

BYLAWS
OF
BELMONT ASSOCIATION, INC.

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FOR
BYLAWS OF
BELMONT ASSOCIATION, INC.**

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BYLAWS
OF
BELMONT ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is BELMONT ASSOCIATION, INC., hereinafter referred to as the "Association." At the time of the adoption of the Bylaws, the principal office of the corporation is located at 1010 Buck Jones Road, Raleigh, Wake County, North Carolina 27606, but may be located at such other places as from time to time may be determined by the Board. Meetings of Members may be held at such places within the State of North Carolina, County of Wake as from time to time may be determined by the Board.

ARTICLE II
PURPOSE AND POWERS

The Association specifically is organized as the "Association" pursuant to the provisions of the following documents to be recorded in the Wake County, North Carolina Registry (and including all amendments and supplemental declarations thereto):

1. Declaration Of Maintenance Covenant And Grant Of Protection Easements For Stormwater Control Facilities ("Stormwater Covenant").
2. Declaration Of City Of Raleigh Required City Code Provisions For Developments With Common Elements And Common Expenses ("City Code Covenant").
3. Declaration Of Protective Covenants For Belmont (the "Declaration").

The Stormwater Covenant and City Code Covenant are documents required by the City of Raleigh, North Carolina. The Declaration is a document recorded or to be recorded by Buffalo Partners I LLC (the "Declarant"). All such documents, together with the Bylaws, are referred to herein together as the "Association Documents" and are to be recorded prior to the sale by the Declarant of the first Lot in Belmont (the "Subdivision"). The Association Documents are part of the "Governing Documents" of the Association. The definitions of terms contained in the other Association Documents are applicable to the Bylaws, unless the context clearly indicates otherwise. As referred to herein and in the Association Documents, the "Act" is the North Carolina Planned Community Act, currently contained in Chapter 47F of the North Carolina General Statutes, and the "Nonprofit Corporation Act" is the North Carolina Nonprofit Corporation Act, currently contained in Chapter 55A of the North Carolina General Statutes. Except as otherwise provided herein or in the Articles or other Governing Documents, the Association shall have all of the rights, powers, duties and obligations conferred upon it by the Act and the Nonprofit Corporation Act. The Association and its Members shall be subject to all of the terms of the Governing Documents, specifically including, without

limitation, the provisions regarding membership in the Association and the obligation of Members of the Association to pay monetary assessments and other charges to the Association.

ARTICLE III MEMBERSHIP AND VOTING

Section 1. Membership. Each and every Owner of a Lot is a Member of the Association, with classes of membership as provided herein, and, by execution of the Declaration or by acceptance of a deed conveying to such Owner title to any Lot, each Owner consents to be a Member of the Association and to be subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of the Lot. An Owner's membership in the Association automatically terminates whenever such Person ceases to be an Owner, and Declarant shall be the Class B Member at all times that Declarant owns at least one (1) Lot. Termination of membership shall not release or relieve any such Owner from any liability or obligation incurred under the Declaration during the period of such Owner's membership in the Association, nor impair any rights or remedies which the Association or any other Owner has with respect to such former Owner.

Section 2. Classes of Voting Members. The Association shall have two (2) classes of voting Members as follows:

(a) Class A. Class A Members are all Owners of Lots, except for the Class B Member. With respect to Association matters on which Class A Members are eligible to vote, Class A Members shall have one (1) vote for each Lot owned by the Class A Member, but only one (1) Class A Member vote is allocated to each Lot, regardless of the number of Owners thereof.

(b) Class B. The Class B Member is the Declarant. During all times that the Class B membership exists the Class B Member shall be the only Member eligible to vote on Association matters, unless a Legal Requirement requires that all Members are eligible to vote, in which event the Class B Member shall have 1,600 votes. Any one or more times that the Class B membership terminates because Declarant owns no Lots, and Declarant later acquires ownership of one or more Lots, the Class B membership shall be reinstated until such time as Declarant again owns no Lots.

Section 3. Exercise of Voting Rights. The exercise of voting rights shall be as provided in the Bylaws or other applicable Governing Documents of the Association, including quorum requirements and exercise of voting rights by written consent or other method instead of a vote at a meeting of the Association, or by any combination of voting at a meeting and other method of voting. Any provision of the Declaration or other Governing Documents that refers to a vote of the membership of the Association shall not preclude the exercise of voting rights by such other methods. When there is more than one Owner of any Lot, all such Owners shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine (subject to any applicable provisions of the Governing Documents), but fractional voting of the votes allocated to such Lot shall not be allowed.

Section 4. Cumulative Voting. There shall be no cumulative voting.

Section 5. Multiple Owners. When any Lot entitling the Owner thereof to membership as a Class A or Class B Member is owned of record in the name of two (2) or more Persons, their acts and presence with respect to voting, written consents, and quorum requirements shall be as follows:

(a) If only one (1) of multiple Owners of a Lot is present in person or by proxy at a meeting of the Association, then such Owner is entitled to cast the vote allocated to that Owner's Lot;

(b) If more than one (1) of multiple Owners of a Lot is present in person or by proxy at a meeting of the Association, the vote for that Lot may be cast only in accordance with the agreement of a majority in interest of such multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the vote allocated to such Owners' Lot without protest being made promptly to the Person presiding over the meeting by any of the other Owners of that Lot (or Person possessing a valid proxy from any such other Owner);

(c) If more than one (1) of multiple Owners of a Lot is present in person or by proxy at a meeting of the Association, but the vote is evenly split on any particular matter, the vote shall not be counted (but the presence of such Owners in person or by proxy shall be counted for purposes of determining quorums);

(d) The presence at a meeting, in person or by proxy, of one (1) or more, but less than all, of multiple Owners of a Lot, shall be sufficient for quorum purposes with respect to the vote allocated to such Lot; and

(e) The principles of this Section shall apply, insofar as possible, to the execution of proxies, waivers, consents, written agreements, or objections.

