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AMENDED AND RESTATED BYLAWS
FOR
FORBES WOODS CONDOMINIUM ASSOCIATION OF GREENVILLE, INC.

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ADOPTED AS OF
October 10, 2000

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RETURN TO:
Ward and Smith, P.A.
P.O. Box 8088
Greenville, NC
27835-8088

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AMENDED AND RESTATED BYLAWS
FOR
FORBES WOODS CONDOMINIUM ASSOCIATION OF GREENVILLE, INC.

ARTICLE I

NAME AND DEFINITIONS

Section 1.1. Name. The name of the association shall be Forbes Woods Condominium Association of Greenville, Inc. (the "Association").

Section 1.2. Definitions. Terms specifically defined (without reference to Section 1.23 thereof) in the Declaration of Condominium under the Provisions of Chapter 47C of the General Statutes of the State of North Carolina, and Covenants, Conditions and Restrictions of Forbes Woods, as may be amended from time to time, and including all attachments (hereinafter referred to as the "Declaration") shall have the same meaning in these Bylaws, unless the context shall otherwise prohibit. The term "assessments" as used herein shall mean all assessments, dues, or any other payment levied by the Association against the Units for common expenses, as authorized in the Declaration.

ARTICLE II

MEMBERSHIP AND VOTING

Section 2.1. Membership. A Person shall automatically become a member of the Association upon such Person's acquisition of title to a Unit within the Condominium and may become a member in no other manner. Provided, that in order to entitle the acquirer of title to a Unit to become a member, such acquisition shall be in a manner consistent with the terms and restrictions regarding acquisitions contained in the Declaration and these Bylaws (the term "Bylaws" as used herein shall include any amendments made, from time to time, to the Bylaws).

Section 2.2. Application for Membership. Application for membership shall consist of notice to the Association that the applicant has acquired title to a Unit within the Condominium as set forth in the Declaration.

Section 2.3. Transfer of Membership. Memberships are not transferable. Membership occurs only upon the occurrence of those events set out in this Article and the Declaration.

Section 2.4. Suspension or Termination of Membership. The membership rights of a member shall not be suspended so long as the Person continues to hold title to a Unit, is not in violation of any provision of the Declaration, these Bylaws and any rule or regulation adopted by the Association, and is not in arrears in the payment of any assessment.

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Section 2.5. Vote/Voting Rights. Each Unit Owner(s) (collectively, if applicable) shall have one (1) vote for each Unit owned as is set forth in the Articles of Incorporation of the Association. Members shall be entitled to vote on all matters as to which members may be entitled to vote under the North Carolina Nonprofit Corporation Act, unless specifically provided otherwise in these Bylaws, the Articles of Incorporation, or the Declaration. Except as specifically stated in Section 2.6 of these Bylaws, the voting rights of members of the Association shall be as set forth in N.C. GEN. N.C. Gen. Stat. § 47C-3-110.

Section 2.6. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an owner of a Unit, the Association shall not cast the vote appurtenant to such Unit, nor shall any such vote be counted for the purpose of establishing a quorum.

(b) Multiple-Person Owners. In the event that any Unit is owned by more than one Person, and if only one of such Person is present at a meeting of the Association, that Person so present shall be entitled to cast the vote for that Unit. If more than one of such Persons is present, the vote appurtenant to that Unit shall be cast only in accordance with unanimous agreement of such Persons who are present at the meeting and such agreement shall be conclusively presumed if any of them purports to cast the vote appurtenant to that Unit without protests being made forthwith to the individual presiding over the meeting by any of the other Persons having an ownership interest in the Unit.

(c) Voting Certificate. If a member is not a natural person, the vote by such member may be cast by any natural person authorized by such member. Such natural person must be named and a certificate signed by an authorized officer, partner, member, or trustee of such Person and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote is cast. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary. Wherever the approval or disapproval of a member is required by the Declaration, the Association's Articles of Incorporation, these Bylaws, or any rules and regulations promulgated by the Association (any reference to any of the aforementioned documents herein shall include any amendments made to any such documents), such approval or disapproval may be made by any person who would be entitled to cast the vote of such member at any meeting of the Association.

