

Bylaws
of
Brook Valley Realty Owners Association of Greenville, Inc.
a Nonprofit Corporation
Under the Laws of the State of North Carolina

ARTICLE I

Identity

These are the Bylaws of Brook Valley Realty Owners Association of Greenville, Inc., a North Carolina nonprofit corporation (the "Association"), the Articles of Incorporation (the "Articles") of which have been filed in the office of the North Carolina Secretary of State.

For purposes of these Bylaws, terms specifically defined in the Covenants of Brook Valley Subdivision, Section 10 (the "Covenants") shall have the same meaning herein.

ARTICLE II

Qualifications and Responsibilities of Members

2.1. Members. Each lot owner shall be a member of the association and shall remain a member until he ceases to be a lot owner.

2.2. More Than One Owner. When there is more than one lot owner of a lot, all such persons shall be members of the association.

2.3. Registration. It shall be the duty of each lot owner to register his name and the number of his lot with the Secretary of the association. If a lot owner does not so register, the association shall be under no obligation to recognize his membership.

2.4. Prohibition of Assignment. The interest of a member in the association assets cannot be transferred or encumbered except as an appurtenance to his lot.

BOOK 492 PAGE 366

ARTICLE III

Members' Meetings and Voting

3.1. Place. Meetings of the members shall be held at the registered office of the association, or such other place within Pitt County, North Carolina, as may be designated from time to time by the Board.

3.2. Annual Meeting. The members shall meet at least once each year as specified in the notice of such meeting given pursuant to Section 3.4. At each annual meeting, the members shall elect members of the Board ("Directors") and may transact any other business properly coming before them.

3.3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board and shall be called and held within fifty (50) days after written request therefor, signed by members of the association entitled to cast at least twenty percent (20%) of the total votes in the association, is delivered to any officer or director of the association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

3.4. Notices. Notice of all meetings of the members, stating the time and place and accompanied by a complete agenda thereof, shall be given by the President or Secretary to each member. Such notice shall be in writing and shall be hand delivered or sent by United States mail to the members at the addresses of their respective lots and to other addresses as any member may have designated to the President or Secretary, at least ten (10) days, but not more than fifty (50) days, in advance of any scheduled meeting.

3.5. Quorum; Adjournment if no Quorum. A quorum shall consist of members present, in person or by proxy, entitled to cast at least fifty percent (50%) of the total votes in the association. If a quorum is not present, the meeting shall be adjourned. At the next meeting a quorum shall consist of at least twenty-five percent (25%) of the total votes of the association.

3.6. Votes; Association Shall Not Vote. The total votes in the association are allocated to lots by the Covenants. The votes allocated to a lot may be cast by the lot owner of that lot. When there is more than one lot owner of a lot, the votes for that lot shall be cast as they shall determine. The votes allocated to a lot shall not be split but shall be voted as a single whole. The association shall not be entitled to cast the votes allocated to any lot owned by it.

3.7. Manner of Casting Votes. Votes may be cast in person or

by proxy. A proxy must be in writing, be signed by all lot owners of the lot, the votes of which are subject to the proxy, be given only to another member or to a security holder in that lot, and be filed with the Secretary before the meeting. A proxy shall be valid until revoked in writing by all lot owners of such lot.

3.8. Required Votes. All questions shall be decided by a majority of the votes cast on the question unless the provisions of applicable law, the Covenants, or these Bylaws require a greater vote.

3.9. Action by Members Without Meeting. Any action that may be taken at a meeting of the members may be taken without a meeting if such action is authorized in a writing setting forth the action taken and is signed by all members, or if such action is taken in any other manner permitted by law.

3.10. Prohibition of cumulative Voting. There shall be no cumulative voting .

ARTICLE IV

Directors

4.1. First Board. The first Board shall consist of the three (3) persons elected by the members whose names are set forth in the Articles, and successors to any thereof elected by the members.

