

BY-LAWS
OF
FOXCROFT ASSOCIATION

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ARTICLE I

NAME AND LOCATION

The name of the corporation is Foxcroft Association Inc. (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at 2200 Silas Creek Parkway, Suite 2-A, Winston-Salem, North Carolina 27103, but meetings of the members and directors may be held at such places within the State of North Carolina and County of Forsyth as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Foxcroft Association Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in Exhibit "A" of the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the Property, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declarant" shall mean and refer to Gupton Enterprises, Inc. a North Carolina corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property as recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and in Article III of these By-Laws.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership: Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration.

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Section 2. Property Rights: Each Member shall be entitled to the use and enjoyment of the facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the Property. Such Member shall notify the secretary of the Association in writing of the name of the delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meeting: The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent meeting of the Members shall be held the second Tuesday of the same month of each year thereafter, at the hour designated in the notice of meeting. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first date following which is not a legal holiday. In selecting the house for the meeting, primary consideration shall be given to the convenience of the 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 the written request of the Members who are entitled to vote one-fourth (1/4) of all the votes in the Class A membership.

Section 3. Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days and not more than sixty (60) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of 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 said meeting. Waiver by a member in writing of the notice required therein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 6. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. 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 annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members. 3

Section 7. Election: Election to the Board of Directors shall be by secret ballot. At such election, 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 VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings: Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday; provided, however, if the Board shall agree to meet on such holiday, any action taken by it shall be valid and binding.

Section 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days' notice to each Director. 000567

Section 3. Quorum: A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act done or decision 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.

ARTICLE VII

POWER AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have the following powers:

- (a) Adopt and publish rules and regulations governing the use of the 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 the right of the use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of the 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 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) Employ a manager, an independent contractor or such other employees as they deem necessary and to prescribe their duties; and
- (f) Employ an attorney or attorneys to represent the Association when deemed necessary.

Section 2. Duties: It shall be the duty of the Board of Directors to perform the following:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to 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 one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot subject to assessment at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) Foreclose the lien against any property for which assessments have not been paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.
- (d) Issue, or 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 that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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- (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;
 - (f) Cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (g) Cause the Common Area to be maintained; and
 - (h) Cause the exterior of the dwellings to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The officers of the Association shall be a president and vice-president who shall at all times be Members of the Board of Directors, a secretary, a treasurer and such other officers as the Board may create from time to time by resolution.

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 the Members.

Section 3. Term: The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he 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 such 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 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 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. Multiple Offices: The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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Section 8. Duties: The duties of the officers of the Association 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 cosign all checks and 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: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- (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; shall keep proper books of account; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget to be presented to the membership at its regular meeting and shall deliver a copy of each annual budget to the Members.

ARTICLE IX

INDEMNIFICATIONS

Section 1. Indemnifications: The Association shall indemnify any Director, officer or former Director or officer of the Association against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such a director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty.

ARTICLE X

COMMITTEES

Section 1. Committees: The Board of Directors shall appoint an Architectural Control Committee as provided by the Declaration, and a Nominating Committee as provided by the By-Laws. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in the carrying out of its purposes.

ARTICLE XI

BOOKS AND RECORDS

Section 1. Books and Records: The books, records and papers of the Association shall at all times and during reasonable business hours be subject to inspection by any Member or any first mortgagee, insurer or guarantor as defined in the Declaration. The Declaration, Articles of Incorporation or these By-Laws shall be available for inspection by any Member, first mortgagee, insurer or guarantor at the principal office of the Association, where copies may be purchased at a reasonable cost.

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ARTICLE XII

ASSESSMENTS

Section 1. Assessments: As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments for each lot subject to assessment, which assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date, the assessment shall bear interest at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the property, and interest, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment. 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 XIII

CORPORATE SEAL

Section 1. Corporate Seal: The Association shall have a seal in circular form having within its circumference the words: Foxcroft Association Inc., Guilford County, North Carolina.

