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BY-LAWS
OF
BROOKGLEN HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Brookglen Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at the offices of Brown Investment Properties, Inc. at 440 West Market Street, Greensboro, Guilford County, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, County of Guilford, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to THE BROOKGLEN HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in Exhibit A of the Articles of Incorporation of the Association, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. The "Brooks Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Class A and Class C Owners. The Brooks Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All that land designated "Common Area" on any plat filed by Declarant in the Guilford County Registry affecting property located within Tract I of Exhibit A attached to the Articles of Incorporation of the Association.

Section 5. The "Brookglen Village Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Class B and Class D Owners. The Brookglen Village Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All that land designated "Common Area" on any plat filed by Declarant in the Guilford County Registry affecting property located within Tract II of Exhibit A attached to the Articles of Incorporation of the Association.

Section 6. The "Brookglen Swim and Lake Club Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Class A, B, C and D Owners other than the Brooks Common Area and the Brookglen Village Common Area. The Brookglen Swim and Lake Club Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All that land designated "Common Area" on any plat filed by Declarant in the Guilford County Registry affecting property located within Tract III of Exhibit A attached to the Articles of Incorporation of the Association.

Section 7. The "Common Area" shall mean all of the common areas collectively described in the preceding Sections 4, 5, and 6.

Section 8. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and dedicated streets. "Townhouse Lots" are those upon which are constructed or are designed for construction thereon of townhouses or multifamily structures and which are all lots located or to be located on Tract I of the above referred to Exhibit A together with any lots added as part of any annexation of land pursuant to Article XI, Section 4. All other Lots are "Detached Single Family Lots".

Section 9. "Living Unit" shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 10. "Townhouse Structure" shall mean and refer to any building as a residence located on a Lot within the Brooks Subdivision within Tract I of Exhibit A of the Declaration as it may be expanded.

Section 11. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

Section 12. "Declarant" shall mean and refer to Brown Investment Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant at any one time for the purposes of development.

Section 13. "Member-User" shall mean and refer to any person not a member of the Association as that term is defined in Section 10 of this Article and Article III, Section 1 hereinafter, who, in consideration for the use of the recreational facilities and areas of the Association, pays an initial membership fee and the additional monthly charge prescribed by the Association therefor. A Member-User shall have no voting rights in the Association.

Section 14. "Invitee-User" shall mean and refer to any person who is not a member of the Association as defined in Article I, Section 1 hereinabove and Article III, Section 1 hereinafter, who becomes entitled to the use of the common facilities by paying a separate charge on each occasion that he uses the common facilities.

Section 15. "Property Manager" shall mean the person or organization serving as an independent contractor from the Association retained at the direction of the Board of Directors to manage and supervise the Association's duties with regard to maintenance of the Properties as required of the Board by this Declaration, the Articles and By-Laws.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. (The President of the Association shall have the authority to require that such multiple Owners of a Lot file a Certificate with the Secretary of the Association, signed by all of the Owners, designating the person entitled to cast the vote for such Lot. Such Certificate shall be valid until revoked by a subsequent Certificate. If such Certificate is not filed when required, the vote of such Owners shall not be considered in determining the requirements for a quorum or for any other purpose.)

Section 2. Property Rights. Each Member shall be entitled to the use and enjoyment of the facilities as provided in the Declaration. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, to his tenants, or to contract purchasers who reside on the Property.

ARTICLE IV

GENERAL STATEMENT OF OPERATION

The Association shall have a ~~Board of Directors~~ which will be responsible for overseeing the operation of the entire Brookglen

Homeowners Association responsibilities. In addition, there will be ~~two (2) Executive Committees, one being the Brooks Executive Committee representing all Class A and Class G Members and the Brookglen Village Executive Committee representing all Class B and Class D Members.~~ Some of the duties and responsibilities normally reserved for a Board of Directors of a homeowners association have been specifically delegated to the two respective Executive Committees. Nonetheless, the Brookglen Homeowners Association shall exist and operate as a single entity and a single homeowners association.

ARTICLE V

MEETINGS OF ALL MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on September 9, 1987, with each subsequent regular annual meeting of the Members to be held on a Monday, Tuesday, Wednesday or Thursday evening of each successive March thereafter at such time and place as the Board of Directors may prescribe.