4.2. Number and Qualifications of Directors. The Board shall consist of three (3) natural persons as determined at any annual meeting by the members. Each Director shall be a lot owner or the individual nominee of a lot owner which is other than an individual.

4.3. Election of Directors. At the first annual meeting of the members, and at each subsequent annual meeting, the members shall elect the Directors by a majority of the votes cast in the election.

4.4 Developer's Appointment of Directors. Notwithstanding the other provisions of this Article IV the Developer shall have the right to appoint and remove two (2) members of the Board of Directors so long as the Developer owns any Lots within the Subdivision or any property within the Development Area. At such time as Developer ceases to own any Lot within the Subdivision or other property within the Development Area, or upon notification by Developer to the Board of Directors that it does not desire to continue to appoint two (2) Directors, all three (3) Directors shall be elected pursuant to this Article IV.

BOOK 492 PAGE 368

4.5. Term of Office. At the first annual meeting the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years; and at each annual meeting thereafter the members shall elect one Director for a term of three (3) years.

4.6. Removal. Any Director may be removed, with or without cause, by a vote of the members entitled to cast at least sixty percent (60%) of the total votes in the association, at a special meeting called for such purpose, and a successor may then be elected by the members to serve for the balance of the removed Director's term.

4.7. Vacancies. Any vacancy in the Board arising by death or resignation of a Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and a Director so elected shall serve for the unexpired term of his predecessor in office.

4.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least seventy-two (72) hours prior to the meeting.

4.9. Special Meetings. Special meetings of the Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after written request therefor, signed by two (2) Directors, is delivered to any other Director or the President or the Secretary. Not less than seventy-two (72) hours notice of such special meeting shall be given personally or by mail, telephone, or telegraph to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.10. Quorum; Adjournment if No Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall constitute the presence of such Director at that meeting for the purpose of determining a quorum.

4.11. Manner of Acting. Each Director shall be entitled to one vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Board unless the act of a greater number is required by the provisions of applicable law, the Covenants, or these Bylaws.

4.12. Board Action Without Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in a writing setting forth the action taken, signed by all Directors.

4.13. Compensation of Directors Restricted. Directors shall receive no compensation for their services, but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

4.14. Powers and duties of Board. All of the powers and duties of the association shall be exercised by the Board, including those existing under the common law, applicable statutes, the Covenants, the Articles, and these Bylaws, as any thereof may, from time to time, be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Covenants, the Articles, and these Bylaws, and shall include, but not be limited to, the following:

(a) To prepare and provide to members annually a report containing at least the following:

(i) A statement of any capital expenditures in excess of two percent (2%) of the current budget or Two Thousand Dollars (\$2,000.00), whichever is greater, anticipated by the association during the current year or succeeding two (2) fiscal years.

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.

(iii) A statement of the financial condition of the association for the last fiscal year.

(iv) A statement of the status of any pending suits or judgments in which the association is a party.

(v) A statement of any unpaid assessments payable to the association, identifying the lot and the amount of the unpaid assessment.

(b) To adopt and amend budgets and to determine and collect assessments to pay the common expenses.

(c) To regulate the use of, and to maintain, repair, replace, modify and improve the common areas.

(d) To adopt and amend rules and regulations as to the common areas and to establish reasonable penalties for infraction thereof.

BOOK 492 PAGE 370

(e) To enforce the provisions of the Covenants, the Articles, these Bylaws, and rules and regulations by all legal means, including injunction and recovery of monetary penalties.

(f) To hire and terminate managing agents and to delegate to such agents such powers and duties as the Board shall determine, except such as are specifically required by the Covenants, the Articles, these Bylaws, to be done by the Board or the members. Notwithstanding the foregoing, the property, including each lot, shall at all times be managed by a single managing agent.

(g) To hire and terminate agents and independent contractors.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceedings in its own name, on behalf of itself or two (2) or more lot owners, on matters affecting the condominium, the common elements, or more than one lot.

(i) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.

