

BY-LAWS OF BROOK VALLEY HOMEOWNERS, INCORPORATED

ARTICLE I: MEMBERSHIP

Section 1: The membership of the corporation shall be divided into two classes: (a) the non-voting members and (b) the voting members and the requirements for membership are as hereinafter set forth in this Article.

Section 2: The non-voting members: the non-voting members of the corporation shall be all resident, homeowners who have actually moved into their homes in the Subdivision known as Brook Valley in or near the City of Greenville, County of Pitt and State of North Carolina.

Section 3: The voting members: the voting members shall be every resident homeowner member who is a dues paying member, which dues shall be established by the board of directors of this corporation from time to time; provided, however, only one vote per residence shall be cast in any election or where voting becomes necessary and provided, further, however, that if at any time the dues shall be deemed to be excessive by the majority of the resident homeowners located in Brook Valley, that said dues may be reduced by said majority of the resident, homeowners; as though they had a right to vote, even though they may be non-voting members.

ARTICLE II: MEETING OF MEMBERS

Section 1: Place of Meeting: All meetings of the membership shall be held at the club house of the Brook Valley Country Club in Brook Valley, Pitt County, North Carolina, or at such other place as shall be designated in the notice of meeting by the president or two or more members of the board of directors of the corporation.

Section 2: Annual Meetings: The annual meeting of the membership shall be held at 8:00 p. m., on the third Thursday in October of each year for the purpose of electing directors of the corporation and for the transaction of such other business as may be properly brought before the meeting.

Section 3: Special Meetings: Special meetings of the membership may be called at any time by the president, secretary of board of directors of the corporation, or by twenty-five percent of the voting membership pursuant to a written request to the secretary requesting such meeting.

Section 4: Notice of Meetings: Written or printed notice stating the time, place and purpose of the meeting shall be delivered not less than three (3) days before the date of any meeting of the membership, either personally or by mail to each member, either voting or non-voting and if mailed such notice shall be deemed to have been delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the corporation with postage paid thereon.

In the case of a special meeting or a called meeting, the notice shall specifically state the purpose or purposes for which the meeting is called.

Section 5: At any meeting, whether at annual meeting or special meeting, the secretary shall have on hand and have prepared an alphabetical list of all the members entitled to vote at any such meeting, provided, however, in order to vote at any such meeting, the voting member shall be current in the payment of his dues on or before said meeting.

Section 6: Quorum: A quorum shall consist of at least twenty percent of the voting members present at a meeting of the membership and the members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 7: Proxies: The voting members of the corporation may vote either in person or by one or more agents authorized by a written proxy executed by the said voting member or by his duly authorized attorney in fact.

ARTICLE III: BOARD OF DIRECTORS

Section 1: Term and Qualifications: The number of directors constituting the board of directors shall be not less than five nor more than nine directors, each director shall hold office for the period of time to which he is elected until his death, resignation, retirement, removal, disqualification or his successors shall have been elected and qualified. In order to have an experienced board at all times, at the original membership meeting, three (3) directors will be elected for a period of one year, three directors will be elected for a period of two years and three directors will be elected for a period of three years and subsequent thereto the election shall be held so that ultimately three directors will be elected annually for a period of three years who shall serve until

their successors are elected and qualified.

Section 2: Election of Directors: Except as provided in Section 1 above, at the annual meeting of the membership, the position of the directors whose offices shall terminate, at the end of the third year of office, shall be filled by an election of those directors at the annual meeting of the membership and those persons who receive the highest number of votes shall be deemed to have been elected for the respective office of director whose term is expiring at the annual meeting. If any voting member so demands, the election of directors shall be by secret ballot.

Section 3: Removal and Vacancies: Any director may be removed at any time with or without cause by a vote of the majority of the voting membership present at any annual or special meeting, provided a quorum is present at said meeting. If any director is removed, a new director may be elected at that same meeting. Any vacancy occurring in the board of directors may be filled by the affirmative vote of the majority of the remaining directors at any regular or special meeting of the board of directors, said director elected to fill the said vacancy shall be elected only for the unexpired term of his predecessor in office.

ARTICLE IV: DIRECTORS- THE CONTROLLING BODY OF THE CORPORATION:

Section 1: Regular Meetings: Regular meetings of the board of directors shall be held immediately after and at the same place as the annual meeting of the membership and in addition thereto, the board of directors may provide by resolution the time and place for any additional regular meetings that it wishes to hold during the year of operations.

Section 2: Special Meetings: Special meetings of the board of directors may be called by or at the request of the president or any two directors, such meeting may be held at such place and at such time as is designated by the person or persons calling said meeting.

Section 3: Notice of Meetings: Regular meetings of the board of directors may be held without notice. The person or persons calling a special meeting of the board of directors shall at least two days before the meeting give notice thereof by any usual means of communication, such notice need not specify the purpose for which the meeting is called.

Section 4: Waiver of Notice: Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transactions of any business because the meeting is not lawfully called or convened.

Section 5: Quorum: A majority of the number of directors fixed by these by-laws shall constitute a quorum for the transaction of business at any meeting of the board of directors and the act of the majority of the directors present at the meeting at which a quorum is present shall be the act of the board of directors.

ARTICLE V: OFFICERS:

Section 1: Officers of the Corporation: The officers of the corporation shall be: a president, first vice president, the second vice president, the secretary, and the treasurer of the of the corporation, who shall be elected annually from the voting membership.

Section 2: Election and Term: The officers of the corporation shall be elected by the board of directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification or his successors shall have been elected and qualified.

