their appropriately calculated common interest upon the building's completion and submission to the condominium form of ownership; and except as just provided the undivided interest in Common Areas and Facilities appurtenant to each Condominium Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Condominium Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Condominium Units. Except as just provided, as to the Developer, any conveyance, mortgage or other

004569

6-324

shall be null and void insofar as it purports to affect any interest in a Condominium Unit and its appurtenant undivided interest in Common Areas and Facilities, unless it purports to convey, devise, or encumber the entire Condominium Unit. Any instrument conveying, devising, or encumbering any Condominium Unit, which described said Condominium Unit by the numerical designation assigned thereto in the Unit Ownership File shall be construed to affect the entire Condominium Unit and its appurtenant undivided interest in the Common Areas and Facilities. No limitation is placed on the ownership of any Condominium Unit by any person as tenants in common, joint tenants, or as tenants by the entireties; but any attempt, whether by deed, devise, or otherwise, to create a periodic tenancy in any Condominium Unit (whether so called, or called "time sharing," or "interval ownership" or any other term for recurring periodic fee ownership) shall be void, invalid and null, as such tenancy is specifically hereby prohibited.

Amendment agreed to and adopted this 29th day of June, 1984, and accepted by Declarant in consideration of the covenants of the Association set forth above.

DECLARANT, TOXAWAY VIEWS, INC



John Anthony Fisher III

PRESIDENT
Vanetta K. Fisher

SECRETARY

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



John Anthony Fisher III

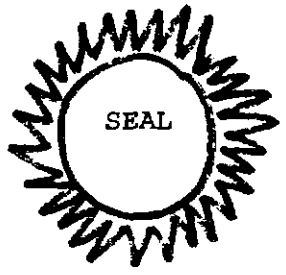
PRESIDENT
Vanetta K. Fisher

6-325

CERTIFICATION

The undersigned, being the President and Secretary of Toxaway Views Homeowners Association, a North Carolina not for profit corporation, do hereby certify, swear, and state that the attached "Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views Phase I" is the true and accurate original of said Amendment, same having been duly adopted and executed by Toxaway Views Homeowners Association and Toxaway Views, Inc. on JUNE 29TH, 1984.

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION



Josh L. Fisher III
PRESIDENT
Jeanette K. Fisher
SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, a notary public of the County and State aforesaid, certify that Jeanette K. Fisher personally came before me this day and acknowledged that she is the Secretary of Toxaway Views Homeowners Association, 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, sealed with its corporate seal and attested by her as its Secretary. WITNESS my hand and official seal, this the 29th day of JUNE, 1984.

Jewel B. Webb
Notary Public

My commission expires: 9-28-91



6 - 324

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 29th day of JUNE, 1984.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, JEWELL B. WEBB, a Notary Public of said State and County, do hereby certify that John Anthony Fisher, III, personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION described in and which executed the foregoing instrument; that he knows the common seal of said Association and that the seal affixed to the foregoing instrument is said common seal; that the name of the Association was subscribed thereto by him as its President; that the said President and Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Association; and that the said instrument is the act and deed of said Association.

WITNESS my hand and Notarial Seal, this the 29th day of JUNE, 1984.

Jewell B. Webb
Notary Public

My Commission expires: 9-28-91

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of Jewell B. Webb

PREPARED BY: TOXAWAY VIEWS, INC

6- 248

AMENDMENT TO
DECLARATION CREATING UNIT OWNERSHIP
AND ESTABLISHING RESTRICTIONS,
COVENANTS, AND CONDITIONS
FOR TOXAWAY VIEWS, PHASE I

As provided for in the Declaration Creating Unit Ownership and establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (hereinafter the "Declaration"), and the By-Laws of Toxaway Views Homeowners Associations (hereinafter the "Association" a North Carolina non-profit corporation), Section 7 ("Recreational Facilities:") of the Declaration is amended by adding the following:

The Declarant has constructed, and brought within the condominium as a General Common Areas, a tennis court.

Notwithstanding the 104 unit threshold above, the Declarant shall, at its own expense, and with all reasonable dispatch, construct and bring within the condominium, as a General Common Area, a swimming pool and all attendant areas including concrete deck, fence, heating system, pumphouse, manmade waterfall, landscaping and retaining walls. The pool shall be of granite construction and shall be constructed by a properly licensed pool contractor which provides a warranty, with a building permit and constructed in accordance with specifications of the insurance industry. The pool shall be reasonably comparable to that of like condominiums in the immediate area. Declarant shall exercise reasonable discretion with respect to construction of the pool, keeping in mind the general status and aesthetics of the condominium. With respect to said pool, Declarant shall only construct same as detailed above; the Association shall be responsible for and pay for any and all obligations and costs beyond the initial construction of the pool and attendant areas including, but not limited to, periodic or regular repairs, up-keep and maintenance.

The Association agrees to and shall: maintain the pool and attendant area in conformity with general appearance standards set forth in this Declaration and in

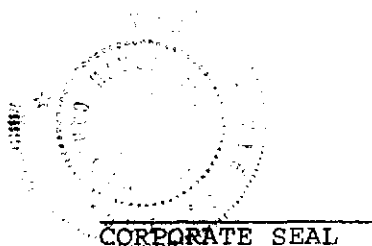
000-123

6-249

compliance with any applicable safety and sanitation standards, with maintenance being performed by a licensed pool service company; maintain "no diving" signs and not allow a diving board; maintain adequate insurance; maintain the pool at a minimum temperature of 75 degrees Fahrenheit, or such greater temperature as the Association's Board of Directors may so determine, and keep the pool open at such times (i.e. months and hours as the Association's Board of Directors shall determine; maintain the pool in a pleasing manner with no debris or unsightliness and not allow trash to accumulate nor allow broken, damaged, or unsightly or poorly constructed lawn furniture, it being understood that the pool area and any items therein shall be in keeping with the standards and aesthetic considerations of existing structures of the condominium. The Association agrees that it shall not abandon the pool and the attendant areas and that, at no time prior to completion of Phase XII, shall the pool be closed permanently, covered up (except to winterize), or filled in.