Section 6. Voting Certificate. If a Member of the Association is not a natural person, the vote of such Member may be cast by any one or more natural persons authorized by such Member. Each such natural person must be named in a certificate or proxy signed by an authorized director, officer, partner, member, manager, trustee or other authorized person of the Member and filed with the Association; provided, however, whether or not such certificate is filed with the Association, any vote cast at a meeting of the Association on behalf of such Member by any director, officer, partner, member, manager, trustee, or other natural person with apparent authority, shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote is cast by the Member entitled to cast such vote. Such certificate shall be valid until revoked by a subsequent certificate similarly signed and filed with the Secretary. Wherever the approval or disapproval of a Member is required by the Governing Documents, such approval or disapproval may be made by any natural person who would be entitled to cast the vote of such Member at any meeting of the Association.

Section 7. Majority. Except when the Declaration, other Governing Documents, or Legal Requirements specifically require a higher percentage or require the applicable percentage to be calculated based on the number of votes "entitled to be cast", or the "total number of votes allocated to", or the "total

number of votes in the Association”, or some other, similarly descriptive term, the affirmative vote of a majority of the votes cast by the Members or applicable portion of Members at a meeting of the Association at which a quorum is present is the act of the Members or portion of Members with respect to the matter voted upon. For the purposes of voting in the Association, a “majority” is defined as more than 50%. Provided, however, and in addition to the foregoing, as provided in the Declaration the written consent of Declarant also may be required to make effective any matter voted upon by any portion or all of the Members.

Section 8. Action by Written Consent. Unless otherwise specifically provided in the Declaration, other Governing Documents, or any Legal Requirement, any matter that may be adopted by the vote of Members may be adopted by the written consent of the Members or applicable portion of Members, subject to the following: (i) the foregoing rules governing voting when there is more than one Owner of a Lot applies to written consents; (ii) the majority or other percentage required for adoption by voting is applicable to adoption by written consent, except that, with respect to written consents, the percentage shall be determined in relation to the total number of votes that the Members or portion of Members eligible to vote on the matter would be **entitled** to cast if a vote was held; (iii) the date on which the last required Member signs the written consent is the date for determining whether or not the required percentage of Members has consented; (iv) a written consent may be withdrawn if done so in the same manner required for giving the written consent and if done prior to the time that the last written consent necessary for adoption of the matter is executed; (v) a written consent given by any Owner is not revoked or invalid by reason of transfer of title by such Owner to that Owner’s Lot, but may be revoked by a subsequent Owner if done in accordance with the requirements of the immediately preceding subsection (iv); and (vi) the last written consent necessary for the matter to be adopted must be obtained on or before one (1) year following the date on which the first such written consent was obtained.

Section 9. Voting Disqualification. No Member of the Association may vote at any meeting of the Association or, in the case of a natural person, be elected to serve as a director or officer of the Association, if, as of the time of commencement of the meeting, there is an unpaid financial obligation of the Member to the Association that is more than sixty (60) days delinquent as measured from the payment due date. The Board shall resolve any dispute over whether or not a Member of the Association is disqualified from voting.

Section 10. Assignment to Lessee. The voting rights of an Owner of a Lot may be assigned to such Owner’s lessee only by written instrument and only with respect to the Lot actually leased and occupied by the lessee. No such assignment shall be effective until an original of the assignment instrument is delivered to the Secretary of the Association or to the property manager for the Association.

Section 11. No Additional Votes. Payment of special assessments or any other assessments or charges shall not entitle Members to votes in addition to those specified herein.

Section 12. Lots Owned by Association. Notwithstanding anything to the contrary that may appear herein, no votes allocated to Lots owned by the Association may be cast, nor may they be counted for purposes of determining a quorum.

Section 13. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy which is authorized in writing and meets the applicable requirements of the Governing Documents and Legal Requirements. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. A Member may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Association. Proxies may not be used in connection with meetings of the Board, Architectural Review Committee or any other Board committee.

Section 14. Ballots by Mail. When directed by the Board, in its sole discretion, a statement of certain motions to be introduced for vote of the Members at an annual or special meeting of the Association, and a ballot on which each Member may vote for or against each such motion, shall be sent with the notice of the annual or special meeting at which such vote is to be held. The form of the ballot and requirements for the execution, presentation and effectiveness thereof, not inconsistent with the Declaration, shall be as determined by the Board. Each mail ballot properly executed and presented at the applicable meeting shall be counted for voting purposes, including calculating the quorum requirements for the meeting, but such ballots shall not be counted in determining whether or not a quorum is present to vote on motions or other matters that do not appear on the ballot. With respect to any such ballot, the Board shall establish the rules for withdrawal or revocation of the ballot, which rules shall clearly be set forth on the ballot or on the notice of the meeting that accompanies any such ballot. Mail ballots from Members who are not entitled to vote on the date of the meeting of the Association at which the vote is held shall not be counted for voting or quorum purposes.

