

BYLAWS OF
TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location. The name of the corporation is TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC. The principal office of the Association shall be located at Route 2, Box 77, Winterville, North Carolina 28590, but meetings of shareholders and directors may be held at such places within the State of North Carolina, County of Pitt, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Common Area" shall mean all real property now or hereafter owned by the Association for the common use and enjoyment of the owners.

Section 3. "Declarant" shall mean and refer to Greenville Properties, its successors and assigns.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions recorded in Book 135, Page 348, Pitt County Registry, North Carolina, by Declarant, to which the common area is subject.

Section 5. "Treetops Subdivision" shall mean and refer generally to that certain residential development located in Winterville Township, Greenville, North Carolina, being located on a portion of the First Tract described in deed recorded in Book Q-49, Page 1, of the Pitt County Registry, and any other lands owned or developed by Declarant or its agents as a part of Treetops Subdivision.

Section 6. "Owner" shall mean and refer to any planned unit development in Treetops Subdivision having members who become "members" in this Association.

Section 7. "Initial Owners" shall mean and refer to the following planned unit development associations: (1) TREETOPS TOWNHOMES HOMEOWNER'S ASSOCIATION OF GREENVILLE, INC., (2) ASH CIRCLE HOMEOWNER'S ASSOCIATION, INCORPORATED, (3) TREETOPS CONDOMINIUM OWNER'S ASSOCIATION OF GREENVILLE, INC., and (4) TREETOPS COMMUNITY SERVICES ASSOCIATION, INC., each of which may be owners of the Association.

Section 8. "Resident" shall mean and refer to a beneficial record owner, whether one or more persons or entities, of the fee simple title to any lot or unit in Treetops Subdivision.

Page 2

Section 9. "Member" shall mean and refer to those residents entitled to use the Common Area of the Association.

Section 10. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

ARTICLE III PURPOSES AND OBJECTS

In amplification of the purposes for which the Association has been formed as set forth in its Articles of Incorporation, the purposes and objects of the Association are as follows:

A. To provide for the maintenance, preservation, improvement and management of the common area owned by it, together with all improvements thereon, including but not limited to a swimming pool, tennis courts and a picnic shelter, for the use and benefit of its owners and members. This function of the Association shall include the responsibility for the following: (1) the payment of all expenses for water, sewer, garbage, electrical, telephone, gas, and any other utility service used by the Association; (2) the acquisition of fixtures, furnishings, equipment, supplies, etc., for use in the common area, as determined necessary or reasonable by the Board of Directors; (3) the acquisition of liability insurance insuring the Association against any and all liability to the public, to the members and to the members' family members, guests, invitees or tenants, arising out of the use or occupation of the common area. (The policy limits of such insurance shall be set by the Board of Directors and shall be reviewed by the Board at least annually and shall, upon such review, be increased or decreased in the discretion of the Board); (4) the payment of all taxes, assessments, and other expenses of the Association; (5) making and entering into all contracts deemed necessary or reasonable by the Board of Directors to effectuate the purposes of the Association; and (6) taking any other action deemed necessary or reasonable by the Board to effectuate the purposes of the Association.

B. To provide for the maintenance, preservation, improvement and lighting of all of the entrances to Treetops Subdivision, the entrance signs, the landscaped areas involved with said entrances, and their street lights. This function of the Association shall include the right and responsibility of the Association to make and enter into contracts on behalf of the Association for the aforesaid purposes.

C. To make and establish reasonable rules and regulations governing the use of the common area owned by the Association, together with the Association's personal property located thereon.

D. To collect all fees, dues and assessments of the Association and to pay all expenses of the Association incurred in accordance with these bylaws.

Page 3

E. To maintain, repair, replace, operate and manage the common area owned by the Association, including the right to reconstruct improvements after casualty and to make further improvement to the common area of the Association as provided in these bylaws.

F. To contract for the management of the common area and to delegate to such contractors all the powers and duties necessary or reasonable to fulfill such contracts.

G. To enforce the provisions of the Declaration, the Articles of Incorporation of the Association, and the rules, regulations and Bylaws of the Association.

H. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association by the Declaration, the Articles of Incorporation of the Association, or these Bylaws.