Amendment agreed to and adopted this 3rd day of February, 1990, and accepted by Declarant in consideration of the covenants of the Association set forth above.

DECLARANT, TOXAWAY VIEWS, INC



Bob Gatt Fish
PRESIDENT

Janette L. Fisher
SECRETARY

TOXAWAY VIEWS HOMEOWNERS ASSOCIATION

Bob Gatt Fish
PRESIDENT

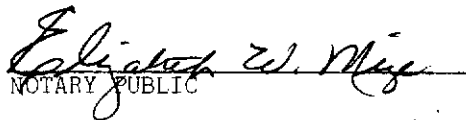
3 SEALS

C-250

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, a Notary Public, of said State and County, do hereby certify that John Anthony Fisher, III personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS, INC. (the declarant) a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation, and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 3rd day of February, 1990.

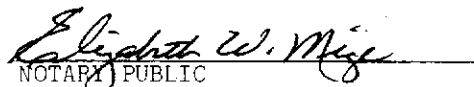

NOTARY PUBLIC

My Commission expires: 2/4/92.

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, a Notary Public, of said State and County, do hereby certify that John Anthony Fisher, III personally came before me this day and acknowledged that he is the President and that Jeanette K. Fisher is the Corporate Secretary of TOXAWAY VIEWS HOMEOWNERS ASSOCIATION, a Corporation described in and which executed the foregoing instrument; that he knows the common seal of said Corporation, and that the seal affixed to the foregoing instrument is said common seal; that the name of the Corporation was subscribed thereto by him as its President; that the said President and Corporate Secretary subscribed their names thereto and the said common seal was affixed all by order of the Board of Directors of said Corporation; and that the said instrument is the act and deed of said Corporation.

WITNESS my hand and Notarial Seal, this the 3rd day of February, 1990.


NOTARY PUBLIC

My Commission expires: 2/4/92.

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

6-251

EXHIBIT A

Pursuant to N.C.G.S. 47-36.1, the undersigned attorney hereby certifies that he was one of the draftsman of the original instrument which is recorded in Book CD 6 at page 248, Transylvania County Registry. The instrument contained an error in that the Certification was omitted and whereas it should have correctly been attached to and made a part of the said Amendment to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Veivs, Phase I.

GEORGE T. PERKINS, III
Attorney at Law

By:

G+T PERKINS
George T. Perkins, III
P.O. Box 427
Brevard, NC 28712

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Elizabeth W. Mize, a Notary Public, do hereby certify that George T. Perkins, III, attorney at law, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal, this the 15th day of Feb.

Elizabeth W. Mize
Notary Public



My commission expires: 2/4/92

000544

Filed for registration on the 16 day of Feb
19 98 at 9:15 o'clock A M, and registered and
verified on the 16 day of Feb 19 98
In Book No. CO 6 of page 251
Fred H. Israel

Prepared by George T. Perkins, III

G.P.

6-352



SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE IV

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase IV consists of two buildings. Only one unit (701) of one building is completed and is hereby submitted to the Condominium as contemplated in Section 8 of the initial Declaration of Unit Ownership as recorded in Condominium Book 4 at page 42.

1. BUILDING LOCATION: Building 7 is located on as follows:

BEGINNING at n iron pipe said, said iron pipe being located South 8 deg. 35 min. West 28.33 feet from another iron pipe, said iron pipe being Corner No. 12 as shown on a plat prepared by William M. Leonard, RLS, said plat being located in Plat File 2, Slide 290. From said Beginning point and with the line of Fisher, South 8 deg. 35 min. West 160.24 feet to an iron pipe, said iron pipe being Corner No. 13 (as shown on the above mentioned plat); thence continuing with the line of Fisher, South 54 deg. 34 min. West 63.35 feet, said iron pipe being Corner No. 14 (as shown on the above mentioned plat); thence leaving the line of Fisher, North 39 deg. 05 min. West 100.73 feet to an iron pipe; thence North 78 deg. 00 min. West 46.0 feet to an iron pipe; thence North 13 deg. 11 min. East 115.08 feet to an iron pipe; thence South 78 deg. 00 min. East 157.00 feet to the BEGINNING. Reference is hereby made to a plat recorded in Plat File 4, Slide 453 for a more complete description of Building 7 (denominated as Unit I on the plat) and the rest of the Toxaway Views Condominiums complex.

2. BUILDING DESCRIPTION: Building 7 is a wood and stone structure containing six living units, arranged two per level on each of three levels. The fourth (top) level has been omitted, it being the intention of the developer to include said attic space in future declarations.

Building 7 as built is identical to the plans previously filed in Plat File 3, Slide 24, except as otherwise noted and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit A, which was filed with his certificate of completion and is recorded in Plat File 4, Slide 454. Units 701 and 702 will be on the first level; 703 and 704 will be on the second level; 705 and 706 will be on the third level. With the exception of Unit 701, which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications.

Building 7 is built on a slope, and below the floor of the first living level the developer has installed four garage spaces. These garage spaces are hereby defined to be limited common areas, as that term is itself defined in the original Declaration of Unit Ownership. The exclusive right to use any particular garage space shall be assigned initially by the developer to a unit owner, and that right to use shall thereafter be assignable by that unit owner to any other unit owner, and so forth. Having such an assignment will vest the holder thereof with the right to treat the garage space as limited common area appurtenant to that unit owner's condominium unit. No person who is not the owner of a unit at Toxaway Views shall be eligible to hold an assignment of the right to use any limited common area, including these garage spaces.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase IV as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 7. Pending further instructions, the appurtenant common interests are hereby amended to be as follows: Being a 1/38th undivided interest for each unit.

003127

UNIT #	UNIT #	UNIT #	UNIT #	UNIT#	UNIT #
101	203	305	404	504	602
102	204	306	405	505	603
103	301	401	406	506	604
104	302	401A	501	507	605
201	303	402	502	508	606
202	304	403	503	601	607
					608
					701

6-353

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase IV to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 18th day of June, 1992.

TOXAWAY VIEWS, INC.