(d) Delinquency. No member may vote at any meeting of the Association or be elected to serve on the Executive Board or be appointed to serve on any committee if payment by such member of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid by the record date set pursuant to Section 3.9 hereof for the applicable members' meeting (in the case of a member voting or being elected to serve on the Executive Board) or has not been paid by the date of appointment, in the case of appointment to serve on any committee.

Section 2.7. Manner of Voting. Voting, except for the election of directors which shall be by written ballot, by members at a meeting shall be by voice vote or a show of hands unless any member present at the meeting requests, and by an affirmative vote of a majority of the votes cast the members consent to, a vote by written ballots. Except in the election of directors as provided in Section 4.1 herein, if a quorum is present, action on a matter at a meeting of members is approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by the North Carolina Nonprofit Corporation Act, the Association's Articles of Incorporation, the Bylaws, or the Declaration.

Section 2.8. Proxies. A member may vote either in person or by proxy. Proxies shall be in writing, shall be dated, shall be signed by the member or a Person authorized by the member, or in cases where the member is more than one Person, by or on behalf of all such Persons. A proxy shall be valid for eleven (11) months unless a shorter term is provided in the proxy and all proxies shall be filed with the Secretary. Such proxies shall be deemed revoked by signing and delivering to the Secretary or other officer presiding over the meeting to tabulate proxy votes a writing stating that the appointment of the proxy is revoked.

ARTICLE III

MEETING OF MEMBERS

Section 3.1. Place of Meeting. All meetings of members shall be held at the principal office of the Association or at such other place within or without the State of North Carolina as shall be designated in the notice of the meeting.

Section 3.2. Annual Meetings. The annual meeting of members shall be held at such date and time as may be determined on an annual basis by the Executive Board and stated in the notice of such members' meeting. The annual meeting of members shall be held for the purpose of electing directors of the Association, such other purposes as may be included in the notice of such meeting, and for the transaction of such other business as properly may be brought before the meeting; provided, however, that notwithstanding that a quorum may have been established at such meeting, unless one-third (1/3) or more of the votes entitled to be cast at an election of directors are represented in person or by proxy at such meeting, the only matters that may be voted upon at an annual meeting of members are those matters that are described in the meeting notice.

Section 3.3. Special Meetings. Special meetings of the members may be called at any time by (a) the President, or (b) the Board of Directors of the Association, and shall be called by the Secretary of the Association within thirty (30) days upon receipt of a written request signed, dated, and delivered to the Secretary by the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed in such request to be considered at the meeting. The signatures on a petition requesting a special meeting shall be valid for a period of ninety (90) days after the date of the first signature. Such resolution, petition or request must: (1) specify the time and place at which the

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meeting is to be held, which place must be in Pitt County, North Carolina; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with all notice provisions of this Article or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary in writing.

Section 3.4. Notice of Meetings. Notice of meetings of members shall be given by the President, Secretary, or other person calling the meeting by any means that is fair and reasonable, and for this purpose, written or printed notice stating the time, place, and date of the meeting shall be delivered (a) not less than ten (10) nor more than fifty (50) days before the date thereof, either in person or by facsimile, or by first class, certified, or registered mail, or (b) not less than thirty (30) nor more than fifty (50) days before the date thereof, if such notice is mailed by other than first class, registered, or certified mail, to each member of record entitled to vote at such meeting, unless the North Carolina Nonprofit Corporation Act or the Association's Articles of Incorporation require that such notice be given to all members with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the member at the member's address as it appears on the current record of members of the Association, with postage thereon prepaid. For this purpose, a member's address shall be the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner to the Secretary of the Association.