ARTICLE IV MEETINGS OF THE ASSOCIATION

Section 1. Meetings. Meetings of the Members shall be held on such dates and at such times and places in Wake County, North Carolina, as determined from time to time by the Board.

Section 2. Annual Meetings. The first annual meeting of the Association shall be held not later than the end of the calendar year immediately following the calendar year in which there first is a Lot Owner other than the Declarant or a Builder. Subsequent annual meetings shall be held at least once each year, on such dates and times as determined by the Board.

Section 3. Special Meetings. There shall be a special meeting of the Association: (i) when called by the President of the Association; or (ii) when called by the Board; or (iii) when requested by the Declarant during the Development Period; or (iv) upon written petition or request of the Class A Members holding twenty percent (20%) or more of the votes entitled to be cast by all of the Class A Members. Upon receipt

of the proper request for a special meeting, the Board shall schedule the special meeting for as soon as reasonably practicable thereafter, taking into consideration the notice of the special meeting required to be given. The signatures on a petition or other written request for a special meeting from the Class A Members shall be dated and shall be valid for a period of one hundred eighty (180) days following the date of the first such signature. Any call, petition or request for a special meeting shall specify the purposes for which the meeting is to be held and shall be delivered to the Secretary of the Association or to the property manager, if any, then employed by the Association. No business other than that stated in the call, petition or request shall be transacted at such special meeting.

Section 4. Notice of Meetings. Written or printed notice of each meeting of the Members of the Association, stating the place, date and time of the meeting and, in the case of a special meeting, or with respect to any matters referenced in Section 55A-7-05(c)(2) or successor Section of the Nonprofit Corporation Act or as otherwise required by the Nonprofit Corporation Act or the Act, a description of the matters to be considered at the meeting, shall be given by or at the direction of the Secretary to each Member entitled to vote at the meeting, not less than ten (10) days nor more than sixty (60) days before the date of the meeting; provided, however, and notwithstanding the foregoing, notice shall be given not less than thirty (30) days and not more than sixty (60) days before the date of the meeting when notice of the meeting is sent by means other than first class, registered or certified mail or by a national, regional or local same day or overnight courier service. Notice of a meeting also may be given in any other manner allowed by Legal Requirements. When a purpose of the meeting is to vote on an amendment to the Declaration, or a merger or consolidation of the Association, or dissolution of the Association, the notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation, or plan of dissolution, as appropriate. All notices shall be given in compliance with the Bylaws and Legal Requirements. A Member may waive any notice required under the Articles, the Bylaws or Legal Requirements before or after the date and time stated in the notice. The waiver shall be in writing, signed by the Member entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the Association's records. A waiver of notice by any one of multiple Owners of a Lot constitutes a waiver of notice by all such Owners. A Member's attendance at a meeting: (i) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or conducting business at the meeting; and (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter before it is voted upon.

If an annual or special meeting of the Association is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. Provided, however, and notwithstanding the immediately preceding sentence, if a new record date for the adjourned meeting is or must be fixed under Section 55A-7-07 (or successor Section) of the Nonprofit Corporation Act, written notice of the adjourned meeting shall be given in the manner required by the Bylaws and Legal Requirements to the Members of record entitled to vote at the meeting as of the new record date.

Section 5. Quorum. Except as otherwise provided in the Act or other Legal Requirements, a quorum shall be required for all meetings of the Members of the Association. Unless a higher percentage

is required by Legal Requirements, a quorum shall be deemed to be present throughout any meeting of the Association if Members entitled to cast ten percent (10%) or more of the total number of votes entitled to be cast by all of the Members of the Association who are present, in person or by proxy, at the beginning of the meeting. Once a Member is present at a meeting, such Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is set for that adjourned meeting.

In the event that business cannot be conducted at any meeting of the Association because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those Members present in person or by proxy, and the quorum requirement at the next meeting shall be one-half (½) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by one-half (½) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 6. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. Unless otherwise determined by majority vote of the Members present at the meeting, in person or by proxy, the then current edition of "Robert's Rules of Order" shall govern the conduct of all meetings of the Association when not in conflict with the Governing Documents or Legal Requirements. The order of business to be conducted at a meeting of the Members shall be as determined by the presiding officer, except as otherwise determined by the Board before or during the meeting.

Section 7. Action Without Meeting. Actions that can be taken by the Members and/or Voting Representatives at an annual or special meeting of the Association may be taken without a meeting as allowed by the Governing Documents and Legal Requirements.

ARTICLE V EXECUTIVE BOARD

Section 1. Initial Directors. The initial members (or "directors") of the Executive Board of the Association and their business addresses are:

Jimmy Gaskins, 1511 Sunday Drive, Suite 100, Raleigh, Wake County, NC 27607
Jeremy Medlin, 1511 Sunday Drive, Suite 100, Raleigh, Wake County, NC 27607
Vanessa T. Jenkins, 100 Weston Estates Way, Cary, Wake County, NC 27513

The initial directors have been appointed by the Declarant and shall serve until their successors are appointed or elected as provided herein.

Section 2. Declarant Controlled Board. Until the first annual meeting of the Members of the Association held after the end of the Development Period, unless otherwise provided by the Declarant the Board shall consist of such directors as are appointed by the Declarant. During the Development Period the Declarant has complete discretion in appointing, removing, and replacing directors.

Section 3. Member Controlled Board.