(j) To borrow money for the maintenance, repair, replacement, modification or improvement of common elements and to pledge and pay assessments, and any and all other revenue and income, for such purpose.

(k) To impose and collect reasonable charges, including reasonable costs and attorney's fees, for the evaluation, preparation and recordation of amendments to the covenants, or certificates of unpaid assessments.

(l) To provide for indemnification of the association's officers and Directors and maintain officers' and Directors' liability insurance.

(m) to impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Covenants, these Bylaws, or the rules and regulations.

ARTICLE V

Officers

5.1. Designation of Officers. The officers of this association shall be a President, a Vice President, a Secretary, and a Treasurer. Each officer shall be a lot owner or the individual nominee of a lot owner which is other than an

individual. A person may hold one or more of such offices at one time, except that the President shall not at the same time hold another office in the association. The Board may elect an assistant treasurer, an assistant secretary and such other officers as, in its judgment, may be necessary.

5.2. Election of Officers. Officers of the association shall be elected by the Board. Election shall be held annually at the first meeting of the Board held after the annual meeting of the members, except that the first Board shall elect officers as soon as practicable after filing of the Covenants.

5.3. Term. Each officer shall serve until his successor has been duly elected and has qualified.

5.4. Removal. Any officer may be removed, with or without cause, and without notice, by the Board.

5.5. Vacancy. Any vacancy in any office shall be filled by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

5.6. Powers and duties of Officers.

(a) President. The President shall be the chief executive officer of the association; shall have all of the powers and duties incident to the office of a President of a corporation including, but not limited to, the duty to preside at all meetings of the Board and of the members, and the general supervision of officers in the management of the business and affairs of the association; and shall see that all actions and resolutions of the Board are carried into effect.

(b) Vice President. The Vice-President shall perform such duties of the President as shall be assigned to him by the President and, in the absence of the President, shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the association, except those kept by the Treasurer; shall perform all other duties incident to the office of a Secretary of a corporation; and shall perform such other duties required by the Board or the President.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the association including funds, securities, and evidences of indebtedness; shall keep the books of the association in accordance with good accounting practices and principles and, upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Board for

BOOK 492 PAGE 372

examination and approval; shall deposit all moneys and other valuable effects in depositories designated by the Board; shall disburse funds of the association as directed by the Board; and shall perform all other duties incident to the office of a Treasurer of a corporation.

5.7. Execution of Agreements, etc. All agreements, deeds, mortgages, or other instruments shall be executed by any two (2) officers or by such other person or persons as may be designated by the Board.

5.8. Compensation of Officers Restricted. No officer shall be compensated for his services in such capacity but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

ARTICLE VI

Indemnification of Directors and Officers

The association shall indemnify such persons for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by N.C.G.S. 47C-3-102(13), (even though this corporation is not subject to the provisions of Chapter 47C) as now enacted or hereafter amended.

ARTICLE VII

Fiscal Management

7.1. Depository. The Board shall designate a depository for the funds of the association and may change such depository. Withdrawal of funds from such depository shall be only by checks signed by any two (2) officers of the association, or any other persons authorized by the Board.

7.2. Fidelity Bonds. Fidelity bonds may be maintained by the association in an amount determined by the 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.

7.3. Payment Vouchers. Payment vouchers shall be approved by the Board, provided that the Board may delegate such authority to any officer or managing agent of the association.

7.4. Annual Audit. An audit of the accounts of the association shall be made annually by an accountant, and a copy of the report shall be furnished to each member not later than April

1 of the year following the year for which the report is made.

7.5. Fiscal Year. The fiscal year of the association shall be the calendar year provided that the Board, from time to time, by resolution, may change the fiscal year to some other designated period.

ARTICLE VIII

Amendment

An amendment to these Bylaws shall be by vote of two thirds (2/3) of the Directors while the Corporation has appointed Directors pursuant to Paragraph 4.4 of these Bylaws. Thereafter amendments shall require the written or oral assent of sixty-six percent (66%) of the entire membership.