Notwithstanding the foregoing, if the notice provided for the above clearly would not be fair and reasonable under the circumstances then existing, then notice appropriate for the circumstances shall be given; PROVIDED, HOWEVER, THAT notice for a meeting where any of the following matters are to be approved in all events shall be given as provided in the first paragraph of this Section: (i) director conflict of interest or indemnification, (ii) amendment to the Association's Articles of Incorporation, Bylaws, or Declaration (iii) plan of merger or dissolution, or (iv) a sale of assets other than in the regular course of the Association's activities.

In the case of an annual or regular meeting of members, the notice of meeting shall state the items on the agenda, including the general nature of any proposed amendment to the Declaration, any budget changes, and any proposal to remove a director or officer, and shall include any other matters and a copy or summary of any proposed action that expressly is required by the provisions of the North Carolina Nonprofit Corporation Act or the North Carolina Condominium Act. In the case of a special meeting, the notice of meeting specifically shall state the purpose or purposes for which the meeting is called, and only those matters which are stated in the notice may be acted upon at a special meeting of members.

Also, notice of an annual, regular, or special meeting of members shall give notice of any matter a member intends to raise at the meeting if the Association receives a written request to do so by members entitled to call a special meeting pursuant to Section 3.3 ("Special Meetings") of this Article, and such written request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of such meeting.

If any meeting of members is adjourned by the vote of a majority of votes cast on the motion to adjourn to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to the members of record entitled to vote at the meeting as of the new record date.

Section 3.5. Waiver of Notice of Meetings. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the member, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A member's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the member or the member's proxy at the beginning of the meeting objects to holding the meeting or transacting business thereat, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member or the member's proxy objects to considering the matter before it is voted upon.

Section 3.6. Quorum. Unless provided otherwise by the Association's Articles of Incorporation or these Bylaws, ten percent (10%) of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum on that matter at the opening of a meeting of members. Once a member is represented for any purpose at a meeting, such member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date (defined in Section 3.9 below) is or must be set for that adjourned meeting under the North Carolina Nonprofit Corporation Act. Notwithstanding that a quorum may have been established at a meeting, unless one-third (1/3) or more of the votes entitled to be cast in an election of directors are represented in person or by proxy at such meeting, the only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice.

Section 3.7. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call or proof of quorum; (2) proof of notice of meeting; (3) reading of the minutes of the preceding meeting; (4) reports of officers and management; (5) report of Executive Board; (6) reports of committees; (7) election of directors; (8) unfinished business; and (9) new business; provided, however, that the voting for election of directors may commence at any time at the direction of the presiding officer.

Section 3.8. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The most current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, the Association's Articles of Incorporation, these Bylaws, and any rules and regulations promulgated by the Association.

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Section 3.9. Record Date to Determine Members and List of Members.

The date for determining which Persons are members and therefore entitled to vote ("Record Date") shall be the close of business on the seventieth (70th) day prior to the date of the meeting, unless the Executive Board shall determine a Record Date closer to the meeting date. The Executive Board shall not set a Record Date retroactively. The membership list shall be current as of the Record Date. Before each meeting of members, the Association shall prepare an alphabetical list of the members entitled to notice of the meeting and entitled to vote at the meeting, showing each such member's address and the number of votes each such member is entitled to cast at the meeting. As a part of the aforementioned membership list and prepared on the same basis, the Association shall list, current through the time of the membership meeting, a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. The list shall be kept on file at the principal office of the Association for the period beginning two (2) business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any member, personally or by or with such member's representative, at anytime prior to the meeting for the purpose of communication with other members concerning the meeting and at anytime during the meeting or any adjournment thereof. A determination of members entitled to notice of, or to vote at, a membership meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which the Board shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE IV

EXECUTIVE BOARD

Section 4.1. Number and Election of Directors. The number of directors constituting the Board of Directors shall be nine (9). The Board of Directors of the Association shall be referred to herein from time to time as the "Executive Board." Except as provided in Section 4.5 hereof, the directors shall be elected at the annual meeting of members; and those persons who receive the highest number of votes by the members entitled to vote in the election at a meeting at which a quorum is present shall be deemed to have been elected.