By: John Anthony Fisher III (SEAL)
John Anthony Fisher, III,
President

ATTEST:

(CORPORATE SEAL)

Janette K. Fisher
Corporate Secretary

John Anthony Fisher III (SEAL)
John Anthony Fisher, III
Jeanette K. Fisher (SEAL)
Jeanette K. Fisher

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Janice H. Pinson, a Notary Public of said state and county, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official stamp or seal, this 18th day of June, 1992.

My Commission expires: 11-15-94

Janice H. Pinson
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Janice H. Pinson, a Notary Public of said state and county, do hereby certify that John Anthony Fisher and wife, Jeanette K. Fisher, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. WITNESS my hand and official stamp or seal, this 18th day of June, 1992.

My Commission expires: 11-15-94

Janice H. Pinson
Notary Public

The foregoing Certificate of Janice H. Pinson is certified to be correct. This instrument was presented for registration this 18 day of June, 1992 at 4:45 P.M. and duly recorded in the office of the Register of Deeds of Transylvania County, North Carolina in Book 60, Page 352

This the 18 day of June, 1992.

Vickie L. Edwards
REGISTER OF DEEDS FOR TRANSYLVANIA COUNTY

By: Cindy M. Cowbey
Deputy Assistant - Register of Deeds

6-374

Prepared by: George T. Perkins, III

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE IV

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase IV consists of two buildings. Three units (701, 703, 704) have been previously submitted to the Condominium as contemplated in Section 8 of the Declaration of Unit Ownership as recorded in Condominium Book 4, page 42.

1. BUILDING LOCATION: Building 7 is located on as follows:

BEGINNING at an iron pipe said, iron pipe being located South 8 deg. 35 min. West 28.33 feet from another iron pipe, said iron pipe being Corner No. 12 as shown on a plat prepared by William M. Leopard, RLS, said plat being located in Plat File 2, Slide 290. From said beginning point and with the line of Fisher, South 8 deg. 35 min. West 160.24 feet to an iron pipe, said iron pipe being Corner No. 13 (as shown on the above mentioned plat); thence continuing with the line of Fisher, South 54 deg. 34 min. West 63.35 feet, said iron pipe being corner No. 14 (as shown on the above mentioned plat); thence leaving the line of Fisher, North 39 deg. 05 min. West 100.73 feet to an iron pipe; thence North 78 deg. 00 min. West 46.0 feet to an iron pipe; thence North 13 deg. 11 min. East 115.08 feet to an iron pipe; thence South 78 deg. 00 min. East 157.00 feet to the BEGINNING. Reference is hereby made to a plat recorded in Plat file 4, Slide 453 for a more complete description of Building 7 (denominated as Unit 1 on the plat) and the rest of the Toxaway Views Condominium Complex.

1. BUILDING DESCRIPTION: Building 7 is a wood and stone structure containing six living units, arranged two per level on each of three levels. The fourth (top) level has been omitted, it being the intention of the developer to include said attic space in future declarations.

Building 7 as build is identical to the plans previously filed in Plat File 3, Slide 24, except as otherwise noted and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A", which is filed with his certificate of completion and is recorded in Plat File 5, Slide 129. Units 701 and 702 will be on the first level; 703 and 704 will be on the second level; 705 and 706 will be on the third level. With the exception of Unit 701, 703 and 704, which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications.

Building 7 is built on a slope, and below the floor of the first living level the developer has installed four garage spaces. These garage spaces are hereby defined to be limited common areas, as that term is itself defined in the original Declaration of Unit Ownership. The exclusive right to use any particular garage space be assigned initially by the developer to a unit owner, and that right to use shall thereafter be assignable by that unit owner to any other unit owner, and so forth. Having such an assignment will vest the holder thereof with the right to treat the garage space as limited common area appurtenant to that unit owner's condominium unit. No person who is not the owner of a unit at Toxaway Views shall be eligible to hold an assignment of the right to use any limited common area, including these garage spaces.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase IV as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 7. Pending further instructions, the appurtenant common interest are hereby amended to be as follows: Being a 1/41st undivided interest for each unit.

UNIT#	UNIT#	UNIT#	UNIT#	UNIT#	UNIT#
101	204	401	501	508	607
102	301	401A	502	601	608
103	302	402	503	602	701
104	303	403	504	603	703
201	304	404	505	604	704
202	305	405	506	605	706
203	306	406	507	606	

005170

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase IV to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 29th day of September, 1993.

TOXAWAY VIEWS, INC.
By: John Anthony Fisher, III (SEAL)
President

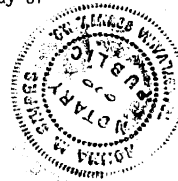


Jeanette K. Fisher
Corporate Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Ronna M. Snipes, a Notary Public of said State and County, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, 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 and by its President, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official stamp or seal, this 29th day of September, 1993.

Ronna M. Snipes
Notary Public



My Commission expires:
12/18/95

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA
The foregoing certificate of Ronna M. Snipes

Notar(y) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 66, Page 374
This 29 day of September, 1993 at 3:15 o'clock P.M.

Victoria Edwards
Register of Deeds
By: Cindy M. Dunbar
Deputy Register of Deeds

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE IV

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase IV consists of two buildings. Three units (701, 703, 704) have been previously submitted to the Condominium as contemplated in Section 8 of the Declaration of Unit Ownership as recorded in Condominium Book 4, Page 42.

1. BUILDING LOCATION: Building 7 is located on as follows:

BEGINNING at an iron pipe, said iron pipe being located South 8 deg. 35 min. West 28.33 feet from another iron pipe, said iron pipe being Corner No. 12 as shown on a plat prepared by William M. Leopard, RLS, said plat being located in Plat File 2, Slide 290. From said beginning point and with the line of Fisher, South 8 deg. 35 min. West 160.24 feet to an iron pipe, said iron pipe being Corner No. 13 (as shown on the above mentioned plat); thence Continuing with the line of Fisher, South 54 deg. 34 min. West 63.35 feet, said iron pipe being corner No. 14 (as shown on the above mentioned plat); thence leaving the line of Fisher, North 39 deg. 05 min. West 100.73 feet to an iron pipe; thence North 78 deg. 00 min. West 46.00 feet to an iron pipe; thence North 13 deg 11 min. East 115.08 feet to an iron pipe; thence South 78 deg. 00 min. East 157.00 feet to the BEGINNING. Reference is hereby made to a plat recorded in plat file 4, Slide 453 for a more complete description of Building 7 (denominated as Unit I on the plat) and the rest of the Toxaway Views Condominium Complex.