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ARTICLE XIV

AMENDMENTS

Section 1. Amendments: These By-Laws may be amended at a regular or special meeting of the Members, by a vote or a majority or a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

ARTICLE XV

MISCELLANEOUS

Section 1. Fiscal Year: The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (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:

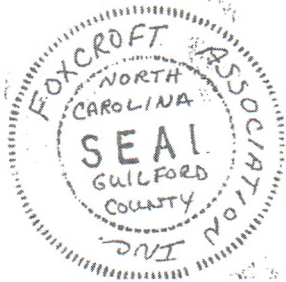
I am the duly elected and acting secretary of Foxcroft Association, Inc., a North Carolina corporation; and

The foregoing Bylaws constitute the original Bylaws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of said Association, this the 25th day of March, 1994.


Rhonda Hiatt, Secretary

(Corporate Seal)



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AMENDMENT TO THE BYLAWS OF
FOXCROFT ASSOCIATION, INC.

WHEREAS, at a duly called special meeting of the Members of the Association on December 7, 1993, an amendment to the Bylaws was proposed and approved by the Members in the manner required by the Bylaws.

NOW, THEREFORE, pursuant to Article XIV, Section 1 of the Bylaws and N.C.G.S. §47A-18, the Bylaws are hereby amended by adding a new section to Article VII of the Bylaws as follows:

Section 3. Enforcement: The Board of Directors may assess a fine against any Owner or tenant or assignee of an Owner for any violation of the Declaration, the Bylaws and any Rules and Regulations adopted and published by the Board of Directors. Assessment of such fine shall be considered by the Board of Directors at its regular monthly meeting or a special meeting. The Owner or tenant or assignee shall be given advance notice of such meeting and an opportunity to show why he or she should not be fined. Such fine shall constitute a lien against the Owner's unit to the fullest extent permitted by law. The fines assessed under this paragraph shall be in addition to any other remedies available to the Association for the enforcement of the Declaration, the Bylaws and Rules and Regulations.

Certification

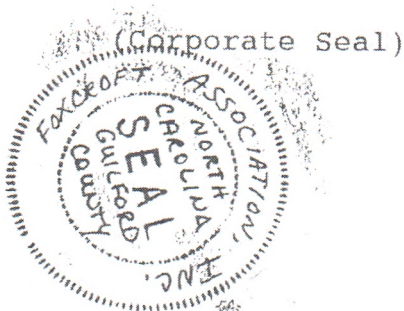
I, the undersigned, do hereby certify that:

I am the duly elected and acting secretary of Foxcroft Association, Inc., a North Carolina corporation; and

The foregoing Amendment was duly adopted at a meeting of Members in the manner required by the Bylaws, held on December 7, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of said Association, this the 25th day of March, 1994.

Rhonda Hiatt
Rhonda Hiatt, Secretary



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PROPERTY COVERED BY RESTRICTIONS

ATTACHMENT "A"

HIGH POINT TOWNSHIP
GUILFORD COUNTY

BEGINNING at an iron pin on the eastern right-of-way of Rockingham Road, said point also being the Southwest corner of Lot 112 of Lakeridge Subdivision, Section 1, as shown in Plat Book 56 at Page 104; thence along the southern border of Lot 112 North 73° 45' East 143.95 feet to an iron pin; thence South 14° 40' 0" East 340 feet to a point; thence a new line South 40° 58' 43" West 238.34 feet to a point; thence South 60° 58' 23" West 205.64 feet to a point; thence North 60° 44' 46" West 190 feet to a point; thence North 4° 3' 45" East 308.92 feet to a point; thence along the line of Lot 26 of Lakeridge Subdivision North 68° 56' 30" East 233.04 feet to a point; thence across Rockingham Road North 30° 24' 15" East 72.58 feet to the point and place of BEGINNING.

The above 4.59 acre tract is shown on a survey by Cupton-Skidmore-Foster Associates, entitled "Foxcroft Townhomes, Section One". Incorporation by reference is hereby made to said survey.

The above property is a portion of the property conveyed in Deed Book 3398 at Page 825, Guilford County Registry.