(a) Following the end of the Development Period, the number of directors shall continue to be three (3), unless a higher number is established by vote of the Members of the Association. At the first annual meeting held after the end of the Development Period, the Members shall appoint or elect all of the directors for terms as follows: one (1) director for a term of one (1) year; one (1) director for a term of two (2) years; and one (1) director for a term of three (3) years.

(b) Each director elected or appointed following the initial election or appointment of directors by the Members at an annual meeting of the Association, except for a director elected or appointed to fill the unexpired term of a director, shall be elected or appointed, as the case may be, for a three (3) year term. There is no limitation on the number of successive terms or number of terms that a director may serve.

(c) The Association shall publish the names and addresses of the directors within thirty (30) days of their election.

Section 4. General Provisions.

(a) A director shall not be required to be a Member of the Association.

(b) No Member of the Association shall be elected as a director, or allowed to continue serving as a director, (i) if such Member is more than sixty (60) days delinquent in the payment of any financial obligation owed to the Association, as measured from the payment due date, or (ii) after a hearing at which such Member is given an opportunity to appear and be heard and such Member is found by the Board to be in violation of the Governing Documents or Association rules and regulations, during any period of time that such violation has not been completely remedied.

(c) Subject to the specific provisions of Section 3 of this Article, the Board shall establish and administer procedures for the election of directors by the Members of the Association.

(d) Vacancies on the Board that occur for any reason other than (i) removal of a director by the Members (it being in the sole discretion of the Declarant whether or not to remove a director appointed by the Declarant), or (ii) removal or resignation or death of a director appointed by the Declarant, shall be filled by a majority vote of the remaining directors at a meeting of the Board held for such purpose promptly after the occurrence of the vacancy, whether or not such remaining directors constitute less than the number of directors required for a quorum of the Board. Each person so elected is elected to serve as a director until a successor is elected at the next annual meeting of the Association. Vacancies caused by removal of a director by the Members of the Association shall be filled by a vote of the Members at an annual or special

meeting of the Association held within ninety (90) days following such removal, and the successor director shall serve the remainder of the term of the director being replaced.

(e) A director shall be deemed to have resigned if such director has failed to attend three (3) consecutive regular meetings of the Board without approval from the Board for any of such absences. Provided, such deemed resignation shall not prohibit reappointment or re-election of such director.

(f) No director shall receive compensation from the Association for serving as a director. However, as determined by the Board, directors may be reimbursed for actual expenses incurred in the performance of their duties as directors.

Section 5. Meetings. At the first regular meeting of the Board following an annual meeting of the Association (which may be held contemporaneously with the annual meeting), the Board shall elect officers, appoint Architectural Review Committee members (if applicable) and other committee members, and review the operations of the Board and make any desired changes. Regular meetings of the Board shall be held at such time and place as shall be determined from time to time by a majority of the directors. Special meetings of the Board may be called by the President of the Association or the presiding officer of the Board, and shall be called upon the written request of two (2) or more directors. All meetings of the Board shall be open to Members of the Association as observers, except that the President of the Association or the presiding officer of the Board may call the Board into executive session on sensitive matters such as personnel, litigation, hearings with respect to violations of the Governing Documents, or as otherwise allowed by Legal Requirements. Any final action of the Board taken during an executive session shall be recorded in the minutes of the Board. If at any meeting of the Board there is less than a quorum present, a majority of those directors present may recess or adjourn the meeting from time to time.

As determined by the Board, and subject to Legal Requirements, the Board may permit any or all directors to participate in a regular or special meeting of the Board by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 6. Notice of Meetings. Regular meetings of the Board, held in accordance with a schedule of regular meetings adopted by the Board, may be held without notice. No notice of the first meeting of the Board held after the annual meeting of the Association is required if the meeting is held contemporaneously with the annual meeting. Notice of all other meetings of the Board, including meetings held following adjournment of a meeting for lack of a quorum, shall be given to each director orally or in writing, either in person or by first class mail, telegraph, telecopier, electronic mail ("e-mail"), telephone, private courier, or other usual means of communication then in existence, not less than five (5) days prior to the date of the meeting; provided, however, notice of the new date, time or place of an adjourned meeting need not be given to the directors who were present at the adjourned meeting. All such notices shall state the place, date and time of the meeting and, in the case of special meetings, the purpose thereof. A director's attendance at, or participation in, a meeting waives any required notice to that director of the meeting unless that director, at the beginning of the meeting or promptly upon that director's arrival or commencement of

participation in the meeting, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. A director may participate in a meeting of the Board in any manner allowed by Legal Requirements.

Section 7. Action Taken Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all of the directors. Such action shall be evidenced by one or more written consents describing the action taken, signed and dated by each director before or after such action, which consents shall be included in the minutes or filed with the corporate records. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different date. Provided, however, the last consent shall be signed on or before the thirtieth (30th) day following the date on which the first consent is signed. Further provided, a consent signed by a director who resigns, dies or is replaced before all the required consents are signed, shall remain valid until the end of the thirty (30) day time period and the written consent of the replacement director shall not be required. Actions taken under this section shall have the same force and effect as if taken by unanimous vote of the directors at a meeting of the Board.

Section 8. Quorum and Voting. At all meetings of the Board, a quorum is deemed present throughout the meeting if directors entitled to cast fifty percent (50%) or more of the votes on that Board are present at the beginning of the meeting. A majority vote of the directors on any matter at a meeting of the directors at which a quorum is present shall constitute a decision of the Board, unless otherwise provided by the Act, the Nonprofit Corporation Act or the Governing Documents.