2. BUILDING DESCRIPTION: Building 7 is a wood and stone structure containing six living units, arranged two per level on each of three levels. The fourth (top) level has been omitted, it being the intention of the developer to include said attic space in future declarations.

Building 7 as build is identical to the plans previously filed in Plat File 3, Slide 24, except as otherwise noted and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A", which is filed with is certificate of completion and is recorded in Plat File 5, Slide 220. Units 701, 702 will be on the first level; 703 and 704 will be on the second level; 705 and 706 will be on the third level. With the exception of Unit 701, 702, 703, 704 and 706, which is hereby dedicated, the remainder of the building is substantially complete, but is not certifiably complete at this point and is not submitted at this time. It is contemplated that the remaining units will have similar modifications.

Building 7 is build on a slope, and below the floor of the first level the developer has installed four garage spaces. These garage spaces are hereby defined to be limited common areas, as that term is itself defined in the original Declaration of Unit Ownership. The exclusive right to use any particular garage space be assigned initially by the developer to a unit owner, and that right to use shall thereafter be assignable by that unit owner to any other unit owner, and so forth. Having such an assignment will vest the holder thereof with the right to treat the garage space as limited common area appurtenant to that unit owner's condominium unit. No person who is not the owner of a unit at Toxaway Views shall be eligible to hold an assignment of the right to use any limited common area, including these garage spaces.

3. INCORPORATION OF CONDOMINIUM PROVISIONS: The rules, regulations, definition sand terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase IV as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional unit in Building 7. Pending further instructions, the appurtenant common interest are hereby amended to be as follows: Being a 1/42nd undivided interest for each unit.

UNIT#	UNIT#	UNIT#	UNIT#	UNIT#	UNIT#
101	204	401	501	508	607
102	301	401A	502	601	608
103	302	402	503	602	701
104	303	403	504	603	702
201	304	404	505	604	703
202	305	405	506	605	704
203	306	406	507	606	706

602800

6-380

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase IV to be executed by its President and sealed with its Corporate Seal, all as the act and deed of the Corporation, this the 28th day of February, 1994.

TOXAWAY VIEWS, INC.

By: *John Anthony Fisher, III* (SEAL)
John Anthony Fisher, III
President

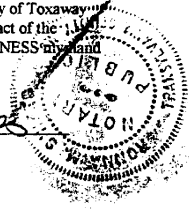


Jeanette K. Fisher
Corporate Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Ronna M. Snipes, a Notary Public of said State and County, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is Corporate Secretary of Toxaway Views, Inc., as North Carolina Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name and by its Secretary. WITNESS my hand and official seal, this the 28th day of February, 1994.

Ronna M. Snipes
Notary Public



My commission expires:
12-18-95

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

The foregoing certificate of *Ronna M. Snipes*
Notary Public is/are certified to be correct. This instrument was prepared for registration and recorded in this Office in Book 66 page 379

This the 28 day of February, 1994 at 4:45 o'clock P.M.

Vicki D. Edwards
Register of Deeds

By: *Cindy M. Dumbey, Deputy*

Prepared by: Richard N. Adams

SUPPLEMENTARY DECLARATION OF UNIT OWNERSHIP FOR TOXAWAY VIEWS, PHASE IV

TOXAWAY VIEWS, INC. does hereby supplement its initial (Phase I) Declaration of Unit Ownership, as contemplated in Part I of the said initial Declaration. Phase IV consists of two buildings. Several units have been completed and now Unit 705 is completed and is hereby submitted to the Condominium as contemplated in Section 8 of the initial Declaration of Unit Ownership as recorded in Condominium Book 4 at Page 42, Transylvania County Registry.

1. BUILDING LOCATION: Building 7 is located as follows:

BEGINNING at an iron pipe, said iron pipe being located South 8 deg. 35 min. West 28.33 feet from another iron pipe, said iron pipe being Corner Number 12 as shown on a plat prepared by William M. Leonard, RLS, said plat being recorded in Plat File 2, Slide 290, Transylvania County Registry. From said beginning point and with the line of Fisher South 8 deg. 35 min. West 160.24 feet to an iron pipe, said iron pipe being Corner Number 13 (see above referenced plat); thence continuing with the line of Fisher South 54 deg. 34 min. West 63.35 feet to an iron pipe, said iron pipe being Corner Number 14 (see above referenced plat); thence leaving the line of Fisher North 39 deg. 05 min. West 100.73 feet to an iron pipe; thence North 78 deg. 00 min. West 46.0 feet to an iron pipe; thence North 13 deg. 11 min. East 115.08 feet to an iron pipe; thence South 78 deg. 00 min. East 157.00 feet to the point and place of BEGINNING. Reference is hereby made to the plat recorded in Plat File 4, Slide 453 for a more complete description of Building 7 (Denominated as Unit 1 on said plat) and the rest of the Toxaway Views Condominium Complex.

2. BUILDING DESCRIPTION: Building 7 is a wood and stone structure containing six living units, arranged two per level on each of the three levels. The fourth (top) level has been omitted, it being the intention of the developer to include said attic space in future declarations.

Building 7 as built is identical to the plans previously filed in Plat File 3, Slide 24, except as otherwise noted and for details pointed out by Architect R. James Alderman in his separate drawing labeled Exhibit "A" which is filed with his certificate of completion and is recorded in Plat File 6, Slide 116. Units 701 & 702 are on the first level; 703 & 704 are on the second level; and 705 & 706 are on the third level. The building is complete.