Section 4.2. Term of Office of Directors.

The directors shall be divided into two (2) classes, as nearly equal in number as may be, to serve in the first instance for terms of one (1) year and two (2) years, respectively, and until their successors shall be elected and shall qualify, and thereafter the successors in each class of directors shall be elected to serve for terms of two (2) years and until their successors shall be elected and shall qualify. In the event of any increase in the number of directors, the additional directors shall be so classified that all classes of directors shall be increased equally, as nearly as may be, and, in the event of any decrease in the number of directors, all classes of directors shall be decreased equally, as nearly as may be. Each director shall hold office for a term of two (2) years or until such director's death, resignation, retirement, removal or disqualification. Despite the expiration of a director's term, the director continues to serve as such until the

director's successor is elected and qualifies, or there is a decrease in the number of directors.

Section 4.3. Election Procedures and Qualifications.

(a) Nominations Committee. Nominations for election to the Executive Board may be made by a Nominations Committee. If appointed, the Nominations Committee shall be appointed by the Executive Board. If appointed, the Nominations Committee shall develop election procedures and administer such procedures as are approved by the Executive Board providing for election of directors by members at the annual meetings, and, where appropriate, at special meetings. If appointed, the Nominations Committee shall serve from the date of their appointment through the close of the annual meeting or, where appropriate, the special meeting, at which the election for members of the Executive Board is to be held.

(b) Nominations. Persons qualified to be directors may be nominated for election by the Nominations Committee and the names submitted in writing to the President of the Association and the Executive Board sixty (60) days before the meeting at which the election is to be held. The Nominations Committee may make as many nominations for election to the Executive Board as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Any written nominations presented by the Nominations Committee shall be accompanied by a statement signed by the nominees indicating the willingness of such nominees to serve as directors. Additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one person has been nominated by the Nominations Committee. The nominee must either be present at said meeting and consent to the nomination or have indicated in writing his or her willingness to serve as a director.

(c) Qualifications. No person shall be eligible for election as a member of the Executive Board unless such person is a Unit Owner (or a spouse thereof) or is the individual nominee of a Unit Owner which is other than an individual. No Unit Owner or representative of such Unit Owner shall be elected as a director or continue to serve as a director if such Unit Owner is more than sixty (60) days delinquent in meeting any financial obligation owed to the Association, if such delinquency is not cured by the record date set pursuant to Section 3.9 hereof for such members' meeting in the case of an election of directors.

Section 4.4. Voting, Quorum, and Manner of Acting. Each director shall be entitled to one (1) vote on all matters that come before the Association. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Executive Board. Unless a higher vote is required by the Association's Articles of Incorporation, these Bylaws, the North Carolina Nonprofit Corporation Act, or the Declaration, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Executive Board. A director who participates in a meeting by any means of communication by which all directors may simultaneously hear each other during the meeting shall be deemed present at a meeting for all purposes.

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Section 4.5. Removal or Resignation of Directors and Filling of Vacancies.

(a) Any director may be removed from office at any time with or without cause by at least a sixty-seven (67%) vote of all members present and entitled to vote at any meeting of members at which a quorum is present. A director may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the director. If any directors are so removed, new directors may be elected at the same meeting. In addition, any director not in attendance at three (3) consecutive regular meetings of the Board shall be removed automatically.

(b) A vacancy caused by a removal of a director by the members shall be filled by a vote of the members. A vacancy among the directors of the Executive Board caused by any reason other than the removal of a director by the members shall be filled by the remaining directors at a meeting of the Board held for such purpose promptly after the occurrence of such vacancy. If the directors remaining in office do not constitute a quorum of the Board, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors, or by the sole remaining director, as the case may be. The term of a director elected to fill a vacancy in a directorship elected by members expires at the next election of directors by members, and the term of the director filling any other vacancy expires at the end of the unexpired term that such director is filling.

(c) A director may resign at any time by giving notice to the Executive Board, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed conclusively to have resigned upon disposition by the Unit Owner of the Unit which made such individual eligible to be a director or upon any other event of disqualification set forth in these Bylaws.

