

BY-LAWS
OF
CASSIMIR COMMONS OWNERS ASSOCIATION

ARTICLE I: GENERAL

Section 1. Name. The name of the corporation is CASSIMIR COMMONS OWNERS ASSOCIATION.

Section 2. Principal Office. The principal office of the Association shall be CASSIMIR COMMONS OWNERS ASSOCIATION, 100 Pointe Crest Court, Cary, North Carolina, 27513, in Wake County, or at such other place as may be subsequently designated by the Board of Directors.

Section 3. Registered Office. The registered office of the Association, which by law is required to be maintained in the State of North Carolina, shall be located CASSIMIR COMMONS OWNERS ASSOCIATION, 100 Pointe Crest Court, Cary, North Carolina 28513, in Wake, or at such other place within the State of North Carolina as may from time to time be fixed and determined by the Board of Directors.

Section 4. Definition. As used herein, the term "Corporation" may be used interchangeably with and shall be the equivalent to "Association" as defined in the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS and all definitions set forth in the Declaration to which these By-Laws are attached shall be applicable herein unless otherwise defined herein. The term "Declaration" shall refer and mean the Declaration of Covenants, Conditions and Restrictions for Amsterdam Park.

ARTICLE II: MEMBERSHIP

Section 1. Definition. Each owner of a lot or unit in Cassimir Commons shall be a member of the Association and membership in the Association shall be limited to owners of lots or units in Cassimir Commons Subdivision.

Section 2. Transfer of Membership and Ownership. Membership in the Association may be transferred only as an incident to the transfer of the transferor's lot or unit in said Subdivision.

ARTICLE III: MEETINGS OF MEMBERSHIP

Section 1. Place. All meetings of the membership shall be held at Wilmington, North Carolina, or at such other place as may be stated in the notice.

Section 2. Annual Meeting.

A. Meetings shall be held at least annually. The annual meeting of members shall be held at Wilmington, North Carolina, with the first meeting occurring on the third Saturday of May, 1998. The first Directors and Officers will hold office until the initial annual meeting occurs, and new directors and officers are elected.

B. Regular annual meetings subsequent to 1997 shall be held on the third Saturday in May in each year, if not a legal holiday and if a legal holiday, then on the next secular day following, unless otherwise determined by the Board.

C. All annual meetings shall be held at such hour as is determined by the Board.

D. At the annual meeting, the members shall elect the new

members of the Board of Directors and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote thereafter at such address as appears on the books of the Association, at least ten (10) but not more than fifty (50) days prior to the meeting. Each member shall notify the Secretary of any address change, and the giving of said notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

Section 3. Membership List. At least ten (10) but not more than fifty (50) days before every election of Directors, a complete list of members entitled to vote at said election with residence of each shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days prior to and throughout the election at the office of the Association, and shall be open to examination by any member throughout such time.

Section 4. Special Meetings.

A. Special Meetings of the members for any purpose or purposes not prescribed by statute, the Articles of Association, or these By-Laws may be called by the President, by a majority of the Board or at the request in writing of twenty percent (20%) of the members. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a Special Meeting of members stating the time, place and object thereof shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association at least ten (10) days before such meeting and no more than fifty (50) days before such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at such address as appears on the records of members of the Association.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

* Section 5. Quorum. All members of the Association present in person or represented by written proxy, shall be requisite to and shall constitute a quorum as otherwise provided by statute or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat present in person or represented by written proxy shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If adjournment extends past thirty (30) days, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided for regular meetings.

Section 6. Vote Required to Transact Business. When a quorum is present at any meeting, a majority of the votes cast in person or represented by written proxy filed with the Secretary in advance of the meeting shall decide any question brought before the meeting, unless the question is one upon which by express provision of the statutes, the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS or these By-Laws a different vote is required in which case such express provision shall govern and control the division of such question. There shall be no cumulative voting.

Section 7. Right To Vote. Each owner shall be entitled to

one vote. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one person or entity owns a lot, they shall file a certificate with the Secretary naming the person authorized to cast votes for said lot. If same is not on file, the vote of any co-owner present who is acceptable to other co-owners of that lot present shall be accepted as the vote of all co-owners. Any legal entity which is an owner shall have the right to membership in the Association.

Section 8. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the statutes the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS, or these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such meeting if such meeting were held shall consent in writing to such action being taken.