Building 7 is built on a slope, and below the floor of the first living level the developer has installed four garage spaces. These garage spaces are hereby defined to be limited common areas, as that term is itself defined in the original Declaration of Unit Ownership. The exclusive right to use any particular garage space is assigned initially by the developer to a unit owner, and that right to use shall thereafter be assignable by that unit owner to any other unit owner, and so forth. Having such an assignment will vest the holder thereof with the right to treat the garage space as limited common area appurtenant to that unit owner's condominium unit. No person who is not the owner of a unit at Toxaway Views shall be eligible to hold an assignment of the right to use any limited common area, including these garage spaces.

3. INCORPORATION OF CONDOMINIUM PROVISIONS; The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I (as subsequently amended) are hereby incorporated into this Declaration for Phase IV as if set out word for word herein.

4. REVISION OF COMMON INTERESTS: As contemplated by Part 8 of the initial Declaration, the percentage interests of the various unit owners is hereby revised to take into account the additional units in Building 7. Pending further instructions, the appurtenant common interests are hereby amended to be as follows; Being a 1/43 undivided interest for each unit.

UNIT#	UNIT #	UNIT#	UNIT #	UNIT#	UNIT#
101	301	401	501	601	701
102	302	401-A	502	602	702
103	303	402	503	603	703
104	304	403	504	604	704

201	305	404	505	605	705
202	306	405	506	606	706
203		406	507	607	
204			508	608	

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase IV to be executed by its President and sealed with its Corporate seal, all as the act and deed of the Corporation, this the 9th day of June, 1995.

TOXAWAY VIEWS, INC.

BY: John Anthony Fisher, III (SEAL)
 John Anthony Fisher, III
 President



Jeanette K. Fisher
 Jeanette K. Fisher
 Corporate Secretary



STATE OF NORTH CAROLINA
 COUNTY OF TRANSYLVANIA

I, Marsha M. Henderson, a Notary Public of said State and County, do hereby certify that Jeanette K. Fisher personally appeared before me this day and acknowledged that she is the Corporate Secretary of Toxaway Views, 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 and by its President, sealed with its Corporate Seal, and attested by her as its Secretary. WITNESS my hand and official stamp or seal, this the 9th day of June, 1995.

Marsha M. Henderson
 Notary Public

my commission expire: 8/3/99

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of Marsha M. Henderson
 Notary (y) (ies) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 6, Page 384
 This 9 day of June, 1995, at 3:55 o'clock P.M.

Vickie L. Edwards
 Register of Deeds
 By: John M. Hopper
 Deputy Register of Deeds

6-386

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

ARCHITECT'S CERTIFICATION

I, R. James Alderman, a Registered Architect in the State of North Carolina, No. 3873, do hereby certify that plans previously filed as a part of the "Declaration of Condominium of Toxaway Views Condominiums", found in File 3, Slide 24, and with Exhibit A, recorded in Plat File 6, Slide 116, are full and exact copies of the plans of Building 7, Unit 705, with 'attic', and that from a personal inspection of the premises I further certify that, except for the differences of detail noted on Exhibit A, recorded in Plat File 6, Slide 116, said Unit was actually constructed as shown on the said plans, previously recorded; and that the said plans, as modified by Exhibit A, recorded in Plat File 6, Slide 116, correctly reflect Building 7, Unit 705, with 'attic', Toxaway Views, including but not limited to the layout, location, ceiling and floor elevation, unit number, and size of unit as built.

This the 8th day of June, 1995.

R. James Alderman

Registered Architect

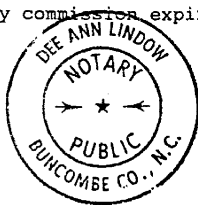
STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Dee Ann Lindow a Notary Public, hereby certify that R. James Alderman personally appeared before me this date and acknowledged the execution of this instrument. This the 8th day of June, 1995.

Dee Ann Lindow

Notary Public

My commission expires: 12/5/95



2006007767
TRANSLYVANIA CO, NC FEE \$26.00
PRESENTED & RECORDED:
09-15-2006 04:56:16 PM
CINDY M OWNBEY
REGISTER OF DEEDS
BY: D REE MCCALL
DEPUTY REGISTER OF DEEDS
BK:DOC 370
PG:40-44

SUPPLEMENTARY DECLARATION OF UNIT
OWNERSHIP FOR TOXAWAY VIEWS, PHASE IV

TOXAWAY VIEWS, INC. ("Declarant") does hereby supplement its initial (Phase I) Declaration of Unit Ownership, recorded in Book No. 4, Page 42, Transylvania County Register of Deeds (the "Declaration"), as contemplated in Part 1 of the said initial Declaration. Phase IV consists of two building, one of which has already been submitted. The second bulding, Building Eight and four units, Units 802, 804, 805, and 806 have also been submitted to Unit Ownership. Unit 803 is hereby submitted to Unit Ownership, pursuant to the Declaration. This submission relates back to the date of filing of the Declaration as stated therein.

1. BUILDING LOCATION. The building, to be known as Building Eight of Toxaway Views, is located as follows:

All of Unit H on the plat recorded in Plat File 4, Slide 453 as modified and amended by the Plats recorded in Plat File 10, Slides 364-372.

The above described property is conveyed together with a 1/48 undivided interest in the common areas and facilities of Toxaway Views Condominiums as set forth in the Declaration referred to above.

Title to the property hereinabove is subject to the terms, conditions, and restrictions as contained in the Declaration of Condominium of Toxaway Views Condominiums as referred to above and all exhibits attached thereto and exhibits including, but not limited to, the By-Laws of Toxaway Views Condominiums Association, including the Rules of Conduct of said Association. The ownership, occupancy, use encumberancing, leasing and transfer of said Unit shall be subject to the terms, conditions and restrictions therein.

This conveyance is further subject to easements, restrictions and rights of way of record.

Also conveyed is the non-exclusive right to use the well, septic, and the private road right of way leading from the above described property across property of the Grantor as described in Exhibit "A" on Declaration of Unit Ownership as recorded in Condominium Book 04, Page 42, Transylvania County Registry, to U.S. Highway 64, as shown on plat recorded in Plat File 4, Page 52, Transylvania County, N.C. Registry.

2. BUILDING DESCRIPTION. Building Eight is a wood and stone structure containing six living units, arranged two per level on each of three levels. The fourth (top) level has been omitted, it being the intention of the developer to include such level in future declarations.

