

BYLAWS OF
MEADOWBROOK PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I
ASSOCIATION MEMBERS

Section 1. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members of the Association shall be held at the principal office of the Association, at an hour to be fixed by the President, on the second Tuesday in September of each year for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2. SUBSTITUTE ANNUAL MEETING. If the annual meeting shall not be held on the day designated in these Bylaws, a substitute annual meeting at the principal office of the Association may be called in accordance with the provisions of Section 3 of this Article I. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 3. SPECIAL MEETINGS OF MEMBERS. Special meetings of the members may be held in the principal office of the corporation, or elsewhere by consent of the members, whenever called in writing by the President or any member of the Board of Directors of the corporation or by members representing twenty-five percent (25%) of the membership entitled to vote.

Section 4. NOTICE OF MEETING. Written or printed notices stating the time and place of meeting shall be mailed or delivered by the Secretary to each member of record at the member's last known address.

The notice of each meeting shall be mailed or delivered by the Secretary not less than ten days nor more than fifty days prior to the date set for such meeting and as to special meetings, the Notice shall indicate the purpose or purposes thereof.

Section 5. QUORUM. At any meeting of the members, twenty-five percent (25%) of the members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes.

If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. 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 6. ORGANIZATION. The President, or, in his absence, the Vice President, shall preside over all meetings of members and the Secretary of the Association shall act as Secretary at all meetings of the members; provided, however, in the Secretary's absence the President may appoint a Secretary for the meeting of the members.

Section 7. VOTING. The Association shall have two classes of voting memberships:

Class A. Class A members shall be those Owners, with the exception of the Developer until its Class B membership has converted to Class A membership, who own lots within Meadowbrook Subdivision. Each Class A member shall be entitled to one vote for each such lot so owned.

Class B. The Class B member shall be the Developer (Declarant), and it shall be entitled to three (3) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier: (a) when the Developer owns twenty-five percent (25%) or less of the residential lots in the subdivision, including any property which may be annexed to the subdivision, or on January 1, 1999.

The vote of a majority of the members at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law or by the charter or other Bylaws of this Association. Cumulative voting shall not be allowed.

Section 8. VOTING BY PROXY. The vote allocated to a member may be cast pursuant to a dated written proxy signed by the member. A member may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

ARTICLE II BOARD OF DIRECTORS

Section 1. NUMBER AND TERM OF OFFICE. The affairs of the Association shall be managed by a Board of Directors of five (5) members, which shall be entitled to act on behalf of the Association, in all routine, day to day operation of the Association.

Section 2. ELECTION OF BOARD OF DIRECTORS. The members of the Board of Directors shall be elected from member-candidates of the Association nominated from the floor at the annual meeting of the Association. Election shall be by secret written ballot and by a majority of the members present at such meeting in person or

by proxy, provided that a quorum is present. Cumulative voting shall not be allowed.

The Directors shall each serve two year terms, except as otherwise herein provided. The two (2) persons who receive the highest number of votes at the first election by the members of the Association shall each serve two (2) year terms. The remaining three (3) persons elected at the first election by the members of the Association shall each serve a one (1) year term. Thereafter, each member of the Board of Directors shall serve two (2) year terms, with two (2) persons being elected to the Board in one year and three (3) persons being elected to the Board in the following year.

Landmark Developers, Inc. (hereinafter "Developer") shall have the right to appoint the Board of Directors as set forth in the Declaration of Restrictions. After the Developer has relinquished control of the Association, thereafter, the election of Directors shall take place at the annual meeting of the membership as set forth in this Article.

Section 3. COMPENSATION. No Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Board, any Board member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 4. ACTION WITHOUT MEETING. The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

Section 5. MEETINGS. Meetings of the Board shall be held semi-annually without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any member of the Board after not less than five (5) days notice to each Board member.

Section 6. QUORUM. A majority of the Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board members present at a duly held meeting shall be regarded as the act of the Board.

Section 7. REMOVAL. Any member of the Board may be removed with or without cause by the affirmative vote of the majority of the members of the Association present and entitled to vote at any meeting of the members at which a quorum is present. In the event of death, resignation or removal of a member of the Board, his successor shall be selected by the Board to serve until

the next annual meeting of the members at which time the members shall elect a successor. Provided, however, that this section shall not apply until such time as the Developer has relinquished control of the Association as provided in the Declaration of Restrictions.