The above property is shown on a plat entitled "FOX-CROFT TOWNHOMES, SECTION ONE", said plat being recorded in Guilford County in Plat Book 77 at Page 80.

BK3445 PG0561

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ATTACHMENT "C"

(ADDITIONAL PROPERTY WHICH MAY BE ANNEXED INTO COVENANTS, CONDITIONS)
(AND RESTRICTIONS PURSUANT TO ARTICLE XI, SECTION 4)

HIGH POINT TOWNSHIP
GUILFORD COUNTY

BEGINNING at an iron pin on the Eastern right-of-way of Rockingham Road, said point also being the Southwest corner of Lot 112 of Lakeridge Subdivision, Section 1, as shown in Plat Book 56 at Page 104; thence along the southern border of Lot 112 North 73° 45' East 143.95 feet to an iron pin; thence South 14° 40' 0" East 687.31 feet to a point; thence South 69° 48' 36" East 359.17 feet to a point; thence South 25° 29' 30" West 174.60 feet to a point; thence South 24° 14' 30" West 132.76 feet to a point; thence South 17° 55' 40" West 91.83 feet to a point; thence North 73° 42' 38" West 998.80 feet to a point; thence North 4° 10' 10" East 256.25 feet to a point in the center of James Road; thence along the center of James Road South 82° 46' 40" East 163.60 feet to an iron pin; thence North 4° 3' 45" East 465.77 feet to an iron pin; thence North 68° 56' 30" East 233.04 feet to an iron pin; thence North 30° 24' 15" East 72.58 feet across Rockingham Road to the point and place of BEGINNING.

The above tract contains 15.0 acres and is shown as "Tract 2" on a survey by Cupton-Skidmore-Foster Associates, dated June 5, 1984, entitled "S.R. Clinard Heirs Property". Incorporation by reference is hereby made to said survey.

I hereby certify that this is a true and accurate copy which appears on record in the Office of the Register of Deeds of Guilford County, N. C.

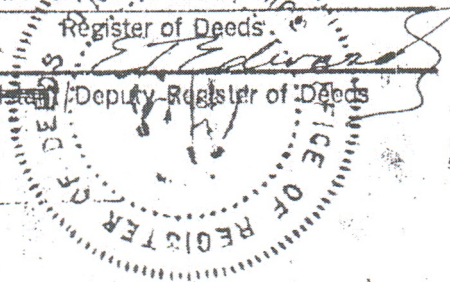
in Book 3445 Page 550

Witness my hand and seal this the 22 day of March 1984

KATHERINE LEE PAYNE

Register of Deeds

Assistant Deputy Register of Deeds



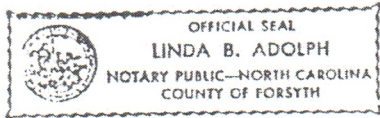
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STATE OF NORTH CAROLINA - COUNTY OF FORSYTH :

This the 3rd day of June, 1985 before me, a Notary Public of said County and State, personally appeared SAMIE E. GUPTON AND HARRIS B. GUPTON, who being by me duly sworn, say that they know the Common Seal of GUPTON ENTERPRISES, INC., and are the Secretary and President of said Corporation, and that they signed the foregoing instrument and affixed the Common Seal of said Corporation to said instrument.

WITNESS my hand and notarial seal this the 3rd day of JUNE, 1985.



Linda B. Adolph
Notary Public

My Commission Expires: 11-2-88

STATE OF NORTH CAROLINA - COUNTY OF GUILFORD:

The foregoing certificates of _____
are certified to be correct. This the _____ day of _____ 1985.

KAY PATSEAVOURAS, Register of Deeds

By _____

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RECORDED
KAY F. PATSEAVOURAS
REGISTER OF DEEDS
GUILFORD COUNTY NC
JUN 5 11 34 AM '85

NORTH CAROLINA - GUILFORD
The Linda B. Adolph certificate(s) of _____

A Notary (Notaries) Public is
(are) certified to be correct. 153

JUN 5 - 1985

This Patricia Summers
Kay F. Patseavouras, Register of Deeds
Deputy, Register of Deeds

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