

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
A CONDOMINIUM
AND
BYLAWS OF
HOMEOWNERS ASSOCIATION

THIS DECLARATION AND BYLAWS, made on the date hereinafter set forth by
PRESTIGE HOMES OF FAYETTEVILLE, INC., a North Carolina corporation.

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property located in Cross Creek Township,
Cumberland County, North Carolina, and more particularly described as follows (hereinafter
Property"):

SEE EXHIBIT "A" ATTACHED HERETO
AND INCORPORATED HEREIN BY REFERENCE
(THIS PROPERTY IS HEREINAFTER KNOWN AS THE "ENTIRE PROPERTY")

NOW, THEREFORE, Declarant hereby declares that a portion of the properties described
above shall be held, sold and conveyed subject to the following easements, restrictions, covenants,
and conditions, which shall run with the real property and be binding on all parties having any
right, title or interest in the described properties or any part thereof, their heirs, successors and
assigns, and shall inure to the benefit of each owner thereof. The portion presently subjected to
this Declaration is described in Exhibit "B" attached hereto and incorporated herein by reference
(This property in Exhibit "B" is hereinafter known as "the Property").

PART I
DEFINITIONS

Section 1: "Association" means Karen Lake Condominium Owners Association, Inc.,
its successors and assigns.

Section 2: "Bylaws" means the bylaws of the association.

Section 3: "Common Elements" means all portions of a condominium other than the units.

Section 4: "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by those owners of those portions.

Section 5: "Declarant" means Prestige Homes of Fayetteville, Inc., its successors and assigns.

Section 6: "Declaration" mean this Declaration of Covenants, Conditions and Restrictions.

Section 7: "Executive Board" means the body designated in the declaration to act on behalf of the Association.

Section 8: "Limited Common Elements" means a portion of the common elements allocated by the declaration for the exclusive use of one or more but fewer than all of the units.

Section 9: "Member" means every person or entity who holds membership in the Association.

Section 10: "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any unit which is a part of the Property, together with an undivided interest in the common elements as hereinafter set forth, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11: "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a unit to one other than a declarant; (ii) 120 days after conveyance of 75% percent (75%) of

the units (including any units which may be created pursuant to special declarant rights) to a unit owner other than declarant; (iii) two (2) years after declarant has ceased to offer units for sale in the ordinary course of business; (iv) two (2) years after any development right to add new units was last exercised, or (v) the date upon which declarant voluntarily surrenders control of the condominiums.

Section 12: "Plat" means the plat recorded at Cumberland County Register of Deeds.

Section 13: "Unit" means a physical portion of the condominium designated for separate ownership or occupancy.

PART II - DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

ARTICLE I GENERAL

Section 1: Declarant hereby submits the Property to the provisions of G.S. § 47-C, which are incorporated herein by reference. The Property will be administered in accordance with the provisions of § 47-C, the declaration, and the bylaws.

Section 2: The name of the condominium shall be "KAREN LAKE CONDOMINIUM PHASE I - A condominium."

Section 3: The Property is located in Cumberland County, North Carolina.

Section 4: The maximum number of units which Declarant reserves the right to create is 208.

Section 5: Declarant does hereby establish within the Phase I of the Property 16 units, and that the entire property shall include an additional 12 phases, each phase containing 16 units with a presently contemplated maximum of 208 units. The right to build these additional phases

are "Reserved Developmental Rights." Declarant does hereby designate all such units for separate ownership. Reference is hereby made to the plat for a separate description of the boundaries of each unit, identified by number, said plat being by this reference incorporated herein. The plat is recorded in Condominium Book ____, Page ____, Cumberland County Registry.

Section 6: Each owner shall be a member of the Association. An owner shall be entitled to one (1) vote in the Association for each unit owned.

Section 7: There are no limited common elements with the exception of the parking space rights as provided in Article II, Section 3 and the limited common elements created under Article IV.

Section 8: Easements and licenses appurtenant to or included in the condominium are recorded in Book ____, Page ____, Cumberland County Registry. These recorded instruments grant to owners, as property owners in the condominium, nonexclusive easements in and to certain open spaces and private roads located within the real property known as "Karen Lake Condominium Owners Association, Inc.". Additionally, the bylaws of Karen Lake Condominium Owners Association, Inc. grants to owners a nonexclusive right to use the recreational facilities located in the Association.