Section 3: Removal and Vacancies: Any officer or committee chairman elected or appointed by the board of directors may be removed by the board whenever in its judgment the best interest of the corporation would be served thereby; any vacancy occurring in the position of an officer or a committee chairman shall be filled by a majority of the number of directors fixed by these by-laws at a regular or special meeting of the board of directors.

Section 4: President: The president shall be the principal executive officer of the corporation and subject to the control of the board of directors, he shall in general, supervise and control all of the business and affairs of the corporation. He shall when present preside at all meetings of the membership; he shall sign with the secretary or treasurer any contracts, deeds, bonds or other legal instruments which the board of directors has authorized to be executed and in general, he shall perform all the duties incident to the office of president and such other duties as may be prescribed of him by the board of directors from time to time.

Section 5: First Vice President: In the absence of the president or in the event of the death, inability or refusal to act, the first vice president shall perform the duties of the president and when so acting shall have all the powers of and be subject to all restrictions upon the president. He shall further perform such other duties as may from time to time be assigned to him by the president or by the board of directors. He shall also be ex-officio member of the recreation, planning and developing, beautification and maintenance, and education committees and shall see to the proper function of said committees at all times.

Section 6: Second Vice President: In the absence of the first vice president or in the event of his death, inability or refusal to act, the second vice president shall perform the duties of the first vice president and when so acting, shall have all the powers, and be subjected to all the restrictions upon the first vice president. He shall further perform such other duties as from time to time may be assigned to him by the board of directors or by the president. In addition thereto, he shall be ex-officio a member of the safety and traffic, public relations, entertainment and social committees and shall see to it that said committees shall function properly.

Section 7: Secretary: The secretary shall keep the minutes of the membership, the minutes of the board of directors and shall see that all notices are properly given in accordance with the provisions of these by-laws, shall be custodian of the corporate records and of the seal of the corporation and see that the corporate seal is affixed to all documents under which a seal is required, shall sign with the president or a vice president any instruments of a legal nature which are authorized by resolution of the board of directors, shall keep a list of the voting members of the corporation at all times and shall have said voting list at any special or annual meeting of the membership and in general shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 8: Treasurer: The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, shall receive and give receipts for any monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such depository as shall be selected by the board of directors, shall prepare or cause to be prepared a true statement of the corporation's assets and liabilities, as of the close of each fiscal year, shall sign all drafts, notes, checks, or other means of payment in the name of the corporation as is directed by the president and the board of directors and in general shall perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors. He shall be bonded as required by law, his bond shall be set by the board of directors at the annual meeting thereof.

ARTICLE VI: COMMITTEES:

Section 1: The committees of the corporation shall consist of the recreation committee, the planning and developing committee, the beautification and maintenance committee, the education committee, the safety and traffic committee, the public relations committee, the entertainment and social committee and such other committees as shall be created from time to time by the members of the corporation.

Section 2: Chairman and Members of Committees:

The board of directors of the corporation shall appoint a chairman of each respective committee of this corporation and a number of members as in the discretion of the board of directors are needed for the purpose of carrying out the function of each respective committee.

Section 3: Recreation Committee: The functions of the recreation committee shall be to provide adequate recreation facilities for the membership of the corporation and to that end shall negotiate with the developers of the corporation to provide adequate parks and areas of recreation for its members. In addition thereto, it shall work in liaison with the Brook Valley County Club in providing recreation for the membership of this corporation.

Section 4: The Planning and Developing Committee:

This committee shall be for the purpose of promoting the orderly and harmonious development and planning of Brook Valley so as to maintain the standards which are set by the homes now existing in Brook Valley and owned by the resident members.

Section 5: Beautification and Maintenance Committee:

This committee shall be responsible for the beautification of the entire area and shall foster and promote the continuous maintenance, repair and development of all utilities, roads, streets and other similar activities in the Brook Valley area.

Section 6: Education Committee:

The Education Committee shall promote the education of the residents and the families in the community known as Brook Valley and shall work in liaison with the public school authorities to insure adequate education of the children of the members of the corporation.

Section 7: Safety and Traffic Committee:

The Safety and Traffic Committee shall foster and promote adequate restrictions and regulations by the highway authorities to promote the general overall safety and protection of the members and their children in the Brook Valley Community. It shall further have the duty to promote orderly traffic in the area so as to avoid any injuries or hazardous conditions by reason of motor vehicle traffic on the streets of Brook Valley.

Section 8: Public Relations Committee:

The Public Relations Committee shall promote the area of Brook Valley by giving adequate coverage of the functions of the corporation to the public news media as it deems appropriate. It shall be responsible for the compiling and disseminating any news matter that might be created by the corporation for the benefit of the membership.

Section 9: Entertainment and Social Committee:

The Entertainment and Social Committee shall promote the overall activities of a social nature of the corporation; it shall work in liaison with the Brook Valley Country Club in promoting social events for the benefit of the members of this corporation. It shall encourage closer relationship between the members of the corporation and the residents in Brook Valley.

Section 10: In addition to the specified duties of the committees herein set, the aforesaid committees shall perform such additional duties as from time to time may be established or directed by the board of directors.

ARTICLE VII: CORPORATE SEAL

Section 1: Seal: The corporate seal of the corporation shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed "SEAL," and such seal as impressed on the margin hereof is hereby adopted as the corporate seal of the corporation.

ARTICLE VIII: AMENDMENTS

Section 1: Amendments: These by-laws may be amended or repealed or new by-laws may be adopted by the affirmative vote of a majority of the voting members present at any annual or special meeting thereof.