I. To acquire, own or lease such real and personal property as may be necessary or convenient for the members of the Association to effectuate the purposes of this Association.

J. To do any and all things reasonably necessary to implement and effectuate the purposes of this Association.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Classes of Members. The Association shall have two classes of members, to wit:

Class A. Class A membership shall consist of members of each owner who elect to become members of this Association or who become members of this Association pursuant to the Declarations or Bylaws of their respective planned unit development associations. Additional persons or entities residing or being located in or near Treetops Subdivision may become Class A members in the Association upon a majority vote of the Board of Directors. Application for Class A membership in the Association should be made in writing to the Board of Directors.

Class B. Class B members shall be licensees of the Association and this membership shall consist of persons or entities (1) not residing nor being located within the respective jurisdictions of the planned unit development associations which are owners of the Association and (2) to whom membership privileges in the Association have been extended by a majority vote of the Board of Directors. Subject to contractual obligations made by Class B members with the Association as provided herein, the membership of Class B members may be terminated at will by either the Class B member or by the Association after giving thirty (30)

Page 4

days advance written notice thereof. Application for Class B membership in the Association should be made in writing to the Board of Directors.

Section 2. Voting Rights. The members of the Association shall have the following voting rights:

Class A. Each owner shall have one vote for each of its members who are also members of the Association upon payment of such member's initiation fee. The votes of each owner shall be cast by the president or the vice president of such owner, or by any such other person as may be designated in writing by such owner, as determined by each such owner.

Class B. As licensees of the Association, Class B members shall not be entitled to cast any vote on matters submitted to a vote by the Association.

ARTICLE V DUES AND ASSESSMENTS

Section 1. Annual Dues. The annual dues for each Class A member shall be ONE HUNDRED EIGHTY DOLLARS (\$180.00) per year. The annual dues for each Class B member shall be TWO HUNDRED FORTY DOLLARS (\$240.00) per year. The amounts of the aforesaid annual dues may be modified by a majority vote of the Board of Directors at any time.

Section 2. Payment of Dues. The annual dues shall be payable in twelve (12) equal monthly installments. The first such installment shall be paid on the first day of the month after which a resident or a Class B member becomes entitled to membership privileges in the Association, and all subsequent installments shall be paid by the first day of each and every month thereafter during the period of such membership.

Section 3. Special Assessments. The Association may levy special assessments for any purpose contemplated by these bylaws. Specifically, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement upon the common area and may purchase any fixtures, furnishings, equipments, supplies and other personal property reasonably needed for the common use and enjoyment of the common area. All such special assessments shall be fixed at a uniform rate for all members. All of the aforesaid special assessments shall be paid on the basis determined by the Board of Directors.

Written notice of any meeting of the members called for the purpose of taking any action to levy such special assessments shall be sent to all members not less than thirty days nor more than sixty days in advance of such meeting.

Section 4. Costs Subject to Assessments. In the event that the need for maintenance, repair, or replacement to the common area, or the

Page 5

facilities and personal property located thereon, is caused by the willful or negligent act of any member, or by such member's family members, guests, invitees or tenants, the cost of such maintenance, replacement, or repairs shall be added to and shall become a part of a special assessment to such member.

Section 5. Collection and Payment of Dues and Assessments. Each owner shall be responsible for collecting from its respective members the annual dues and the special assessments as provided herein. It shall furthermore be the obligation of each owner to timely pay all such dues and assessments to the Association. The responsibility for timely payment of all annual dues and special assessments by the Class B members to the Association shall remain with such Class B members.

Section 6. Effect of Non-Payment of Dues or Assessments. Any annual dues or assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum on the unpaid amount. The Association may bring an action at law against the owner or person personally obligated to pay the same. Furthermore, the Association may suspend a member for such non-payment as provided in these Bylaws. No member may waive or otherwise escape liability for the dues or assessments provided for in these Bylaws by non-use of the common area.

ARTICLE VI MEMBERSHIP PRIVILEGES

Section 1. Property Rights. Each Class A member and each Class B member shall have all membership privileges in the Association and shall have a right and easement of enjoyment in and to the common area, subject to the following provisions:

A. The right of the Association to charge and collect the aforesaid initiation fees, annual dues and special assessments;

B. The right of the Association to suspend a member's membership privileges as follows: (1) for any period during which any fee, due or assessment remains unpaid, and (2) the right to suspend such member's membership privileges for a period not to exceed 60 days for any infraction of the rules, regulations or Bylaws of the Association.