Building Eight is built as per the plans previously filed in Plat File 10, Slide 364-372, as noted by Architect R. James Alderman, his certificate of completion which is recorded in Document Book 245 at Page 520, 521, and 522. Building Eight is substantially complete but the remaining unit is not certifiably complete at this point and that unit is not submitted at this time.

3. INCORPORATION OF CONDOMINIUM PROVISIONS. The rules, regulations, definitions and terms contained in the Declaration of Unit Ownership for Toxaway Views, Phase I, are hereby incorporated into this Declaration for Phase IV as if set out word for word herein, except those areas which have been amended according to the dictates of the original Declaration.

4. REVISION OF COMMON INTERESTS. As contemplated by Part 8 of the initial Declaration, the percentage interests of the various Unit Owners is hereby revised to take into account the six new Units in Building Eight. Pending further construction, the appurtenant common interest are hereby amended to be as follows:

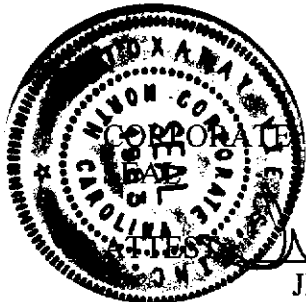
UNIT#	UNIT#	UNIT#	UNIT#	UNIT#	UNIT#	UNIT#
101	301	401	501	601	701	802
102	302	401A	502	602	702	803
103	303	402	503	603	703	804
104	304	403	504	604	704	805
201	305	404	505	605	705	806
202	306	405	506	606	706	
203		406	507	607		
204			508	608		

5. The Declaration is further supplemented to clarify that the "Declarant" and the "Developer" referenced in the Declaration are one and the same entity, and such terms are used interchangeably in the Declaration.

6. This Supplemental will also correct an error in the Supplemental filed February 8, 2005 (Deed Book 273, Page 123) on page 2 of said supplemental, in the paragraph below the paragraph #5, second sentence, "...Unit Ownership for Phase V..." is changed to "...Unit Ownership for Phase IV...".

IN WITNESS WHEREOF, Toxaway Views, Inc. has caused this Supplementary Declaration of Unit Ownership for Phase IV to be executed by its President and sealed with its Corporate seal, all as the act and deed of the Corporation, this the 15th day of September, 2006.

TOXAWAY VIEWS, INC.



BY: [Signature] (Seal)
JOHN ANTHONY FISHER, III
PRESIDENT

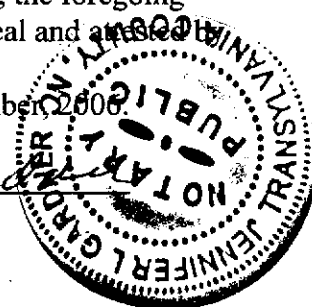
[Signature]
JEANETTE K. FISHER
Corporate Secretary

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jennifer L. Gardner, a Notary Public of the County and State aforesaid, do hereby certify that JEANETTE K. FISHER personally came before me this day and acknowledged that she is the Corporate Secretary of TOXAWAY VIEWS, 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, sealed with its corporate seal and presented to her as its Secretary.

Witness my hand and official stamp or seal, this 15th day of September, 2006.

[Signature]



My Commission expires: 2-13-2007

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

The foregoing certificate _____ of _____
Notary(y)(ies) Public is/are certified to be correct. This instrument was presented for registration
and recorded in this office in Book _____, Page _____.

This the _____ day of September, 2006 at _____ o'clock _____ M.

Register of Deeds, Transylvania County

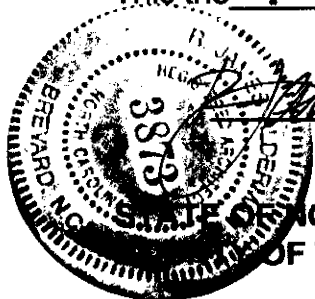
By: _____
Deputy Register of Deeds

R. JAMES ALDERMAN ARCHITECTURE

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

ARCHITECT'S CERTIFICATON

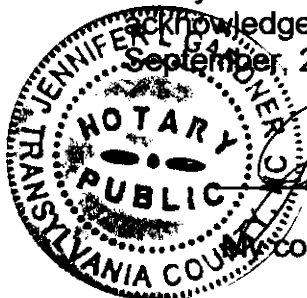
I, R. James Alderman, a Registered Architect in the State of North Carolina, No. 3873, do hereby certify that the plans previously recorded in the Transylvania County Register of Deeds Office, File 10, Slides 364-372, are full and exact copies of the plans of Building 8, Unit 803 and that from a personal inspection of the premises I further certify that the said Unit was actually constructed as shown on the said plans; and that the said plans correctly reflect Building 8, Unit 803 Toxaway Views, including but not limited to the layout, location, ceiling and floor elevation, unit number, and size of the unit as built. This the 1 day of September, 2006.



R. James Alderman Registered Architect

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

I, Jennifer L. Gardner a Notary Public, hereby certify that R. James Alderman, personally appeared before me this date and acknowledged the execution of this instrument. This the 1st day of September, 2006.



Jennifer L. Gardner Notary Public

commission expires: February 13, 2007

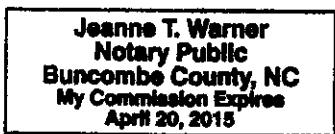
[Signature]
President
Attest: [Signature]
Secretary

NORTH CAROLINA
BUNCOMBE COUNTY

I JEANNE T. WARNER, Notary Public for said County and State, certify that personally came before me this day and acknowledged that he is Secretary of Toxaway Views, Inc., a 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, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the 24th day of SEPTEMBER, 2010.

(SEAL)



[Signature]
Notary Public

My commission expires APRIL 20, 2015.

Association: Toxaway Views Homeowners Association, Inc.

(Seal)

by: _____
President

Attest: _____
Secretary

NORTH CAROLINA
_____ COUNTY

[Signature]
President

Attest: [Signature]
Secretary

~~NORTH CAROLINA State of FL~~
~~St. Johns COUNTY~~

I Kevin Mackiewicz, Notary Public for said County and State, certify that personally came before me this day and acknowledged that he is Secretary of Toxaway Views, Inc., a 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, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the 22nd day of September, 2010.