Section 4.6. Powers and Duties of the Board. The business and affairs of the Association shall be managed by the Executive Board. The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association, including, but not by way of limitation, all powers as set forth in Article 3 of Chapter 55A of the North Carolina General Statutes (North Carolina Nonprofit Corporation Act), as the same may be amended from time to time, and may do all such acts and things as are not required by the Declaration or Bylaws to be exercised and done by the members. The Executive Board shall delegate to one of its members or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Section 5.3 hereof), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Declaration or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

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(a) Provide goods and services to the members in accordance with the Declaration, and provide for maintenance, repair and restoration of the Common Elements and, to the extent provided in the Declaration, of the Units.

(b) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the maintenance, repair and restoration of the Common Elements and, to the extent provided in the Declaration, of the Units, and provide goods and services to the Unit Owners, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.

(c) Collect the assessments, deposit the proceeds thereof in depositories designated by the Executive Board and use the proceeds to carry out the maintenance, repair and restoration of the Condominium to the extent the Association is so authorized by the Declaration.

(d) Adopt, amend and repeal any reasonable rules and regulations not inconsistent with the Declaration.

(e) Open bank accounts on behalf of the Association and designate the signatories thereon.

(f) Enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations as are in effect from time to time.

(g) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Elements.

(h) Notify the members of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(i) Obtain and carry insurance pursuant to Article VIII of the Declaration and pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized goods and services rendered to the Association and not billed to owners of individual Units or otherwise provided for in the Declaration.

(k) Notify a First Mortgagee of any default in paying assessments for Common Expenses by an Unit Owner (which remains uncured for sixty (60) days) or upon any other event set forth in Section 13.9 of the Declaration, simultaneously with the notice sent to the defaulting Unit Owner.

(l) Acquire, hold and dispose of Units and mortgage the same without the prior approval of the Association if such expenditures and hypothecations are included in the budget.

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(m) Charge reasonable fees for the use of the Common Elements and for services.

(n) Suspend the right of any Unit Owner or other occupant of a Unit, and the right of such Person's household, guests, employees, customers, tenants, agents and invitees to use any recreational facilities, areas or amenities located in the Common Elements.

(o) Prepare an annual budget.

(p) Adopt an annual budget and make assessments (general or special) against the Unit Owners to defray the Common Expenses of the Association, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment, if any, of the assessments for Common Expenses.

(q) Borrow money on behalf of the Association when required for any valid purpose.

(r) Grant easements, rights-of-ways or licenses over and through the Common Elements pursuant to N.C. GEN. N.C. Gen. Stat. § 47C-3-102(9).

Section 4.7. Meeting of Directors.

(a) Types of Meetings. The first (organizational) meeting of the Executive Board following an annual meeting of the Association shall be held within fifteen (15) days thereafter at such time and place as shall be determined by a majority of the directors to elect officers and establish the manner of operation of the Board for the ensuing year. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the directors; provided, however, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Executive Board may be called by the President, and shall be called by the President or Secretary upon the written request of at least two (2) directors. All meetings of the Executive Board shall be open to Unit Owners as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, litigation strategy or hearings with respect to violations of the Declaration or Rules and Regulation. Any final action taken by the Board in executive session shall be recorded in the minutes.

(b) Notice. Regular meetings of the Executive Board may be held without notice. The person or persons calling a special meeting of the Executive Board, at least two (2) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

Notwithstanding the foregoing provisions of this Section, notice for any meeting of directors shall be made as may be required otherwise by the North Carolina

Nonprofit Corporation Act, including without limitation, meetings of directors where any of the following matters are to be approved: (a) amendment to the Association's Articles of Incorporation or Bylaws, (b) plan of merger or dissolution, or (c) a sale of assets other than in the regular course of the Association's activities.

(c) Waiver of Notice. Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(d) Conduct of Meetings. The President shall preside over meetings of the Executive Board and the Secretary shall keep the minutes of the meeting and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board.