Section 9: Declarant reserves the following special declarant rights for the entire Property, which shall be exercisable during the period of declarant control:

- (a) to complete any and all improvements indicated on the plats and plans;
- (b) to construct and maintain any sales office, management office or model in any of the units or on any of the common elements shown on the plat;

(c) to alter the size of any unit, combine or merge two or more units, and subdivide any unit;

(d) to appoint and remove any executive board members during the period of declarant control; provided, however, (i) that not later than 60 days after conveyance of 25% of the units to owners other than a declarant, at least one member and not less than 25% of the members of the executive board shall be elected by owners other than the declarant; and (ii) that not later than 60 days after conveyance of 50% of the units to owners other than a declarant, not less than 33% of the members of the executive board shall be elected by owners other than the declarant.

Section 10: An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the units and common elements and limited common elements in the performance of their duties.

ARTICLE II PROPERTY RIGHTS

Section 1: Ownership of a unit shall vest fee simple title to such unit in the owner.

Section 2: Every owner shall own an undivided interest in the common elements and shall have a right and easement of enjoyment in the common elements which shall be appurtenant to and shall pass with the title to every unit. The undivided interest of every unit owner in Phase I in the common elements shall be proportionate to the total number of units in the condominium in Phase I. Presently, this is a 1/16th or 6.25% undivided interest for each unit owned. The undivided interest in the common elements and the right and easement of enjoyment in such common elements are subject to the following:

(a) the Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the common elements; such fees to be in an amount sufficient to maintain or repair any common element recreational facilities in a reasonable and good condition;

(b) the Association shall have the right to suspend the voting rights and right of use of any recreational facilities by an owner for any period during which any assessment against his unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the Association shall have the right to adopt such rules and regulations as may be needed to regulate the use and enjoyment of the common elements;

(d) the special declarant rights as set forth in Article I, Section 8.

(e) the Association shall have the right to dedicate or transfer, or encumber all or any part of the common elements subject to approval by the owners as provided in G.S. § 47C-3-112.

Section 3: Every owner shall have a limited common element right to two (2) parking spots located adjacent to his respective unit.

Section 4: Any owner may delegate his right of enjoyment to the common elements to members of his family or tenants.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: The declarant, for each unit owned within the Property, and each owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (1) annual assessments or charges, and (2) special

assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The liability of each owner for the common expenses of the Association shall be proportionate to the total number of units in the condominium: one and one-sixteenth (1/16th) for each unit owned. Any assessment levied against a unit remaining unpaid for a period of 30 days or longer shall constitute a lien on that unit when filed of record in the office of the Clerk of Superior Court of Cumberland County and shall accrue interest at a rate set by the Association not to exceed 18% per annum. The Association may bring an action at law against the owner, or foreclose the lien against the Property. Fees (including attorneys' fees), charges, late charges, fines, and interest are also enforceable as assessments.

Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any unit shall not affect the assessment lien. The sale or transfer of any unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof; however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 3: The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents and in particular for the

acquisition, improvement and maintenance of the condominium, services and facilities devoted to this purpose, and for the use and enjoyment of the common elements.

The Association may also levy a special assessment payable in a manner as specified by the Association for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a public or private capital improvement upon the common elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the members.

Section 4: Until January 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual assessment shall be six hundred and no/100 (\$600.00) Dollars per unit, prorated for the remainder of said year.

(a) from and after January 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership by up to ten percent (10%) of the previous year's maximum annual assessment.

(b) from and after January 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual assessment for the next succeeding two (2) years may be increased above the increase permitted in Section 4(a), provided that any such assessment shall receive the affirmative vote of two-thirds (2/3rds) of the votes of the owners who are voting in person or by proxy, at a meeting duly called for this purpose. Written notice setting forth the purpose of such meeting shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. No quorum shall be required.

(c) the executive board may fix the annual assessment at an amount not in excess of the maximum.

Section 5: Both annual and special assessments must be fixed at a uniform rate for all units and may be collected on a monthly basis.

Section 6: The annual assessments provided for herein shall commence at a date established by the Association. Once such annual assessments are established, written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the executive board.

ARTICLE IV PARTY WALLS

Section 1: The walls and flooring connecting adjacent units are "party walls" and are situated on or about the boundary line separating such units.

Section 2: All finish flooring and any other materials constituting any part of the walls, floors, or ceilings are a part of the common elements, pursuant to G.S. § 47C-2-102(1).

To the extent any duct, wire, conduit, or any other fixtures lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated exclusively to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements, pursuant to G.S. § 47C-2-102(2).