In addition to the annual meeting for all Members, the Class A and C Members shall have an annual meeting prior to the annual meeting for all Members but within two (2) months of the meeting for all Members and the Class B and Class D Members will, likewise, have a meeting of their Membership prior to the annual meeting for all Members but within two (2) months of the annual meeting for all Members.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership or of all the votes of the Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of

Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such time shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE VI

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors who must be Members of the Association except for the Directors chosen by Declarant. All Members of the two Executive Committees must be Members of the Association except for those Members chosen by the Declarant. → Each of the said Executive Committees shall be comprised of three (3) Members, two of whom shall be Directors of the Association and the third which shall be chosen from the Membership or by the Declarant.

Section 2. Term of Office. The basic term of office for each Director will be two (2) years. At the first annual meeting of the Class A Members said Members shall select two (2) Directors to serve a term of two (2) years. Said Directors shall also serve on the Brooks Executive Committee. At said meeting the Class A Members shall also choose a third member to serve on the Brooks Executive Committee. At the annual meeting of the Class A Members occurring at the expiration of the two (2) year term for said Board Members, the Class A Members shall elect the replacements for those whose terms have expired.

At the first annual meeting of the Class B Members said Members shall select two (2) Directors to serve a term of two (2) years. Said Directors shall also serve on the Brookglen Village Executive Committee. At said meeting the Class B Members shall also choose a third member to serve on the Brookglen Village Executive Committee. At the annual meeting of the Class B Members occurring at the expiration of the two (2) year term for said Board Members, the Class B Members shall elect the replacements for those whose terms have expired.

Subject to the right of Declarant to chose the fifth Board Member at the first annual meeting of all Members, the Members shall select one (1) Director for a term of two (2) years. At the annual meeting occurring at the expiration of said term, the Members shall elect a Director for a term of two (2) years to replace the one whose term has expired.

No cumulative voting will be allowed with regard to the election of any member of the Board of Directors or the Executive Committees.

Section 3. Removal. Any Director selected by the Class A Members may be removed from the Board, with or without cause, by a majority vote of the Class A Members. Any Director selected by the Class B Members may be removed from the Board, with or without cause, by a majority vote of the Class B Members. The Director chosen by all Members may be removed from the Board, with or without cause, by a majority vote of all Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve the unexpired term of his predecessor. If said Director was chosen by the Class A Members then his successor shall be selected from the Class A Membership. If said Director was chosen by the Class B Members then his successor shall be selected from the Class B Membership.

An Executive Committee Member who is not a Director of either the Brooks Executive Committee or the Brookglen Village Executive Committee may be removed from said Executive Committee, with or without cause, by a majority vote of the Members of the Association responsible for his selection. In the event of death, resignation or removal of such an Executive Committee Member who is not a Director, his successor shall be selected by the remaining members of the Executive Committee. If they should be unable to agree upon a replacement, then his successor shall be elected by a majority vote by the Class of Membership governed by said Executive Committee (present in person or represented by proxy) at a properly called meeting for such purpose commenced with a quorum present.

Section 4. Compensation. No Director or Executive Committee Member shall receive compensation for any service he may render to the Association. However, any Director or Executive Committee Member may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors and Executive Committee Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors or Executive Committee Members. Any action so approved shall have the same effect as though taken at a meeting of the Directors or a meeting of the Executive Committee, as the case may be.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

Section 1. Nomination. Nomination for election to the Board of Directors and the respective Executive Committees shall be made

by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Class A Members and the Class B Members as well as the annual meeting for all Members, respectively. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each of the above referred to annual meetings to serve until the close of the next annual meetings and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors and their respective Executive Committees as it shall in its discretion determine, but not less than the number of vacancies to be filled. Such nominations shall be made from among Members. The Class A Members shall elect their two (2) members of the Board of Directors as well as the other member of the Executive Committee by secret ballot. Likewise, the Class B Members shall elect their two (2) members of the Board of Directors as well as the other member of the Executive Committee by secret ballot. The election of the remaining member of the Board of Directors shall be by secret ballot at the meeting of all Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETINGS OF DIRECTORS AND OF THE EXECUTIVE COMMITTEES

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such notice as shall be determined by resolution of a majority of the Directors. Regular meetings of the Executive Committees shall be held at such time and place and with such notice as shall be determined by resolution of a majority of the members of each Executive Committee.