Section 9. Powers. The Board shall have all of the powers necessary for the administration of the business of the Association and, except as otherwise provided by Legal Requirements and the Governing Documents, may act in all instances on behalf of the Association. In addition to or in furtherance of the powers of the Board described in the Governing Documents and Legal Requirements, on behalf of the Association the Board shall have power to do any or all of the following:

(a) subject to the provisions of the Bylaws, employ a property manager or firm to manage the business and property of the Association.

(b) contract with any Person, including, without limitation, the Declarant and Members of the Association, to perform the functions of the Association and provide the services required by the Declaration, such contracts to be at competitive rates and otherwise upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association. Provided, however, as stated in the Declaration, all Association contracts and leases which affect or relate to the Properties or any part thereof and which (i) are entered into prior to the time that the first Board elected by the Members takes office, and (ii) are not bona fide or were unconscionable to the Owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the Association at any time after the first Board elected by the Members takes office, upon not less than ninety (90) days written notice to the other parties to the contract or lease (or any different minimum time period provided for in the Act), and all such contracts and leases are terminable as provided in this Section, whether or not the right of the Association to terminate is stated therein.

(c) delegate to one of the directors or to a Person employed or appointed for such purpose the authority to act on behalf of the Board on matters relating to the duties of the property manager, if any, which may arise between meetings of the Board.

(d) adopt and publish reasonable rules and regulations, not inconsistent with the Governing Documents, governing the use of the Common Property and its facilities, including the personal conduct thereon of the Members, their family members, guests, invitees and lessees, and establish penalties for the violation thereof.

(e) subject to Legal Requirements, charge reasonable fees for the use of the Common Property and its facilities by the Members and their family members, guests, invitees and lessees, and, as determined by the Board to be in the best interests of the Association, allow non-Members of the Association to use the Common Property and its facilities upon payment of such fee arrangements or other charges as established by the Board.

(f) except as limited by the Declaration, suspend the voting rights of a Member and the rights of a Member or such Member's family members, guests, invitees and lessees to use Common Property and its facilities during any period in which such Member is in default in the payment of any assessment or charge levied by the Association and such default continues for thirty (30) days or longer. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for violation of published rules and regulations.

(g) declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board.

(h) enforce provisions of the Governing Documents, as the Board deems advisable in the best interests of the Association.

(i) open bank accounts on behalf of the Association, and designate the signatories thereon.

(j) act with respect to all matters arising out of any eminent domain proceeding affecting the Common Property.

(k) obtain and maintain in effect the insurance required and permitted to be obtained under the Declaration.

(l) pay for the cost of goods and services rendered to the Association.

(m) subject to the terms of the Declaration and Legal Requirements, borrow money on behalf of the Association and, to secure repayment of any such indebtedness, mortgage the Common Property owned by the Association and other assets of the Association and assign and pledge all revenue to be received by the Association, including assessments.

(n) authorize and direct the officers of the Association to execute plats, construction permit applications and other documents in connection with the Common Property as may be necessary or desirable in the ordinary course of the normal development and maintenance of the Properties, either at the request of the Declarant, or on its own determination.

(o) subject to the terms of the Declaration, lease, dedicate, convey by deed or transfer any portion of the Common Property, or grant, relocate or terminate easements, rights-of-way or licenses over and through the Common Property.

(p) delegate any of its powers to agents, employees, committees, or others; provided, however, with respect to each such delegation the Board shall remain responsible for any action undertaken by the Person to whom the Board power was delegated.

(q) take such other actions, not inconsistent with the Governing Documents and Legal Requirements, as may be necessary to perform the functions of the Association and provide the services as required by the Declaration.

Section 10. Duties. In addition to or in furtherance of the duties of the Board described in the Declaration, Articles and Legal Requirements, on behalf of the Association the Board shall do, or employ or contract with appropriate Persons to do, all of the following:

(a) implement performance of the functions of the Association, including maintenance of the Common Property and provision of the services required by the Declaration.

(b) keep records of all of its acts and corporate business and present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by the Class A Members who hold than twenty-five percent (25%) or more of the votes entitled to be cast by the Class A Members.

(c) supervise all officers, agents and employees of the Association, including the property manager, and see that their duties are properly performed.

(d) as more fully provided in the Declaration:

(1) establish the amount of the annual assessment;

(2) send written notice of each assessment to the Owner of each assessed Lot (provided, however, that failure of the Board to send any such notice shall in no way affect the obligation of an Owner to pay the assessment);

(3) collect the assessments, deposit the assessments in depositories designated by the Board and use the proceeds to maintain the Common Property and pay the Common Expenses;

(4) prepare an annual operating budget for the Association; and

(5) establish and maintain reserve funds as the Board from time to time determines to be in the best interests of the Association.

(e) notify the Members of the Association of any litigation against the Association, or against directors, officers, Architectural Review Committee members or others entitled to indemnity from the Association, when such litigation involves a claim in excess of twenty (20%) of the total annual assessment for the year in which the litigation is commenced.

(f) give notices to Institutional Lenders who have requested notification in the manner required by the Declaration.

(g) issue, or cause to be issued, as required by the Declaration and upon payment of any charge established therefor, a certificate setting forth whether or not any assessment or other charge has been paid, and whether or not the Owner of any Lot is current or delinquent in the payment of such assessments or other charges.

(h) obtain and maintain the insurance required to be obtained by the Declaration.

(i) cause all officers and employees having fiscal responsibilities to be bonded, as the Board deems appropriate.