Any decks, porches, balconies, patios and all other exterior doors and windows or other fixtures designated to serve a single unit but located outside the unit's boundaries are limited common elements allocated exclusively to that unit, pursuant to G.S. § 47C-2-102(4).

Section 3: Each wall which is built as a part of the original construction of a unit and placed on the dividing line between the units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 4: The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 5: Notwithstanding any other provisions of this Article, an owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6: The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 7 If any owner desires to sell his unit, such owner may, in order to assure a prospective purchaser that no adjoining unit owner has a right of contribution as provided in this Article IV, request of the adjoining unit owner a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining unit owner to make such certification immediately upon request and without charges; provided, however, that where the adjoining unit owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8: In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina as then existing.

ARTICLE V EXTERIOR MAINTENANCE

Section 1: In addition to maintaining the common elements, the Association shall provide exterior maintenance for each unit, subject to assessment hereunder, including the performance of the following, as needed: Paint, repair, replace and care of roofs, exterior building surfaces, trees, shrubs, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

Section 2: In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of an owner, his family, guests, invitees, or tenants, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such unit is subject.

ARTICLE VI ARCHITECTURAL CONTROL

No building, fence, wall, or other structure or improvement shall be commenced, erected or maintained upon the condominium, nor shall any exterior addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Executive Board or its designee.

The exterior color of a unit cannot be changed unless the color scheme of the entire condominium is similarly changed. Any such change requires the approval of two-thirds (2/3rds) of the owners at a duly called meeting at which a quorum is present.

ARTICLE VII USE RESTRICTIONS

Section 1: No unit shall be used except for single-family residential purposes.

Section 2: No noxious or offensive activity shall be conducted upon any unit nor shall anything be done thereon which may be or may become an annoyance or nuisance.

Section 3: No animals, livestock or poultry of any kind shall be kept or maintained on any unit or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes. All household pets shall be kept on a leash at all times when outside the unit; however, they may be locked inside the enclosed patio/porch.

Section 4: No outside radio or television antennas, including satellite dishes or receivers, shall be erected on any unit unless and until permission for the same has been granted by the executive board.

Section 5: No signs shall be permitted on or about the units except by the developer or his authorized marketing agency.

Section 6: All window coverings (i.e., curtains, blinds, draperies, shades, etc.) shall appear white or off-white from the exterior.

Section 7: Owners shall not park or store any camper, trailer (other than boat trailer), trailer vehicle, or similar vehicle anywhere on the premises. No trucks shall be permitted except for standard two-ton pickup trucks, or smaller sized trucks.

ARTICLE VIII EASEMENTS

Section 1: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and

maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

Section 2: All units and common elements shall be subject to easements for the encroachment of improvements constructed on adjacent units by the declarant to the extent that such improvements actually encroach, including, but not limited to, such items as overhanging eaves, stoops, misaligned common wall foundation footings and walls, provided such encroachment does not interfere with the reasonable use of the common elements or units so encroached upon.

Section 3: Declarant shall have a reasonable construction easement across the common elements for the purpose of constructing improvements on the units. Declarant shall also have such easements through the common elements as may be reasonably necessary for the purpose of discharging a declarant's obligations or exercising special declarant rights as provided herein.

Section 4: The Association shall have a right of entry upon the units and any limited common elements to effect emergency repairs, and a reasonable right of entry upon the units to effect other repairs, improvements, replacement or maintenance as necessary.

Section 5: All easements granted herein are appurtenant to and shall run with the land, and shall inure to the benefit of and be binding upon the declarant, the Association, owners, occupants, and mortgage holders, and any other person or entity having an interest in the condominium.

ARTICLE IX
GENERAL PROVISIONS

Section 1: All powers granted in the declaration or the bylaws to the Association shall be exercisable by the executive board, except as expressly provided in the declaration, the bylaws, or G.S. § 47-C.

Section 2: The Association may adopt and enforce reasonable rules and regulations not in conflict with the declaration and supplementary thereto, as more fully provided in the bylaws.

Section 3: The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this declaration, the bylaws and articles of incorporation of the Association. Failure by the Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter.

Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within 90 days, any unit owner, or other holder of an interest in the condominium may undertake the enforcement of the provisions of the declaration at his own expense.

Section 4: Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5: The covenants and restrictions of this declaration shall run with, and bind, the land for a term of 20 years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This declaration may be amended during the first 20-year period by an instrument signed by not less than 90% of the unit

owners, and thereafter by an instrument signed by not less than 75% of the owners. Any amendment must be recorded.