Section 2. Special Meetings. Special meetings of the Board of Directors or of the Executive Committees shall be held when called by the president of the Association, or by a majority of the members of the Board or of the Executive Committees, respectively.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A majority of the members of

*Board mtgs
Executive
Committee*

each Executive Committee shall constitute a quorum for the transaction of business for the respective Executive Committees. Every act or decision done or made by a majority of such members present at a duly held meeting at which a quorum is present shall be regarded as the act of the said Executive Committee.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEES

Section 1. Powers of the Board of Directors. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Brookglen Village Swim and Lake Club Common Area and facilities, and the personal conduct of the Members, and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to the use of any recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare in its discretion the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) contract for the maintenance of the Common Area and management of the Properties as directed by the Articles of Incorporation and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or membership of the Association;
- (f) employ attorneys to represent the Association when deemed necessary; and
- (g) employ such other employees as they deem necessary, and to prescribe their duties.

Section 2. Powers of the Respective Executive Committees.

With regard to their respective Members, the Brooks Executive Committee and the Brookglen Village Executive Committee shall have the power to:

(a) adopt and publish rules and regulations governing the Brooks Common Area and Facilities and the Brookglen Village Common Area and Facilities, respectively, and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to the use of recreational facilities of a Member of any portion of the Common Area during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied or determined by the respective Executive Committees. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) declare the office of a member of the respective Executive Committees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the said Executive Committees.

Section 3. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members or by one-fourth (1/4) of the Class B Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

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

(i) except to the extent delegated to the Brooks Executive Committee and the Brookglen Village Executive Committee, fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each assessment period;

(iii) 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.

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

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the real and personal property owned by the Association, as follows:

(1) A policy of property insurance in an amount equal to the full replacement value (i.e., 100% of current "replacement cost" excluding land, foundations, excavations, streets and parking facilities) of the Brooks Common Area owned by the Association (including all building service and related equipment) with an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement. Such insurance policy must protect against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief and windstorm. If coverage is available, the policy may include coverage for water damage.

(2) A comprehensive policy of public liability insurance insuring the Association in an amount not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles and liability for property of others, and, if available, may include coverage for water damage.

(3) The Board of Directors shall maintain fidelity coverage against dishonest acts by the Association's officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. If the Association employs a professional property management person or firm to manage the Association and to receive and disburse the monies of the Association, then such professional management person or firm shall have adequate fidelity coverage against dishonest acts and the existence of such coverage shall satisfy the requirement of this paragraph. If the Association elects to manage its own affairs and directly receive and disburse its own funds (or, if in addition to professional management, the officers or directors of the Association can and do directly receive or disburse the monies of the Association), then the Board of Directors shall provide the coverage set forth in this paragraph.

Any such fidelity bonds shall name the Association as an obligee; shall be written in an amount equal to at least 150%

of the estimated annual operating expenses of the Association, including reserves; shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Association and to any Institutional Lender who has given the notice required under Article X, Section 3, of the Declaration.

(f) In addition to the insurance coverage outlined in subparagraph (e) above, if approved by a majority vote of Class A and Class C members, the Association shall procure and maintain a policy of property insurance in an amount equal to the full replacement value (i.e., 100% of current "replacement cost" excluding land, foundations and excavations) of the Townhouse Structures, fixtures, installations or additions, or equal replacements thereof comprising a part of the Townhouse Structures, in accordance with the original building plans and specifications, with an Agreed Amount Endorsement or its equivalent, if available, in an Inflation Guard Endorsement. Such insurance policy must protect against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief and windstorm. If coverage is available, the policy may include coverage for water damage. (Such policy shall not include personal property owned by the Owners of such Townhouse Structures.) By way of illustration and not of limitation, such casualty insurance shall not cover furniture, furnishings or other household or personal property owned by, used by or in the care, custody or control of an Owner (whether located within or without the Townhouse Structure), or fixtures, installations or additions that are placed in an individual Townhouse Structure by the Owner thereof at his expense.

Premiums upon insurance policies purchased by the Association under this subparagraph (f) shall be paid by the Association, which shall assess and collect such premiums from all of the Class A and Class C Members. All insurance policies purchased by the Association under this subparagraph (f) shall be for the benefit of the Association and of the Class A and Class C Members and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. The Association shall hold such proceeds in trust for the benefit of the Association, the Owners of Townhouse Structures and their respective mortgagees in the following shares:

(i) Partial destruction when a Townhouse Structure building is to be restored: for the Owners of damaged Townhouse Structures in proportion to the costs of repairing the damage suffered by each damaged Townhouse Structure.

(ii) Total destruction of a Townhouse Structure building or where such building is not to be restored: for all Owners in such building, in equal shares.

In the event a mortgagee endorsement has been issued as to a Townhouse Structure, the share of the Owner thereof shall be held for the mortgagee and the Owner as their interests may appear.

Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial Owners of Townhouse Structures in the following manner:

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

(ii) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners of Townhouse Structures, remittances to such Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Townhouse Structure and may be enforced by him.

If any part of the Brooks Common Area or any Townhouse Structure shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

(i) Partial destruction shall be deemed to mean destruction which renders less than two-thirds (2/3) of the Townhouse Structures untenable. In the event of partial destruction, the Common Area and Townhouse Structures shall be reconstructed or repaired unless such reconstruction or repair is rejected by the unanimous vote of all of the Class A and Class C Members at a meeting of such members called and held prior to commencement of such reconstruction or repair.

(ii) Total destruction shall be deemed to mean destruction which renders two-thirds (2/3) or more of the Townhouse Structures untenable. In the event of total destruction, the Common Area and Townhouse Structures shall not be reconstructed or repaired if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, Class A and Class C Members who in the aggregate own three-fourths (3/4) or more of the Townhouse Structures vote against reconstruction or repair.

(iii) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications for such Townhouse structure.

If the damage is only to those parts of one or more Townhouse Structures for which the responsibility for maintenance and repair is that of the Owner of the Townhouse Structure, then the Owner of such Townhouse Structure shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association as follows:

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

(ii) When the damage is to both Common Area and Townhouse Structures or to Common Area only, the insurance proceeds shall be payable to the Association and shall be applied first to the cost of repairing the Common Area and the balance to the cost of repairing the Townhouse Structures.

Each Owner of a Townhouse Structure shall be deemed to have delegated to the Board of Directors of the Association his right to adjust with insurance companies all losses under policies purchased by the Association.

(g) cause the Common Area to be maintained; and

(h) cause the improvements on the Brookglen Village Swim and Lake Club Common Area to be maintained according to the Declaration.

Section 4. ~~Duties of the Brooks Executive Committee~~ and the Brookglen Village Executive Committee. It shall be the duty of each of the Executive Committees to:

(a) cause to be kept a complete record of all of their respective acts and committee affairs and to present a statement thereof to the Members at the annual meeting of the Class A Members and Class B Members respectively, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the respective Class Members who are entitled to vote;

(b) fix the amount of the annual assessments against their respective Lots as more fully provided in the Declaration at least thirty (30) days in advance of each annual assessment period.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and one vice-president, who shall at all times be members of the Board of Directors, a secretary, assistant secretaries, and a treasurer, and such other officers as the Board may from time to time by resolution create, including additional vice-presidents who need not be members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or 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 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Duties. The duties of the officers are as follows:

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

(b) Vice-President. The vice-president shall act in the place and stead 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 Board.

(c) Secretary and Assistant Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the 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 Board and of the Association together with their addresses, and shall perform such other duties as required by the Board. The assistant secretary shall assist the secretary and act in the place and stead of the secretary in the event of his or her absence.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members as an act of the Association. The duties specified in this paragraph may be assigned, with the approval of the Board of Directors, to a real estate firm so licensed in North Carolina.

ARTICLE XI

COMMITTEES

The Brooks Executive Committee shall appoint an Architectural Control Committee, as provided in the Declaration. The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws, and other committees as deemed appropriate in carrying out its purpose.

ARTICLE XII

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, and any Institutional Lender, as that term is defined in the Declaration. The Declaration, the Articles of Incorporation and the By-Laws 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.

ARTICLE XIII

WORKING CAPITAL FUND

In order to insure that the Association will have sufficient monies available to meet operational needs during the initial months of the Property's existence, the Association shall establish a Working Capital Fund. At the time of the closing of the

first sale of each Lot, the purchaser thereof shall pay into such Fund an amount equal to two-twelfths (2/12ths) of the current annual assessment established by the Association. No such payments made into the Working Capital Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of the Declaration and these Bylaws.

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid within fifteen (15) days after its due date, the Association may impose a late fee for such default. Initially the late fee will be Twenty and No/100 Dollars (\$20.00) and thereafter it may be changed as provided in the Declaration. Thereafter, if the payment of such assessment remains in default beyond thirty (30) days of its due date, the Association may charge the member in default of such payment the same late fee for each succeeding thirty (30) day period that the member remains in default. The association may also bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Brookglen Homeowners Association.

ARTICLE XVI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of each class of Members in person or by proxy.

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

ARTICLE XVII

MISCELLANEOUS

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

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Assistant Secretary of Brookglen Homeowners Association, a North Carolina corporation, and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 5th day of May, 1987.


Assistant Secretary

(CORPORATE SEAL)