(j) operate the Architectural Review Committee when required by the terms of the Declaration.

(k) pay all applicable ad valorem property taxes levied against all Common Property and other assets of the Association.

The Board may delegate any of its duties to agents, employees, committees, or others; provided, however, with respect to each such delegation the Board shall remain responsible for any action undertaken by the Person to whom the Board duty was delegated.

Section 11. Compensation. No director shall receive compensation from the Association for serving as a director. However, as determined by the Board, directors may be reimbursed for actual expenses incurred in the performance of their duties as directors.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, both of whom shall at all times be members of the Board and serve, respectively, as Chairman and Vice-Chairman of the Board, a Secretary, a Treasurer and such other officers as the Board may from time

to time by resolution authorize. Any officer may hold more than one (1) office at a time. Except as otherwise provided herein, officers shall not be required to be directors or Members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. The Association shall publish the names and addresses of the officers within thirty (30) days of their election.

Section 3. Term. Each officer shall hold office until his successor is elected, or until he sooner resigns or dies, or is removed by the Board in its sole discretion, or otherwise becomes disqualified to serve. There is no limitation on the successive terms or number of terms that an officer may serve.

Section 4. Resignation and Removal. Any officer may be removed from office at any time by the Board, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 6. Duties. Each officer shall perform all duties incident to the office and generally shall perform such duties as are normally associated with such office in parliamentary organizations. In addition, the officers shall have the following specific duties:

(a) **President.** The President shall: serve as the chief executive officer of the Association; preside at all meetings of the Association; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments of the Association; and exercise and discharge such other duties as may be required by the Board.

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

(c) **Secretary.** The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Association and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; give notices of meetings of the Board and of the Members; give notices of assessments to the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

(d) **Assistant Secretary.** The assistant secretary, if any, shall act in the place and stead of the secretary in the event of the Secretary's absence, inability or refusal to act, and shall exercise and discharge such other duties as required by the Board.

(e) **Treasurer.** The treasurer shall: receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board; keep full and accurate financial records and books of account showing all receipts and disbursements of the Association; prepare an annual statement of income and expenditures to be presented to the membership at its regular annual meeting; and exercise and discharge such other duties as may be required by the Board.

(f) **Assistant Treasurer.** The assistant treasurer, if any, shall act in the place and stead of the treasurer in the event of the Treasurer's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Section 7. Compensation. No officer shall receive compensation for services rendered in such capacity to the Association; provided, however, an officer may be reimbursed for actual expenses incurred in the performance of such duties, the Association may pay for the services of a recording secretary, and the property manager is not prohibited from receiving compensation for performing duties of the secretary or treasurer as allowed herein.

ARTICLE VII PROPERTY MANAGER

Section 1. Compensation. To assist the Board in its duties, the Board may employ a "property manager" (or "management company", or similarly named Person, such terms being used interchangeably in the Governing Documents) at a compensation to be established by the Board.

Section 2. Requirements. The property manager shall be a bona fide business enterprise or independent contractor which manages common interest residential communities, including, in the Board's discretion, entities affiliated with the Declarant. The property manager or its principals, agents or employees handling Association business shall have a minimum of two years' experience in residential community management (unless a property manager with such experience is not reasonably available) and shall possess competence in the technical skills necessary for proper management of the Properties. The property manager must be able to advise the Board regarding the administrative operation of the Properties and the Association and shall employ or have access to Persons knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management.

Section 3. Duties. The property manager shall perform such duties and services as the Board directs, and shall assist the officers in the performance of their duties. The property manager shall perform all of its obligations, duties and services in compliance with the provisions of all Legal Requirements and the Governing Documents.

Section 4. Standards. The Board shall impose appropriate standards of performance upon the property manager. Unless the property manager is instructed otherwise by the Board:

(a) any expenses required by the Governing Documents to be charged to one or more but less than all of the Members shall be accounted for and reported separately.

(b) monies and accounts of the Association shall not be commingled with any other Person's monies and accounts.

(c) no remuneration shall be accepted by the property manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees or otherwise, and any discounts given by such Persons shall benefit the Association.

(d) any financial or other interest which the property manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

(e) the property manager shall prepare financial reports for the Association as directed by the Board, including information on the following: (i) all income and expense activity; (ii) a balance sheet reflecting the financial condition of the Association on an unaudited basis; (iii) a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (iv) a delinquency report listing all Members who are delinquent in paying assessments or other charges and describing the status of any actions to collect such assessments.

Section 5. Limitations. The Board may employ a property manager for an initial term not to exceed two (2) years; provided, however, that the terms of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods. Unless otherwise determined by the Board to be in the best interests of the Association, any contract with the property manager must provide that it may be terminated, without payment of a termination fee and without cause on no more than ninety (90) days written notice, and without payment of a termination fee and with cause on no more than thirty (30) days written notice.

Section 6. Officer Duties. At the discretion and direction of the Board, the property manager may perform the duties of the Secretary and/or the Treasurer of the Association.

ARTICLE VIII FIDUCIARY DUTIES

Section 1. Signature Requirements. Unless otherwise provided by the Board: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), and all expenditures from reserve accounts, shall be signed by any two (2) Persons designated by the Board of Directors; and (ii) all such instruments for expenditures or obligations of Two Thousand Five Hundred and 00/100 (\$2,500.00) or less, except from reserve accounts, may be signed by any one (1) Person designated by the Board of Directors.