[Signature]
Notary Public

My commission expires MARCH 15, 2012

ELG
[Signature]
MJB

Association: Toxaway Views Homeowners Association, Inc.

(Seal)

by: [Signature]
President


Attest: [Signature]
Secretary

~~NORTH CAROLINA Florida~~
~~St. Johns COUNTY~~

I Kevin Mackiewicz, Notary Public for said County and State, certify that personally came before me this day and acknowledged that he is Secretary of Toxaway Views Homeowners Association, Inc., a nonprofit 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, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the 22nd day of September, 2010.




Notary Public


My commission expires MARCH 15, 2012.

EXHIBIT "A"

BEGINNING at a six inch by eight inch rock with and "x" mark scribed on its top, on the south side of an old road in the line of property belonging to Lake Toxaway Company and running thence from the point of beginning with the line of Lake Toxaway Company, two calls as follows: North 19 deg. 59 min. East, 1013.32 feet to an iron pipe; thence North 02 deg. 38 min. East, 182.85 feet to an iron pipe; thence North 8 deg. 36 min. West, 67.51 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the Highway three calls as follows: South 82 deg. 55 min. East, 143.40 feet; North 81 deg. 21 min. East, 106.02 feet; North 54 deg. 46 min. East, 41.18 feet; thence leaving the Highway and running South 27 deg. 48 min. East, 101.30 feet to an iron pipe; thence North 40 deg. 03 min. East, 257.63 feet to an iron pipe; thence South 35 deg. 03 min. East, 94.38 feet to an iron pipe; thence South 14 deg. 22 min. East, 90.29 feet to an iron pipe; thence South 04 deg. 22 min. West, 88.12 feet to an iron pipe; thence South 8 deg. 45 min. West, 176.18 feet to an iron pipe; thence South 04 deg. 59 min. East, 62.60 feet to an iron pipe; thence South 8 deg. 35 min. West, 160.24 feet to an iron pipe; thence South 54 deg. 34 min. West, 63.35 feet to an iron pipe; thence South 61 deg. 46 min. West, 136.48 feet to an iron pipe; thence South 49 deg. 30 min. West, 96.50 feet to an iron pipe; thence South 38 deg. 09 min. West, 90.07 feet to an iron pipe; thence South 54 deg. 08 min. West, 111.14 feet to an iron pipe; thence South 69 deg. 32 min. West, 75.41 feet to an iron pipe; thence South 84 deg. 53 min. West, 103.27 feet to an iron pipe; thence South 63 deg. 37 min. West, 86.05 feet to an iron pipe; thence South 29 deg. 30 min. West, 153.51 feet to an iron pipe; thence South 39 deg. 54 min. West, 108.60 feet to an iron pipe; thence South 39 deg. 21 min. West, 120.30 feet to the point of beginning. Containing 10.90 acres, more or less, as surveyed and platted by William Leonard, RLS on September 14th, 1982.

Second Tract

BEGINNING at a point in the center of the pavement of U.S. Highway 64 which said point stands the following two calls: from a concrete monument (said monument being the southeast corner of the Cash property in the line of Lake Toxaway Company) South 86 deg. 35 min. East, 152.50 feet and North 8 deg. 36 min. West, 67.51 feet and running thence from the said point of beginning thus established South 8 deg. 36 min. East, 67.51 feet to an iron pin the Northeastern corner of a tract of land owned by Lake Toxaway Company; thence with the Toxaway line North 86 deg. 35 min. West, 152.50 feet to a concrete monument the Southeast corner of the Cash property described in Deed Book 219, page 810; thence with the Cash line North 1 deg. 54 min. East, 600.0 feet to a point in the center of the pavement of U.S. Highway 64; thence with the center of the pavement in a south and then southeast direction, to the point of beginning containing 0.8 acres, more or less, as surveyed and platted by William Leonard, RLS.


2010005225
 TRANSYLVANIA CO. NC FEE \$35.00
 PRESENTED & RECORDED
 10-14-2010 04:02:08 PM
 CINDY M OWNBEY
 REGISTER OF DEEDS
 BY: TERESA D MORTON
 DEPUTY REGISTER OF DEEDS
BK: DOC 552
PG: 774-781

Please return to Robert E. Dungan, Esq., One Rankin Avenue, Third Floor, Asheville, North Carolina 28801

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

**Supplemental Declaration and Restatement of
Declarant Rights for Toxaway Views Condominium**

Toxaway Views, Inc., a North Carolina corporation, (“Declarant”) does hereby make this Supplemental Declaration and Restatement of Declarant Rights for Toxaway Views Condominium (sometimes “Toxaway Views”) with the mutual agreement of the Toxaway Views Homeowners Association, Inc., a North Carolina nonprofit corporation (“Association”).

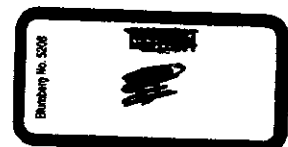
WITNESSETH

WHEREAS the Declarant, as the developer of Toxaway Views Condominium, is the owner of remaining portions of two tracts comprising approximately 11.11 acres that were described in the Declaration for Phase I of Toxaway Views as being the real property intended for development of as many as 176 condominium units and that are more particularly described in Exhibit “A” attached hereto and by this reference made a part hereof (“Condominium Property”); and

WHEREAS, the Declarant created Toxaway Views condominium under the North Carolina Unit Ownership Act (NCGS, Chapter 47A) by recording the initial Declaration Creating Unit Ownership and Establishing Restrictions, Covenants, and Conditions for Toxaway Views, Phase I (“Declaration”) on June 17, 1983, in Condominium Drawer (Book) 4, Page 42, Transylvania County Registry of Deeds; and

WHEREAS, in accordance with the Declaration, the Declarant has been developing the Condominium Property in phases; and, to effect that process, the Declarant has retained the right and authority to record Supplemental Declarations in connection with the development; and