Section 9. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings will be:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of prior meeting;
- D. Officers' reports;
- E. Committee reports;
- F. Appointment by Chairman of Inspectors of Election;
- G. Approval of budget;
- H. Elections of directors and officers;
- I. Unfinished business;
- J. New business;
- K. Adjournment.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. Number and Term. The number of directors which shall constitute the whole Board of Directors (the "Board") shall be three. Until succeeded by directors elected at the first annual meeting of members, directors need not be members; thereafter, all directors shall be members. All directors shall be an owner or spouse of an owner of a separate lot, or in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, shareholders, employees, of such corporations, or in the case of fiduciary owners or mortgagees, shall be officers, shareholders or employees of such fiduciary.

Section 2. Vacancy and Replacement. If the office of any director becomes vacant by reason of transfer of ownership, death, resignation; retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting of directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. Removal. Directors may be removed with or

without cause, by an affirmative vote of a majority of the total membership.

Section 4. Initial Board of Directors. The first Board shall consist of JOHN BERENT, DANNA DERUSSO and JAMES A. MACDONALD, who shall hold office and exercise all powers of the board until the initial annual membership meeting, provided, any or all of said directors shall be subject to replacement in the event of resignation or death as above provided.

Section 5. Powers and Duties. The property and business of the Association shall be managed by the Board, which may exercise all Association's powers not specifically prohibited by statute or the Declaration to which these By-Laws are attached. The powers of the Board shall specifically include, but not limited to, the following:

A. To make and collect regular and special assessments and establish the time within which payment of same are due.

B. To use and expend the assessments collected to maintain, care for and preserve common area and improvements thereto, except for those portions which are required to be maintained heretofore and preserved by the owners.

C. To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.

D. To enter into and upon the lots when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation of the common areas and improvements thereon.

E. To insure and keep insured the common areas and facilities of the lots in the manner set forth in the Declaration against loss from fire and/or other casualty, and the lot owners against public liability, and to purchase such other insurance as the Board may deem advisable, including insurance against Directors' liability.

F. To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws and the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS.

G. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

H. To make appropriate changes in the Rules and Regulations regarding the use and maintenance of the common areas as may be deemed necessary. Changes not approved at the next meeting of the membership by a majority of the votes cast shall be invalid from the date of such change.

I. To carry out the obligations of the Association under any restrictions and/or covenants running with the land submitted to the membership of this Association or its members.

J. To regulate, as the Board deems appropriate, assigned parking spaces for each lot, visitors, service vehicles, and other vehicles.

K. To adopt and amend Rules and Regulations and By-Laws.

L. To propose and adopt an annual budget for the property. Summaries of the adopted proposed budget shall be provided to all lot owners within thirty (30) days from adoption and the Board shall set a date not less than fourteen (14) nor more than thirty (30) days after delivery of the summary for a meeting of the lot

owners to consider ratification of the proposed budget.

M. Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the lots.

O. Make contracts and incur liabilities.

P. Cause additional improvements to be made as a part of the common elements.

Q. Grant easements, leases, licenses, and concessions through or over the common elements.

Section 6. Liability. The directors shall not be liable to the owners except for their own individual willful misconduct, bad faith or gross negligence.

Section 7. Compensation. Neither directors nor officers shall receive compensation for their services as such, provided that the Association may budget such sums as it may deem appropriate for direct reimbursement of actual expenses incurred by the directors or officers in behalf of the Association.

Section 8. Meetings.

A. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting, and immediately before or after the adjournment of same.

B. Special meetings shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the directors may, in writing, waive notice of the calling of the meeting, before or after such meeting.

C. All of the Board members shall be necessary and sufficient at all meetings to constitute a quorum for the transactions of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the directors then present may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

D. Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 9. Order of Business. The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of last meeting;
- D. Consideration of communications;
- E. Elections of necessary directors and officers;
- F. Reports of officers and employees;

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- G. Reports of committees;
- H. Unfinished business;
- I. Original resolutions and new business;
- J. Adjournment.

Section 10. Annual Statement. The Board shall present, no less often than at the annual meeting, a full and clear statement of the business and condition of the Association, including a report of the operating expenses of the Association and the assessments paid by each member.

ARTICLE V: OFFICERS

Section 1. Executive Officers. The executive officers of the Association shall be, at a minimum, a President and Secretary, but may also include a Vice-President and Treasurer; all of whom shall be elected annually by the Board from the Membership, provided the office of President and Secretary shall not be held by the same person. However, the same person may hold the Office of Vice President and Treasurer or Secretary and Treasurer. Any or all officers may also be directors of the Association.