Section 2. Conflicts of Interest. Each director and each officer of the Association shall exercise such director's or officer's powers and duties in good faith and in the best interests of the Association. Unless prohibited by Legal Requirements, any interested director may be counted in determining the presence of a quorum at any meeting of the Board. The voidableness of a transaction involving a director or officer with a conflict of interest shall be determined in accordance with Legal Requirements.

ARTICLE IX COMMITTEES

As required by the Declaration, the Board shall appoint the members of and operate the Architectural Review Committee and hear appeals therefrom. In addition, at any time and from time to time the Board may appoint such other committees, consisting of one (1) or more natural persons, with such powers and duties, and subject to such procedures, as it deems appropriate in carrying out the functions of the Association.

ARTICLE X BOOKS AND RECORDS

Section 1. Maintenance. The Association shall keep books and records as required by the Nonprofit Corporation Act and other Legal Requirements. The Association shall keep records of: (i) its Governing Documents; (ii) its actions (board resolutions, meeting minutes, etc.); and (iii) its financial condition (receipts and expenditures affecting the finances, operation and administration of the Association, budget, financial statements, etc.). All books and records shall be kept in accordance with generally accepted accounting principals, and the same shall be reviewed annually by an accountant or shall be audited upon (i) majority vote of the Members present at a meeting of the Association, or (ii) at the request of a majority of the Institutional Lenders, or (iii) upon the determination of the Board, by a certified public accountant retained by the Board who shall not be a Member, director, officer or the property manager of the Association, nor the Declarant, nor any employee, director, officer, member, manager or partner of the Declarant. The cost of such review or audit shall be a Common Expense.

Section 2. Availability. Subject to the applicable provisions of the Act with respect to books and records of the Association, the books and records of the Association shall be available for examination and/or copying by the Members of the Association, their attorneys and accountants, and by Institutional Lenders and their authorized agents, during general business hours on business days, upon written notice of demand for inspection given to the Secretary of the Association not less than five (5) business days before the date on which such Person wishes to examine and/or copy such books or records. All Institutional Lenders or their authorized representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the Members of the Association. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any copies.

Section 3. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year of the Association, the Board shall make available to each Member requesting same and to each Institutional Lender requesting the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

ARTICLE XI CORPORATE SEAL

As determined by the Board from time to time, the corporate seal of the Association shall be a seal and/or stamp in circular or other form, having within same the name of the Association and such other words as are approved by the Board, which name of the Association and such other words may be imprinted or hand-written within such seal or stamp.

ARTICLE XII AMENDMENTS

Section 1. Amendment by Declarant. During the Development Period the Declarant unilaterally, and in its sole discretion, without the joinder or approval of the Association, any Member, or any other Person and without the necessity of a meeting of the Association, may amend the Bylaws for any purpose. Any amendment to the Bylaws adopted by the Declarant shall be effective upon adoption or such later date specified by Declarant.

Section 2. Amendment by the Members. Following the end of the Development Period, except for any amendment under Section 3 of this Article, the Bylaws may be amended only as follows:

(a) Unless a higher percentage or different voting requirement is specified herein or by Legal Requirements, the Bylaws may be amended only by (i) the written agreement or consent of those Members who have, or the affirmative vote at a meeting of the Association of those Members who have, sixty-seven percent (67%) or more of the total number of votes allocated to the Members, and (ii) during the Development Period, with the written consent of Declarant.

(b) Written notice of an annual or special meeting of the Association at which any proposed amendment to the Bylaws is to be voted on, together with at least a summary description of the proposed amendment, shall be given to all Members. If the meeting for which notice has been given is adjourned, notice of the subsequent meeting shall be given as required by the Bylaws.

Section 3. Amendment of Articles. Upon any amendment of the Declaration or the Articles, the Bylaws shall be deemed amended as necessary to conform to the amended Declaration or Articles, and the

Secretary shall file such documents with the minutes of the Association as may be reasonably required to conform the Bylaws to the amended Declaration or Articles.

ARTICLE XIII ADDITIONAL RIGHTS OF DECLARANT

Section 1. Right to Disapprove. During the Development Period, the Declarant, in its sole discretion, shall have a right to disapprove and set aside any action, policy or program of the Association, the Board, the Architectural Review Committee, and any other committee of the Board. The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove and set aside any such action, policy, or program at any time within ten (10) days following the meeting at which such action, policy, or program was proposed or, in the case of any action, policy, or program taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action, policy, or program. This right to disapprove and set aside may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Association. The Declarant shall not use its right to disapprove and set aside to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with Legal Requirements.

Section 2. Notice to Declarant. During the Development Period the Association, unless otherwise directed by the Declarant, the Board, the Architectural Review Committee, and each other Board committee shall give the Declarant written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting). Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Declarant has registered with the Association's Secretary, shall be given not less than ten (10) days prior to the scheduled meeting, and which shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth with reasonable particularity the agenda to be followed at such meeting.

Section 3. Opportunity to be Heard. During the Development Period, the Association, the Board, the Architectural Review Committee, and each other Board committee shall give the Declarant the opportunity at any meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

ARTICLE XIV MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association is defined as the calendar year until such time as the Board, by appropriate resolution establishes a different fiscal year for the Association.