ARTICLE IX

General Provisions

9.1 Rules and Regulations.

(a) By the Board. The Board, including the first Board, may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation, and use of the common areas so as to promote the common use and enjoyment thereof by lot owners and occupants and for the protection and preservation thereof. In addition, the Board may adopt such rules and regulations as it deems reasonable and necessary with respect to lots to provide for the common good and enjoyment of all lot owners and occupants including, without limitation, the right to adopt such rules and regulations with reference to tenants and leases. In no event shall any rules or regulations be inconsistent or materially more restrictive than the provisions contained in the Covenants and these Bylaws with respect to leases or tenants.

(b) By the Association. Any such rule or regulation adopted by the Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted, by members at an annual or special meeting of the members. Any such act of the members shall control over any contrary rule or regulation then or thereafter adopted by the Board.

(c) Uniform Application. All rules and regulations shall be equally and uniformly applicable to all lot owners, occupants and lots, but need not be equally and uniformly applicable if it is determined that such unequal or nonuniform

BOOK 492 PAGE 374

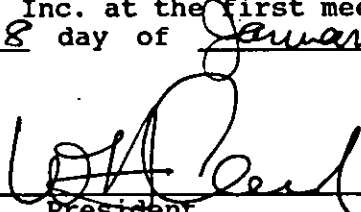
application is in the best interest of the association or if equal and uniform application is not practicable.

(d) Copies Furnished. Copies of all such rules and regulations and any amendments thereto shall be furnished to all members, and a copy shall be posted or otherwise made available to members at the office of the association. However, failure to furnish, or post, or make available, such rules or regulations shall not affect in any way their validity or enforceability.

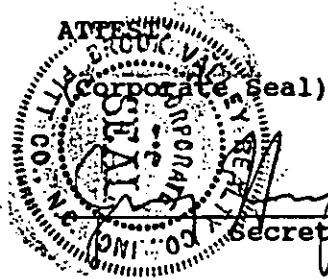
9.2. Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of association proceedings when not in conflict with the Covenants, these Bylaws, the Articles, or any statutes of the State of North Carolina applicable thereto. The chairman of the meeting shall have the authority to appoint a parliamentarian.

9.3. Compliance with the Act; Conflict; Severability. In the case of any conflict between the provisions of these Bylaws and the Covenants, the Covenants shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

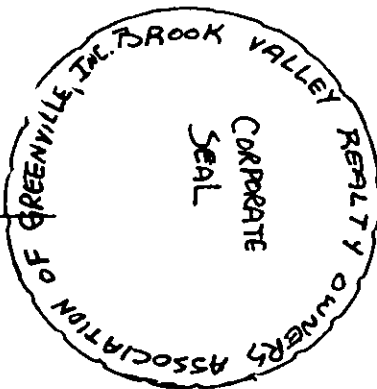
The foregoing were adopted as Bylaws of Brook Valley Realty Owners Association of Greenville, Inc. at the first meeting of the Board of Directors on the 28 day of January, 1994.



President



Secretary



BOOK 492 PAGE 375

NORTH CAROLINA

Pitt COUNTY

I, Judy B. Allen, a Notary Public of the County and State aforesaid, do hereby certify that Jimmy Humphrey, personally appeared before me this day and acknowledged that he/she is _____ Secretary of Brook Valley Realty Owners Association of Greenville, Inc., a North Carolina corporation and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President; sealed with its corporate seal and attested by him/her as its _____ Secretary.

Witness my hand and official stamp or seal, this the 28th day of January, 1994.

Judy B. Allen
Notary Public

My commission expires: 9-19-96



NORTH CAROLINA: Pitt County
The foregoing certificate(s) of

Judy B. Allen

Notary(ies) Public is (are) certified to be correct. Filed for registration at 4:24 o'clock P M. this 28th day of February 19 94.

ANNIE G. HOLDER, Register of Deeds
By Annie G. Holder
Assistant/Deputy Register of Deeds