Section 2. Subordinate Officers. The Board may appoint such other officers and agents from the membership as they may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers: Removal. All officers shall be subject to removal, with or without cause, at any time by action of the Board. The Board may delegate powers of removal of subordinate officers and agents to any officer.

Section 4. The President.

A. The President shall preside at all meetings of the members and directors; he shall have general and active management of the business of the Association; he shall see that all order and resolutions of the Board are carried into effect; he shall execute bonds, mortgages, amendments to the Declaration or By-Laws, deeds of trust and other contracts requiring a seal, under the seal of the Association.

B. He shall have general superintendence and direction of all the officers of the Association, and shall see that their duties are performed properly.

C. He shall submit a report of the operations of the Association for the fiscal year to the directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association may require to be brought to their notice.

D. He shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of an Association.

Section 5. The Secretary.

A. The Secretary shall keep the minutes of the members meetings; and of the Board's meetings in one or more books provided for that purpose.

B. He shall see that all notices are fully given in accordance with the provisions of these By-Laws or as required by

law.

C. He shall be custodian of the Association's records.

D. He shall keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

E. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6. The Vice-President.

A. The Vice President and Treasurer shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board.

Section 7. The Treasurer.

A. He shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may be designated by the Board.

B. He shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. Such records shall be open to inspection by members at reasonable times.

C. He may be required to give the Association, at the Association's cost, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

D. He shall maintain a register for the names of any mortgage holders or lien holders on lots who have requested in writing that they be registered and to whom the Association will give notice of default in case of nonpayment of assessments. No responsibility of the Association is assumed with respect to said register except that it will give notice of default of any owner in his obligations to the Association to any registered mortgagee or lienor therein, if so requested by said mortgagee or lienor.

E. With the approval of the Board, he shall be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated to, and the condition of performance imposed upon, such personnel, but, in such event, the Treasurer shall retain supervisory responsibilities.

Section 8. Vacancies. If the office of any director or officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors, by majority vote of the remaining directors provided for in these By-Laws, may choose a successor or successors who shall hold office for the unexpired term. If the number of directors falls below three, a special members' meeting shall be called for the purpose of filling such vacancies in the Board of Directors.

Section 9. Resignations. Any director or officer may resign his office at any time, such resignation to be made in

writing, and to take effect from the time of its receipt by the Board of Directors, unless some later time be fixed in the resignation, and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

ARTICLE VI: NOTICES

Section 1. Definition. Whenever under the provisions of the statutes, the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS, or these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a post paid, sealed envelope, addressed as appears on the books of the Association.

Section 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the statutes, the Declaration of Covenants, Conditions and Restrictions for CASSIMIR COMMONS, or these By-Laws a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII: FINANCES

Section 1. Fiscal Year. The fiscal year shall be the calendar year, unless changed by action of the Board of Directors.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by any one of the following officers: President, Secretary or Vice-President and Treasurer, or by such officer or officers or persons as the Board of Directors may from time to time designate.

Section 3. Determination of Assessments.

A. The Board shall determine from time to time the sum or sums necessary and adequate for the common expense of the common area and improvements thereon. At the annual meeting of the Association, such budget shall constitute the basis for all regular assessments for common expenses against lot owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common areas and facilities, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses from time to time by the Board of Directors of the Association.

B. The Board is specifically empowered on behalf of the Association to make and collect assessments and maintain repair and replace the common areas and facilities. Funds for the payment of common expenses shall be assessed against the lot owners equally, so that each lot will be assessed an equal share, (for example: if there are thirty lots in the subdivision, each lot will be assessed a 1/30th share of the common expense. If there are forty lots, it will be a 1/40th share per lot). Assessments shall be payable periodically as determined by the Board.

C. Special assessments for common expenses not adequately funded through the regular assessments may be required by the Board and shall be levied and paid in the same manner as hereinbefore provided for regular assessments. Notwithstanding anything in these By-Laws or the Declaration which authorize assessments and expenditures, no special assessment exceeding \$75.00 per lot per annum or expenditure for the improvement of the common areas and facilities exceeding \$7,500.00 per annum shall be made without the approval of a majority vote of the membership, except for the repair of the common areas and facilities due to damage and

destruction, which repair shall occur as provided in the Declaration.

D. Special assessments against any owner of less than five hundred (\$500.00) dollars may be assessed by an adjudicatory panel elected by the Board after notice given to the lot owner to be charged and a hearing before the panel to determine if the lot owner is responsible for the damage and after the lot owner has had adequate opportunity to be heard and present evidence. Notice of any decision of adjudicatory panel shall be delivered to the lot owner and any liability of lot owner so assessed shall be an assessment secured by lien and may be filed by the Association under the filing provisions which regulate filing claims of lien under the provisions of the North Carolina General Statutes.