Section 4.8. Action by Directors Without Meeting. Action required or permitted to be taken at a meeting of the Executive Board may be taken without a meeting if the action is taken by all members of the Board and evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records.

ARTICLE V

MANAGING AGENT

Section 5.1. Compensation. The Executive Board may employ for the purpose of administering the Condominium a "managing agent" at a compensation to be established by the Board.

Section 5.2. Requirements. The managing agent shall be a bona fide business enterprise which manages common interest communities. Such firm or its principals shall have a minimum of two (2) years experience in community association management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Condominium. The managing agent must be able to advise the Executive Board regarding the administrative operation of the Condominium and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, and property management. Otherwise, the managing agent may be a full-time employee of the Association who shall organize, staff, train and administer the in-house personnel solely to manage the Condominium.

Section 5.3. Duties. The managing agent shall perform such duties and services as the Executive Board shall direct. Such duties and services may include,

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without limitation, the duties listed in Section 4.6(a), (b), (c), (f), (j), (k) and (o). However, the Executive Board may not delegate to the managing agent the powers set forth in Section 4.6(d), (e), (g), (h), (i), (l), (m), (n), (p), (q), and (r). In addition and generally, the managing agent shall perform the obligations, duties and services relating to the management of the Condominium, the rights of First Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Declaration.

Section 5.4. Standards. The Executive Board shall impose appropriate standards of performance upon the managing agent. Unless the managing agent is instructed otherwise by the Executive Board:

- (a) the cash method of accounting shall be employed and expenses required by these Bylaws to be charged to one or more but less than all Unit Owners shall be accounted for and reported separately;
- (b) two (2) or more individuals shall be responsible for handling cash to maintain adequate financial control procedures;
- (c) cash account of the Association shall not be commingled with any other entity's accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Executive Board;
- (f) a financial report shall be prepared for the Association at least quarterly, containing: (i) an "income statement" reflecting all income and expense activity for the preceding period on an accrual basis; (ii) an "account activity statement" reflecting all receipt and disbursement activity for the preceding period on a cash basis; (iii) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format; (iv) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis; (v) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (vi) a "delinquency report" listing all Unit Owners who are delinquent in pay assessments and describing the status of any actions to collect such assessments; and
- (g) The managing agent, upon termination of such agent's contract with the Association by either party, shall, within five (5) business days of such termination, turn over all books and records of the Association held by such managing agent to the President or Secretary of the Association.

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Section 5.5. Limitations. Any contract with the managing agent must be consistent with the provisions of Section 13.5 of the Declaration.

ARTICLE VI

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Executive Board), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may also elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. All officers shall be Unit Owners (or spouses thereof), officers of corporate Unit Owners, partners of partnership Unit Owners, or members of limited liability company Unit Owners and shall be members of the Executive Board. Each officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent, if any, inconsistent with the Declaration and these Bylaws, and shall perform such other duties as may be assigned to such office by resolution of the Executive Board. If any officer is unable for any reason to perform the duties of the office, the President (or the Executive Board if the President fails to do so) may appoint another qualified individual to act in such officer's stead on an interim basis.

Section 6.2. Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Each officer shall hold office for a term one (1) year or until such officer's death, resignation, retirement, removal or disqualification, or until the election and qualification of such officer's successor.

Section 6.3. Removal and Resignation. Any officer or agent may be removed by the Executive Board at any time with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. An officer may resign at any time by notifying the Association, orally or in writing, of such resignation. A resignation shall be effective upon receipt by the Association unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Executive Board may fill the pending vacancy prior to such date; however, the successor to the resigning officer may not take office until the effective date. An officer's resignation does not affect the Association's contract rights, if any, with such officer.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The individual appointed to fill a vacancy shall serve for the remainder of the term of the officer such individual replaces.