WHEREAS the Declarant has currently constructed 49 condominium units in 8 buildings on portions of the Condominium Property; and



WHEREAS the Declarant has only submitted to the Declaration those portions of the Condominium Property on which the existing buildings are located; and

WHEREAS the Declarant has the right to construct additional condominium units as set forth in the Declaration; and

WHEREAS, disputes with respect to the construction of condominium units and with respect to the scope of Declarant rights have arisen between the Association and the Declarant; and

WHEREAS, the Association filed a legal action Case No. 07 CVS 589 Transylvania County Superior Court against the Declarant and its owners; and

WHEREAS, the Declarant and its owners answered the action and filed counterclaims against the Association; and

WHEREAS, at mediation the plaintiff and the defendants agreed to settle the above-referenced litigation in accordance with the Memorandum of Mediated Settlement dated June 29, 2009, as amended with respect to Paragraph 1, 8, and 13 of the Memorandum as set out in the July 15, 2009, letter from Declarant's attorney and as agreed to by all parties; and

WHEREAS, in order to satisfy the terms of the Memorandum of Mediated Settlement, as amended, the Declarant must submit all of the Condominium Property to the Declaration through this Supplemental Declaration, but at the same time preserve and guarantee the retention of certain Declarant rights including the right to construct as many as thirty (30) more condominium units in five (5) buildings.

NOW THEREFORE, the Declarant with the agreement of the Association makes the following Supplemental Declaration for Toxaway Views:

1. Declarant hereby submits the Condominium Property as described in Exhibit "A" attached hereto and by this reference incorporated herein to the Declaration, as amended, for Toxaway Views.
2. Declarant, its successors, and assigns, subject to the conditions set forth below, retain the right to build no more than thirty (30) additional condominium units ("Additional Units") on the Condominium Property with such units being constructed in no more than five (5) separate additional buildings ("Additional Buildings").
3. The five additional building sites will be located approximately as shown and labeled "Proposed Condo Bldg" on that plat of the Condominium Property recorded in Plat File Book 13, Page 346, Transylvania County Registry of Deeds, ("Condominium Plat").
4. Declarant's right to construct the Additional Buildings shall be limited with respect to time of construction as follows:

A. Within seven (7) years from July 1, 2009, Declarant, its successor or assigns may begin construction of the first additional building to be constructed, which building may consist of up to six (6) units. Upon commencement of construction which means issuance of a building permit, the first additional building must be completed within two (2) years thereof, which means issuance of a certificate of occupancy. This building along with two other additional buildings will be constructed within the circular "center" area shown on the Condominium Plat.

B. Within ten (10) years from July 1, 2009, Declarant, its successor or assign may begin construction of the second additional building to be constructed, which building may consist of up to six (6) units. Upon commencement of construction, which means issuance of a building permit, the second additional building must be completed within 2 years thereof, which means issuance of a certificate of occupancy. This building will also be constructed within the circular "center" area shown on the Condominium Plat.

C. Within thirteen (13) years from July 1, 2009, Declarant, its successor or assign may begin construction of the third additional building to be constructed, which building may consist of up to 6 units. Upon commencement of construction, which means issuance of a building permit, the third additional building must be completed within 2 years thereof, which means issuance of a certificate of occupancy. This building will also be constructed within the circular "center" area shown on the Condominium Plat.

D. Within twenty (20) years from July 1, 2009, but only upon completion of the three additional buildings described in subparagraphs A-C above, Declarant, its successor, or assign may construct two additional buildings consisting of up to six (6) units each at approximate locations shown on the Condominium Plat. Upon commencement of construction of either of these two Additional Buildings, which means issuance of a building permit, any such Additional Building must be completed within two years thereof, which means issuance of a certificate of occupancy. Therefore, any and all construction allowed must be completed no later than twenty-two (22) years from July 1, 2009 (re. July 1, 2031) ["Construction Period"].

E. If the Declarant, its successor or assign fails to meet any of the deadlines set forth in subparagraphs A-D, then its rights to build set forth above shall cease, except for completion of any building then under construction.

5. Neither the Association nor any of its members shall interfere with the construction of the Additional Units by the Declarant, its successors or assigns, provided that such construction is done in compliance with the Declaration and all applicable laws. Declarant, its successor or assign shall during the construction of any Additional Building on the Condominium Property adhere to reasonable construction guidelines to avoid

interference with use of the Condominium Property in line with constructions practices found in other similarly situated residential developments in western North Carolina.

6. In connection with the construction, marketing, and sale of any and all Additional Units, Declarant, its successor or assign shall have and retain during the pendency of the Construction Period the following rights:

- A. Right to maintain and to operate a model condominium unit for sales purposes in each Additional Building constructed;
- B. Right to erect and maintain reasonable signage for the sale and marketing of any and all Additional Units;
- C. Right of ingress and egress of construction vehicles on to the Condominium Property for purposes of constructing Additional Buildings;
- D. Right to file Supplemental Declarations for the purposes of submitting Additional Buildings and Additional Units as contemplated herein to the Toxaway Views Condominium.

7. Condominium assessments shall be paid on all Additional Units as follows:

- A. Upon the sale of each condominium unit in any Additional Building, the purchaser shall pay regular assessments on each such unit to the Association.
- B. Declarant, its successor or assign shall pay after the sale of the first unit in any Additional Building, twenty-five percent (25%) of the regular assessments on each remaining unit in the Additional Building until each unit is sold. During the period in which the Declarant is paying a twenty-five percent (25%) share of an assessment, the Declarant shall be entitled to a one quarter member vote in the Association for each such twenty-five percent share of an assessment paid.
- C. Until the last unit is sold in any Additional Building, Declarant, its successor, or assign shall be responsible for maintenance of such Additional Building.

8. **Except for the Declarant rights set forth above in this Supplemental Declaration, the Declarant hereby abandons any and all other Declarant rights that may be contained in the Declaration.**

9. The rights, duties, and obligations of the Declarant set forth herein shall inure to any and all successors and/or assigns.

This the 24th ²⁵ day of ~~June~~ ^{September}, 2010.

Declarant: Toxaway Views, Inc.