E. When the Board has determined the amount of any assessment, the Vice-President and Treasurer of the Association (or the personnel to whom such authority has been delegated) shall mail or present a statement of the assessment to each of the assessed owners. All assessments shall be payable to the Association, and upon request, the Vice-President - Treasurer or his designated agent shall give a receipt for each payment made.



F. The Board may enter into a management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the By-Laws or the Association for CASSIMIR COMMONS.

G. All assessments not paid when due shall bear interest at such a rate as is determined by the Board of Directors, not to exceed the maximum permissible rate allowed by law.

Section 4. Excess of Assessments. In any year in which there is an excess of assessments received over amounts actually used or payable for the purposes described in these By-Laws, and in the Declaration, such excess shall, unless otherwise determined by the Board of Directors of the Association, be deposited in a capital reserve account for use in replacement, repair or maintenance of the common areas and facilities of the Association.

ARTICLE VIII: DEFAULT

Section 1. Enforcement of Lien for Assessments. In the event an owner does not pay any sums, charges, or assessments required to be paid to the Association by the due date, the Association, acting on its behalf or through its Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled in accordance with the Declaration and the statutes made and provided or both.

Section 2. Charges for Late Payments, Fines. The Board may appoint an adjudicatory panel to determine if a lot owner should be fined, not to exceed one hundred fifty (\$150.00) dollars, for a violation of the Declaration, By-Laws or rules and regulations of the Association. The panel shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. Such a fine shall be an assessment secured by lien under Article VI of the Declaration.

Section 3. Governmental Liens and Assessments. In the event that an owner fails to pay any tax or assessment lawfully assessed by any governmental subdivision within which the property is situated, by the date such tax or assessment is due, the Board may pay the same from the funds of the Association and specially assess such owner for the amount paid.

Section 4. Foreclosure. If the Association becomes the owner of a lot by reason of foreclosure, it shall offer said lot for sale and at such time as a sale is consummated, it shall deduct

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connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association.

ARTICLE XII: AMENDMENT

These By-Laws may only be altered, amended or added to at any duly called meeting of the members; provided (i) that the notice of the meeting shall contain a full statement of the proposed amendment; (ii) that the quorum requirement for such purposes shall be a majority of all the then members, in person or by proxy; (iii) that there be an affirmative vote of owners holding not less than two-thirds of the qualified votes of members represented at such quorum; and (iv) that there is or has been affirmative vote of the Board of Directors. ARTICLE III, Section 2A may not be amended without express approval of Declarant, as defined in the Declaration. No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights and/or liabilities of any mortgagees, and no amendment shall become operative unless set forth in an Amended Declaration and duly recorded. All lot owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an Amended Declaration, duly recorded in the Office of the Register of Deeds of New Hanover County, North Carolina.

ARTICLE XIII: CONTRACTS NOT BINDING

The Homeowners Association shall not be bound, either directly or indirectly, to contracts or leases, including management contracts, unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control of the Homeowners Association from the initial directors to the lot owners, and upon not more than 90 days notice to the other party.

ARTICLE XIV: RIGHT TO INFORMATION AND FINANCIAL STATEMENT

The Homeowners Association shall make available to any lot owner, any lender, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, and other rules concerning the project, and the books, records, and financial statements of the Association.

ARTICLE XV: DISTRIBUTION OF ASSETS IN EVENT OF TERMINATION

No part of the net earnings of the Owners Association Corporation shall inure to the benefit of any officers, directors or members of the Corporation and in the event of dissolution of the Owners Association Corporation, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provisions made therefor, be distributed, to any association or associations organized for purposes similar to those set forth in this Owners Association Corporation.

ARTICLE XVI CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, where the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

The foregoing were adopted as the By-Laws of CASSIMIR COMMONS OWNERS ASSOCIATION at the first meeting of its Board of Directors.

IN WITNESS WHEREOF, the first Board of Directors have hereunto set their hands and seals, this the 4 day of June, 1997.

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s/ John Berent
Director

s/ Dennis DeRusso
Director

s/ James McDonald
Director

Certified to be correct, this the 4 day of June, 1997.

s/ Diane De Russo
SECRETARY OF THE MEETING OF THE FIRST
BOARD OF DIRECTORS OF CASSIMIR
COMMONS OWNERS ASSOCIATION.