Section 6: The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

**PART III
BYLAWS**

EXHIBIT "B"

**ARTICLE I
MEETINGS OF MEMBERS**

Section 1: The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter.

Section 2: Special meetings of the members may be called at any time by the president or the executive board, or upon written request of 20% of the members, pursuant to G.S. § 47C-3-108.

Section 3: Written notice of each meeting shall be given by, or at the direction of, the secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least ten (10) days and not more than 50 days before such meeting to each member as provided in § 47C-3-108.

Section 4: Within 30 days after adoption of any proposed budget for the condominium, the executive board shall provide a summary of the budget to all the unit owners. The budget shall be considered at a meeting of the unit owners as set forth in G.S. § 47C-3-103(c).

Section 5: The presence at the meeting of members or proxies entitled to cast ten percent (10%) of the votes shall constitute a quorum for any action except as otherwise provided by law.

Section 6: Every unit owner shall be entitled to one vote for each unit owned.

Section 7: Pursuant to G.S. § 47C-3-110, votes allocated to a unit may be cast pursuant to a dated written proxy signed by a unit owner. A unit owner may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one (1) year after its date, unless it specifies a shorter term.

ARTICLE II OFFICERS AND EXECUTIVE BOARD; SELECTION; TERM OF OFFICE

Section 1: The affairs of the Association shall be managed by an executive board of three (3) members, who shall be entitled to act on behalf of the Association.

Subject to the initial period of declarant control as set forth in Article I of the Declaration, nomination for election of the executive board shall be made from the floor at the annual meeting. Election shall be by secret written ballot and by a majority of the unit owners when a quorum is present. Cumulative voting is not permitted.

Section 2: At the first annual meeting following the termination of declarant control, three (3) executive board members shall be elected to serve until the following annual meeting.

Section 3: Any executive board member, except those appointed by the declarant, may be removed in accordance with G.S. § 47C-3-103(b). In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present.

Section 4: No executive board member shall receive compensation for any service he may render to the Association; however, with the prior approval of the executive board, any executive board member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 5: The executive board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the executive board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the executive board.

ARTICLE III MEETINGS OF EXECUTIVE BOARD

Section 1: Meetings of the executive board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Special meetings of the executive board may be called by any member of the executive board, after not less than five (5) days notice to each executive board member.

Section 2: A majority of the executive board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the executive board members present at a duly held meeting shall be regarded as the act of the board.

ARTICLE IV POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 1: Subject to the provisions contained herein and applicable law, the executive board shall have the power and authority to exercise all the rights of the Association, including, but not limited to:

- (a) adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;
- (b) suspend the voting rights and right of use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) declare the office of a member of the executive board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the executive board;
- (d) employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than 90 days termination notice;
- (e) procure, maintain and pay premiums on an insurance master policy(s) and equitably assess the owners of the same for their pro-rata portion of such expense.
- (f) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than for service provided to unit owners; and
- (g) exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;
- (h) exercise any other powers necessary and proper for the governance and operation of the Association; and

(i) have and to exercise any and all powers, rights and privileges which a corporation organized under the NonProfit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

Section 2: It shall be the duty of the executive board to:

- (a) cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the unit owners to recover the cost of the upkeep of the common elements.
- (b) serve as the architectural committee;
- (c) keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by 20% of the members;
- (d) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (e) fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period pursuant to the provisions set forth in the declaration and G.S. § 47C-3-103(c);
- (f) send written notice of each assessment to every owner at least thirty (30) days in advance of each annual assessment period;
- (g) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(h) issue, or have issued, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(i) procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in G.S. § 47C-3-113; and

(j) cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 1: The officers of this Association shall be a president, vice-president, and secretary/treasurer. The officers shall be appointed by the executive board from among the members of the executive board.

Section 2:

(a) the president shall preside at all meetings of the executive board; see that orders and resolutions of the executive board are carried out; sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) the vice-president shall act in the place of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the executive board.

(c) the secretary shall record the votes and keep the minutes of all meetings and proceedings of the executive board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the executive board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify, and record amendments to the declaration on behalf of the Association; and perform such other duties as required by the executive board.

(d) the treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the executive board; sign all checks and promissory notes (such checks and promissory notes to be co-signed by the president) of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

ARTICLE VI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The articles of incorporation and the declaration and bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.