Section 2. Notice. Except as otherwise provided herein, whenever written notice to any Person (including Owners and Members) is required hereunder, such notice may be hand delivered to such Person, or given by first class United States mail, postage prepaid, or given in such other manner specifically allowed or required by Legal Requirements, or given in such other manner determined by the Board to be proper and which does not violate any Legal Requirements, addressed to the address of such Person appearing on the records of the Association or to the address for such Person appearing in the records of the Wake County Revenue Department. Properly addressed notice shall be deemed to have been given by the Association as follows: (i) in the absence of any delays in delivery by the United States Postal Service resulting from acts of war or terrorism, on the third day following the date the notice was deposited in the United States mail, first class postage prepaid; or (ii) on the date of personal delivery to the Person or an adult residing with the Person, as evidenced by a receipt signed by the Person or such other Person; or (iii) on the delivery date indicated on a return certified or registered mail receipt, or (iv) on the date indicated by the records of a national, regional or local same day or overnight courier service, or (v) on the date acknowledged in writing by the recipient Person or other adult residing with such Person, or (vi) upon execution of a written waiver of such notice by the Person. Notice to the Association may be given and shall be deemed to have been given in the same manner as notice to a Person, when addressed to the principal business office of the Association or the property manager employed by the Association. It shall be the duty of each Owner and Member to keep the Association informed of such Owner's or Member's current mailing address and telephone number. If an Owner or Member has not provided the Association with such current mailing address the Association may use as the mailing address the street address of the Lot owned by such Owner or Member or the address for such Owner or Member in the records of the Wake County Revenue Department. If no address for an Owner or Member is reasonably available to the Association, the Association shall not be required to give notice to such Owner or Member. Notice given to any one of multiple Owners of any portion of the Properties shall be deemed to have been given to all of such Owners.

Section 3. Titles. The titles, headings and captions which have been used throughout the Bylaws are for convenience only and are not to be used in construing the Bylaws or any part thereof, except as necessary with respect to any cross-referencing of any provisions of the Bylaws.

Section 4. Number and Gender. Whenever the context of the Bylaws requires, the singular shall include the plural and one gender shall include all.

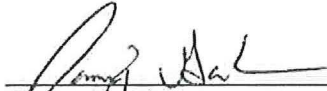
Section 5. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of the Bylaws shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses and phrases hereof shall continue in full force and effect and shall not be affected thereby. To the extent that any provision of the Bylaws is determined to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision without destroying its intent, then the narrower or partially enforceable provision shall be applied and, to the extent lawful, shall be enforced. It is hereby declared that said remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 6. Conflicts. Whenever there exists a conflict among the Governing Documents of the Association, the provisions of the Declaration and thereafter, any applicable Supplemental Declaration or Subdivision Declaration shall control, except as to matters of compliance with the Nonprofit Corporation Act, in which event the Articles shall control. Whenever there is a conflict between the provisions of the Articles and Bylaws, the provisions of the Articles shall control. The provisions of the Bylaws shall control over any conflicting provision of any Restrictions and Rules, Board resolutions, or Architectural Guidelines. With respect to the foregoing, specific provisions shall control general provisions, except that a construction consistent with the Act, the Nonprofit Corporation Act and other Legal Requirements shall in all cases control over any construction inconsistent therewith. The provisions of the Act and Nonprofit Corporation Act shall in all cases control over any conflicting provisions of the Raleigh City Code. The Governing Documents shall be construed together with the construction that avoids, insofar as possible, conflicts among them.

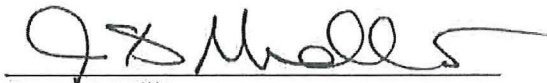
For the purposes of this Article and any other references in the Governing Documents to similar conflicts, a 'conflict' is a situation in which the provisions in question cannot be reconciled or where enforcement of one provision necessarily would prohibit enforcement of another provision - for example, where one provision allows a certain action and the other provision prohibits the same action. Two provisions that are different, but not mutually exclusive or prohibitive of each other do not constitute a conflict for the purposes of this Article.

(execution page follows)

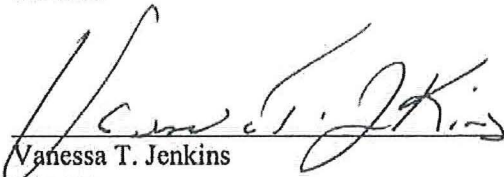
IN WITNESS WHEREOF, we, being all of the directors of BELMONT ASSOCIATION, INC., have executed these Bylaws effective this 14th day of November, 2011.



Jimmy Gaskins
Director



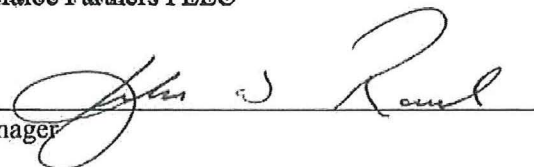
Jeremy Medlin
Director



Vanessa T. Jenkins
Director

Consented to by the Declarant:

Buffalo Partners I LLC

By: 

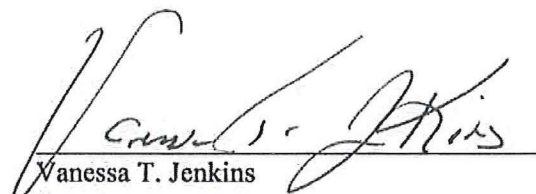
Manager

CERTIFICATION

I, the undersigned, hereby certify:

THAT I am the Secretary of BELMONT ASSOCIATION, INC.;

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted pursuant to a consent to action in lieu of the organizational meeting of the Board of Directors thereof, held on the 14th day of November, 2011.


Vanessa T. Jenkins
Secretary