Section 6.5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Executive Board, shall supervise and control the management of the Association in accordance with these

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Bylaws. The President, when present, shall preside at all meetings of members. The President, with any other proper officer, may sign any deeds, leases, mortgages, bonds, contracts or other instruments which lawfully may be executed on behalf of the Association, except where required or permitted by law otherwise to be signed and executed and except where the signing and execution thereof shall be delegated by the Executive Board to some other officer or agent. In addition, the President shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned by the Executive Board.

Section 6.6. Vice President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice Presidents in the order of their length of service as Vice Presidents, unless otherwise determined by the Executive Board, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Executive Board.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Executive Board; have charge of such books and papers as the Board may direct and as may be required by Article 16 of the North Carolina Nonprofit Corporation Act; give or cause to be given all notices required to be given by the Association; give each Unit Owner notice of each assessment against such Unit Owner's Unit as soon as practicable after assessment is made; provide for each Unit Owner, upon request, a copy of the rules and regulations of the Association; maintain a register setting forth the place to which all notices to members and First Mortgagees hereunder shall be delivered; make it possible for any member to inspect and copy at reasonable times and by appointment the records of the Association in accordance with and as required by the North Carolina Nonprofit Corporation Act; and, in general, perform all the duties incident to the office of Secretary.

Section 6.8. Assistant Secretaries. In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretaries, unless otherwise determined by the Executive Board, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. Assistant Secretaries shall perform such other duties as from time to time may be assigned by the Secretary, by the President, or by the Executive Board.

Section 6.9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse the same under the direction of the Executive Board. The Treasurer shall maintain appropriate accounting records as may be required by law and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Executive Board.

Section 6.10. Assistant Treasurers. In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurers in

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the order of their length of service as Assistant Treasurers, unless otherwise determined by the Executive Board, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. Assistant Treasurers shall perform such other duties as from time to time may be assigned by the Treasurer, by the President, or by the Executive Board.

ARTICLE VII

COMMITTEES

Section 7.1. Covenants Committee. The Executive Board may establish a Covenants Committee, and if so, shall establish such committee pursuant to Section 7.3 below.

Section 7.2. Nominations Committee. The Executive Board may establish a Nominations Committee as set forth in Section 4.3(a) of these Bylaws.

Section 7.3. Committees of the Board. The Executive Board, by resolution of a majority of the number of directors in office, may designate two or more directors to constitute an Executive Committee and such other committees as the Board shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise all of the authority of the Executive Board in the management of the Association. Each committee member serves at the pleasure of the Executive Board. The provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Executive Board apply to any committees of the Executive Board established pursuant to this Section. The designation of any committee of the Executive Board and the delegation thereto of the Board's authority shall not operate to relieve the Executive Board, or any member thereof, of any responsibility imposed upon him or her by law.

Section 7.4. Other Committees. Other committees not having and exercising the authority of the Executive Board in the management of the Association may be designated by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee.

ARTICLE VIII

INDEMNIFICATION AND OTHER DIRECTOR AND OFFICER ISSUES

Section 8.1. Execution of Documents. Unless as may otherwise be provided in a resolution of the Executive Board, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations for Common Expenses and all checks drawn upon reserve accounts, shall be executed by any two (2) individuals designated by the Executive Board. Any officer of the Association may be designated by Board resolution to sign a statement of Common Expenses on behalf of the Association.

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Section 8.2. Indemnification and Insurance.

(a) Indemnification. The Association shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative, or investigative and whether or not brought by or on behalf of the Association, by reason of the fact that such person is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees; PROVIDED, however, that the Association shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Association or if such person received an improper personal benefit from such activities. The Association likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The Association shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined that such claimant is entitled to be indemnified by the Association against such expenses.

The Executive Board of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Bylaw, including without limitation, (a) a determination by a majority vote of disinterested directors (i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Association and (ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the Association.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

(b) Directors and Officers Liability Insurance. The Association shall have the power, pursuant to the Declaration, to purchase and maintain insurance on

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behalf of any person who is or was a director, an officer, a member of a committee and the managing agent, if any, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.3. Compensation of Directors and Officers. No salary or other compensation shall be paid by the Association to any director or officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by any person serving as a director or officer for services provided to the Association in a capacity other than that of director or officer nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or officer.