C. The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes, subject to such conditions as may be agreed to by vote of two-thirds of the owners of the Association.

D. The right of the Association to borrow money for the purposes expressed in these bylaws and to mortgage the common area for such purposes as determined necessary or reasonable by the Board of Directors.

Page 6

Section 3. Use and Enjoyment. Each Class A member and each Class B member in the Association shall have the right to delegate his or her right of use and enjoyment in and to the common area to the members of his or her family, guests, tenants and invitees; provided, however, that such member shall pay any additional charge, if any, fixed by the Board of Directors for such use and enjoyment by such persons.

ARTICLE VII MEETINGS OF THE MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at 7:00 p.m. 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 day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president of the Association or by the Board of Directors, or upon written request of the owners who are entitled to vote one-fourth (1/4) of all of the votes of the Class A 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 15 days before such meeting to each member entitled to vote thereat, addressed to such 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 case of a special meeting, the purpose of the meeting.

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 Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat 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 the members, each owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable but such revocation must be in writing and must be filed with the secretary to be effective.

Page 7

ARTICLE VIII
BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than four directors. Each planned unit development association which is an owner in the Association shall be represented by one director on the Board of Directors, and the representative of such owner shall either be the president or the vice-president of such owner as may be determined by its respective members.

Section 2. Term of Office. At the first annual meeting, the Directors shall be elected, and these directors shall serve in this capacity for a term of one year or until their successors are elected and installed.

Section 3. Removal. Any director may be removed from the Board for cause by a majority vote of the owners of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the respective members of the planned unit development association which said director previously represented.

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

Section 5. Action Taken Without a Meeting. The directors 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. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IX
MEETINGS OF DIRECTORS

Section 1. Regular meetings. Regular meetings of the Board of Directors shall be held annually, with or 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.

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.

Section 3. Quorum. A majority of the total number of directors shall constitute a quorum for the transaction of business. Every act or

Page 8

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.

ARTICLE X POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

A. Adopt and publish rules and regulations governing the use of the common area and facilities located thereon, in addition to the personal conduct of the persons entitled to use same, and may establish penalties for the infraction thereof; these rules and regulations shall not be inconsistent with the Declaration, these Bylaws, or any amendments thereto; and such rules and regulations shall be in writing and shall be delivered to each member prior to the effective date of their application.

B. Suspend a member's membership privileges in the Association during any period in which such member shall be in default in the payment of any fee, due or assessment levied by the Association, and suspend any member, for a period not to exceed 60 days, for infraction of the Association's rules and regulations, all as is set forth by these Bylaws.

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 Bylaws, the Articles of Incorporation, or the Declaration.

D. Employ a manager, an independent contractor, and such other employees or agents, as they deem necessary to fulfill their duties.

E. Take any action reasonably necessary to effectuate the purposes of the Association.

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

A. Adopt and publish rules and regulations governing the use of the common area and facilities located thereon, in addition to the personal conduct of the persons entitled to use same, as provided in these Bylaws.

B. Employ such personnel and enter into such contracts as are reasonably necessary for the maintenance, improvement and management of the common area and the improvements thereon.

C. Employ such personnel and enter into such contracts as are reasonably necessary for the maintenance, preservation, improvement and lighting of the entrances to Treetops Subdivision as described herein,

Page 9

including their landscaped areas, their entrance signs, and their street lights.

D. Enter into such contracts as are reasonably necessary for utility services for the common area.

E. Acquire fixtures, furnishings, equipment, supplies, etc. for the common area as may be reasonably necessary for the use of the common area.

F. Enter into liability insurance contracts insuring the Association as provided in these Bylaws.

G. Provide for the payment of all taxes, assessments and other expenses of the Association.

H. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the owners 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.

I. Supervise all officers, agents and employees of this Association to ensure that their duties are properly performed.

J. As is more fully provided herein, to (1) review and set the amount of the initiation fees, the annual dues or any special assessment, and (2) send written notice of each such charge to every member.

K. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not a member's fee, due or assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. If such certificate states that a fee, due or assessment has been paid, such certificate shall be conclusive evidence of such payment.

L. Procure and maintain adequate hazard insurance on property owned by the Association.

M. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

N. Cause the provisions of these Bylaws to be enforced.

O. Take any such other action as the Board deems reasonably necessary to fulfill the purposes of the Association as set forth in these Bylaws.

ARTICLE XI
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a vice-president, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create. The president shall be a member 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 the shareholders.

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 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 for 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 or she 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.

Section 8. Duties. The duties of the officers are as follows:

President

A. 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 checks and promissory notes.

Page 11

Vice-President

B. 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 by the Board.

Secretary

C. 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 names and addresses of persons or entities entitled to membership privileges in the Association, and shall perform such other duties as required by the Board.

Treasurer

D. 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 co-sign all checks and promissory notes of the Association, and 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 and a statement of income and expenditures to be presented to the members at their regular annual meeting.

ARTICLE XII COMMITTEES

The Association shall appoint Special Committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE XIII 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 the Declaration, the Articles of Incorporation, the Bylaws and the minutes 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.

Page 12

ARTICLE XIV
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC.

ARTICLE XV
AMENDMENTS

Section 1. These Bylaws may be amended, by a vote of a majority of the owners of the Association.

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

ARTICLE XVI
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.

IN WITNESS WHEREOF, we, being all of the initial directors of TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands and seals this 8th day of June, 1987.

H. T. Chapin, Jr. (SEAL)
H. T. CHAPIN, JR., Director

Tommie L. Little (SEAL)
TOMMIE L. LITTLE, Director

Vicky L. Benson (SEAL)
VICKY L. BENSON, Director

Leonard T. Tozer III (SEAL)
LEONARD T. TOZER, III, Director

Page 13

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day H. T. CHAPIN, JR., Director of TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., party of the foregoing instrument, and acknowledged the due execution of the foregoing instrument, and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this the 8th day of June, 1987.

Deanna E. Boyd (Wall)
Notary Public

My Commission Expires: 5-16-88

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day TOMMIE L. LITTLE, Director of TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., party of the foregoing instrument, and acknowledged the due execution of the foregoing instrument, and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this the 8th day of June, 1987.

Deanna E. Boyd (Wall)
Notary Public

My Commission Expires: 5-16-88

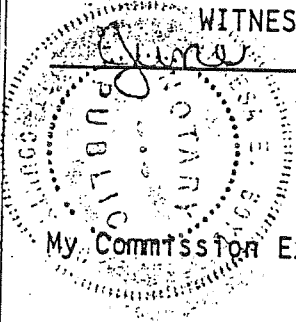
Page 14

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day VICKY C. BENSON, Director of TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., party of the foregoing instrument, and acknowledged the due execution of the foregoing instrument, and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this the 8th day of June, 1987.



David E. Boyd (Wall)
Notary Public

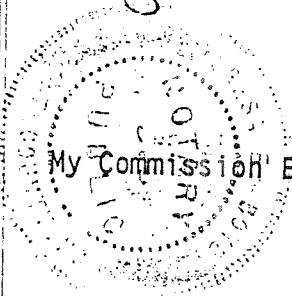
My Commission Expires: 5-10-88

NORTH CAROLINA

PITT COUNTY

Personally appeared before me this day LEONARD T. TOZER, III, Director of TREETOPS GENERAL HOMEOWNERS ASSOCIATION, INC., party of the foregoing instrument, and acknowledged the due execution of the foregoing instrument, and acknowledged the due execution of the same for the purposes therein expressed.

WITNESS my hand and Notarial Seal this the 8th day of June, 1987.



David E. Boyd (Wall)
Notary Public

My Commission Expires: 5-10-88

Page 15

NORTH CAROLINA

PITT COUNTY

The foregoing Notary Public Certificate(s) of Ieresa E. Boyd, a Notary Public for Pitt Co., NC
is/are certified to be correct.

8th Filed for registration at 4:44 o'clock P.m., this the
day of June, 1987.

ELVIRA T. ALLRED
REGISTER OF DEEDS, PITT COUNTY

BY: Elvira T. Allred