

BY-LAWS
OF
ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located in Pitt County, North Carolina, but meetings of members 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 ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property located in the various Sections and Additions to ARLINGTON PARK SUBDIVISION and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by or used by the Association for the common use and enjoyment of the owners, including roads and rights of way in said subdivision.

Section 4: "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Each lot shall include one 8' x 10' (approximately) concrete patio built immediately adjacent to the dwelling house on said lot and an attached storage building (approximately 4' x 8'). It is understood that the patio and storage building may be built and remain on part of the Common Area, but shall be on and run

BOOK 597 PAGE 316

By-Laws
Page 2

appurtenant with the adjacent lot. The lot owner shall maintain his own lot, patio area and storage building.

Section 5: "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 a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Member" shall mean and refer to those persons entitled to membership.

Section 7: "Mortgagee" shall mean and refer to persons, firms or corporations holding a recorded lien appearing of record in the Pitt County Registry against any lot as defined in Section 4 hereof.

Section 8: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Pitt County Registry.

ARTICLE III

PURPOSES AND OBJECTS

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

- (a) To foster a safe and healthful environment and promote the general welfare of the Members.
- (b) To care for, protect and repair all common areas, roads, walkways, easements, and grass plots, yard maintenance, common lighting and any improvements or facilities of any kind dedicated to common use and other open spaces or ornamental features of the Properties which now exist or which may hereafter be installed or constructed therein.
- (c) To cooperate with the owners of all unimproved plots now existing or that hereafter shall exist in the Properties keeping

TIMON, GREEN & PARRÉ, 200 ARINGTON ROAD, SUITE # GREENSBORO, NC 27404

By-Laws
Page 3

them in good order and condition, in preventing them from becoming a nuisance and a detriment to the beauty of the Properties and to the value of the improved property therein, and to take any action with reference to such unimproved plots as may be necessary or desirable to keep them from becoming a nuisance and detriment.

(d) To aid and cooperate with the Members in the enforcement of the Declaration as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a unanimous vote of the Members of the Association.

(e) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of the Properties and their property interests therein.

(f) To acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and to exercise all rights, powers and privileges of ownership to the same extent as natural persons might or could do.

(g) To exercise any and all powers that may be delegated to it from time to time by the Owners.

(h) This Association will not engage in political activity or pursue political purposes of any kind or character.

ARTICLE IV

MEMBERS

(a) Class of Members: The Association shall have such classes of Members as named in the Declaration. The qualifications and rights shall be as follows:

1. Every beneficial owner, as distinguished from a security owner, of property in Pitt County, North Carolina, as described in the Declaration shall be a Member.

BOOK 597 PAGE 318

By-Laws
Page 4

2. Membership shall include an undertaking by the applicant to comply with and be bound by the Articles of Incorporation, these By-Laws and amendments thereto, the Declaration, and the policies, rules, and regulations at any time adopted by the Association in accordance with these By-Laws.

3. Membership in this Association shall terminate on a Member's ceasing to be a beneficial owner of the property.

(b) Voting Rights: Each family unit, regardless of number of members in the family, and regardless of the number of Lots owned therein, shall be entitled to one vote.

1. At membership meetings all votes may be cast in person, or by proxy.

2. The Board of Directors is authorized to establish regulations providing for voting by mail.

ARTICLE V

MEETINGS OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter, at the hour of 2:00 o'clock 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 or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

HAIN, GORDON & BOBE, 204 AMUNSON BLVD., SUITE B, GREENSBORO, N.C. 27433

By-Laws
Page 5

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 20 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, 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.

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, or these By-Laws. 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 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

Section 1: Number. The affairs of this Association shall be managed by a Board of at least three (3) directors, who must be members of the Association, plus the President, Vice-President and Secretary-Treasurer of the Association.