Section 8.4. Fidelity Bonds. Fidelity bonds shall be maintained by the Association in an amount determined by the Executive Board, covering each director and officer of the Association, any employee or agent of the Association, and any other person handling, or responsible for handling, funds of the Association.

ARTICLE IX

BOOKS AND RECORDS

Section 9.1. Maintenance. The Association shall keep books and records as required by Article 16 of the North Carolina Nonprofit Corporation Act. All books and records shall be kept in accordance with generally accepted accounting principles. Additionally, the Association shall cause to be adopted procedures for an annual audit of the financial status of the Association by an auditor retained by the Executive Board who shall not be a Unit Owner or an occupant of a Unit. The cost of such audit shall be a Common Expense.

Section 9.2. Availability. Subject to the provisions of Section 13.2 of the Declaration, the books and records of the Association shall be available for inspection by the members and their attorneys and accountants pursuant to the terms and conditions of Article 16 of the North Carolina Nonprofit Corporation Act. Also subject to the provisions of Section 13.2 of the Declaration, all First Mortgagees or their representatives shall have the right to inspect the books and records of the Association on the same terms and conditions as the members of the Association.

Section 9.3. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year, the Executive Board shall make available to members and First Mortgagees requesting the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Executive Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

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Section 9.4. Fiscal Year. The fiscal year of the Association shall be fixed by the Executive Board.

ARTICLE X

NOTICES

Except as specifically provided otherwise in the Declaration, these Bylaws, or the North Carolina Nonprofit Corporation Act, all notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (a) if to an Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner; (b) if to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Association; (c) if to a First Mortgagee, at the address indicated by the First Mortgagee in a written notice to the Association. If a Unit is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder, otherwise the Person receiving the notice shall have the responsibility for notifying the other Persons comprising the Unit Owner.

ARTICLE XI

AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws may be altered, amended, or repealed at any time by the membership and by the Board of Directors pursuant to the applicable provisions of the North Carolina Nonprofit Corporation Act. Such amendments, once made, shall become effective when recorded in the same manner and place as an amendment to the Declaration.

ARTICLE XII

CONFLICT

In the event that any of the provisions of these Bylaws conflict with the provisions of the North Carolina Nonprofit Corporation Act, the provisions of the North Carolina Nonprofit Corporation Act shall control.

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The Association, by and through its undersigned President, does hereby certify the Amended and Restated Bylaws set forth in this instrument to have been properly adopted by the Association and its members on the 10th day of October, 2000, and that the Amended and Restated Bylaws supersede any Bylaws previously adopted by the Association.

FORBES WOODS CONDOMINIUM ASSOCIATION OF
GREENVILLE, INC.

By: D. P. Hill
Douglas P. Hill, President

STATE OF NORTH CAROLINA
COUNTY OF PITT

I, Emyle B. Nelson, a Notary Public
in and for said County and State, do hereby certify that DOUGLAS P. HILL personally
appeared before me this day and acknowledged that he is President of FORBES WOODS
CONDOMINIUM ASSOCIATION OF GREENVILLE, INC., a corporation, and that he,
as President being authorized to do so, executed the foregoing on behalf of the
corporation.

Nov. WITNESS my hand and notarial seal, this the 27 day of
2000.



Emyle B. Nelson
Notary Public

Commission Expires:

May 4, 2002

STATE OF NORTH CAROLINA
COUNTY OF PITT

The foregoing certificate of Emyle B. Nelson
a Notary Public of said County and State, is certified to be correct. This instrument was
presented for registration this day and hour and duly recorded in the office of the Register
of Deeds of Pitt County, North Carolina, in Book 1085, Page 362.

This 27 day of November, 2000, at 2:35
o'clock P.M.

QVLMAIN245737.1

James J. Vart
Register of Deeds
By: Deborah J. Lawrence, Assistant