BOOK 597 PAGE 320

By-Laws
Page 6

Section 2: Term of Office. At the first annual meeting the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and one-third (1/3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect directors for a term of three years to replace those whose terms have expired.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the 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 for the unexpired term of this predecessor.

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 VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1: 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

CHARS. GREEN & PUGH, 204 BELMONT ROAD, SUITE B, GREENSBORO, N.C. 27433

By-Laws
Page 7

appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next 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.

Section 2: Election. Election to the Board of Directors shall be by secret ballot. At such election the members of 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.

ARTICLE VIII

MEETING OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held no less than quarterly 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 of each director.

Section 3: Quorum. A majority of the Board 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.

BOOK 597 PAGE 322

By-Laws
Page 8

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) 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 and the Articles of Incorporation.

(b) 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.

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

(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 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:

(1) fix the amount of the annual assessment against each lot 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

JAMES GREEN & PAUL J. O'NEILL, ATTORNEYS AT LAW, WASHINGTON, D.C.

By-Laws
Page 9

(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) cause the common area, road or roads, common lighting, yards and any other items designated by the members to be maintained.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The officers of this 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 from time to time by resolution create.

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 this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is elected and qualified, unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4: Special Appointments. The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, having 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 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 replaced.

Section 7: Multiple Officer. 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.

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 of him by the Board.

JOHN GREEN & SONS, 210 ARKINGTON BLVD., SUITE B, GREENVILLE, SC 29615

By-Laws
Page 11

Secretary

(c) 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 members of the Association together with their addresses, 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 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 a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy of each to the members.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation and 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 a reasonable cost.

THOMAS GREEN & PEARCE, INC. SALT LAKE CITY, UTAH

BOOK 597 PAGE 326

By-Laws
Page 12

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC." and the words: "CORPORATE SEAL" in the center thereof.

ARTICLE XIII

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 a quorum of members present in person or by proxy.

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

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on January 1 of every year and end on December 31 of every year, except that the first fiscal year shall begin in the date of incorporation.

IN WITNESS WHEREOF, we being all of the incorporators and initial directors of the ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC. have hereunto set our hands and seals, this the 29 day of August, 1995.

THOMAS, GIBBS & PARRIS, 204 ARLINGTON BLVD., SUITE B GREENVILLE, SC 29601

[Signature] (SEAL)
Director

[Signature] (SEAL)
Director

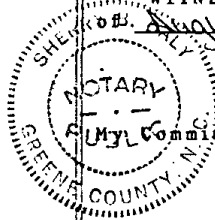
Director (SEAL)

By-Laws
Page 13

NORTH CAROLINA
Pitt COUNTY

I, Sherry B. Daly, a Notary Public in and for the aforesaid County and State, do hereby certify that J. Russell Fleming and Dillon F. Watson personally appeared before me this day, and after being duly sworn, acknowledged the due execution of the foregoing By-Laws of ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC. and certify that the same is true.

WITNESS my hand and notarial seal, this the 29 day of August, 1995.



Sherry B. Daly
Notary Public

NORTH CAROLINA: Pitt County
The foregoing certificate(s) of Sherry B. Daly

Notary(ies) Public is (are) certified to be correct. Filed for registration at 4:20 o'clock P.M. this 29 day of August 1995.

ANNIE G. HOLDER, Register of Deeds

By [Signature]
Assistant/Deputy Register of Deeds

BOOK 597 PAGE 328
By-Laws
Page 14

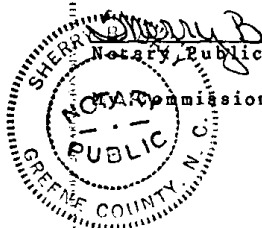
CERTIFICATION

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of the ARLINGTON PARK HOMEOWNER'S ASSOCIATION, INC., 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 22 day of August, 1995.

Linda P. Fleming (SEAL)
Secretary

Sworn to and subscribed before me this the 29 day of August, 1995.



Sherri B. Daly
Notary Public
Commission Expires: 4-26-97