Section 8. POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS. Subject to the provisions contained herein and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

(a) To adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;

(b) To suspend the voting rights and right of use of the common areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period of at least 60 days;

(c) To declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(d) To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribe their duties; provided, that any contract for professional management must contain a clause requiring not more than 90 days termination notice;

(e) To procure, maintain, and pay premiums on, insurance policy(s), if needed, and equitably assess the members same for their prorata portion of such expense;

(f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common areas or elements other than for service provided to members;

(g) To exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

(h) To exercise any other powers necessary and proper for the governance and operation of the Association; and

(i) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law

may now or hereafter have or exercise.

Section 7. DUTIES OF THE BOARD OF DIRECTORS. It shall be the duty of the Board to do the following:

- (a) To cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the members to recover the cost of the upkeep of the common elements;
- (b) To serve as the architectural committee;
- (c) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by 25% of the members;
- (d) To supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (e) To fix the amount of the annual assessment at least two (2) months in advance of each annual assessment period based on the projected budget for the annual assessment period and pursuant to the provisions set forth in the Declaration of Restrictions;
- (f) To send written notice of each assessment to every member at least thirty (30) days in advance of the due date for each annual assessment;
- (g) To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the member personally obligated to pay the same;
- (h) To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all parties except the member and lot owner as of the date of the assessment;
- (i) To procure and maintain, at all times, adequate hazard insurance, if needed, on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance, if needed, to adequately protect the Association as provided in the Declaration of Restrictions; and

(j) To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE III OFFICERS

Section 1. OFFICERS. The officers of this Association shall be a President, Vice President, Treasurer and Secretary and such other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. ELECTION OF OFFICERS. The officers shall be elected by a majority vote of the Board of Directors immediately following the annual meeting of the members or at any regular or special meeting of the Board. Each officer shall hold office until his successor is elected or until his earlier death, resignation, retirement, removal or disqualification.

Section 3. POWERS AND DUTIES OF THE EXECUTIVE OFFICERS.

(a) The President shall preside at all meetings of the Board; he shall see that orders and resolutions of the Board are carried out; he shall sign all leases, mortgages, deeds and other written instruments.

(b) The Vice President shall act in the place of the President in the event of his absence, or his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; he shall keep the associate seal and affix it on all papers requiring said seal; he shall serve notice of meetings of the Board and of the members; he shall keep appropriate current records showing the members of the Association together with their addresses; he shall prepare, execute, certify, and record amendments to the Declaration of Restrictions on behalf of the Association; and he shall perform such other duties as required by the Board.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; he shall sign all checks and promissory notes of the Association; he shall keep proper books of account; and he shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

(e) The Board may elect Assistant Secretaries and Assistant Treasurers and the Secretary may appoint Assistant Secretaries. In the absence or disability of the Secretary or the Treasurer, such assistants respectively shall perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them from time to time by the Secretary or Treasurer, respectively, or by the President.

Section 4. ACTION WITHOUT MEETING. The Officer shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Officer members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Officers.

Section 5. REMOVAL. Any Officer, may be removed with or without cause, by a vote of the majority of the Board. In the event of death, resignation or removal, his successor shall be elected by the Board.

ARTICLE IV BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation and the Declaration of Restrictions and Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE V FORMS OF PROXY AND WAIVER

Section 1. FORMS OF PROXY. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

MEADOWBROOK PROPERTY OWNERS' ASSOCIATION, INC.

Know all men by these presents that the undersigned member of _____ hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meeting of the members of _____, at which I am not present, until the secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to

vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

Dated: _____, 199__.

Member

Witness:

Section 2. FORM OF WAIVER OF NOTICE. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

MEADOWBROOK PROPERTY OWNERS' ASSOCIATION, INC.

We the undersigned (Board or Association Members) of _____ do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the Board or Association members) of the said association, and consent that same be held at _____ on the ____ day of _____, 19__ at _____ o'clock ____ M., and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated this ____ day of _____, 199__.

ARTICLE VI
GENERAL PROVISIONS

Section 1. AMENDMENTS. Except as otherwise provided herein or in the Declaration of Covenants, Conditions and Restrictions, these Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular or special meeting of the Board and, at a regular or special meeting of the members at which a quorum is present, by a vote of the majority of the members.

HUD/VA has the right to veto amendments so long as there is a Class B membership.

Section 2. ASSOCIATION SEAL. A seal with the words "MEADOWBROOK PROPERTY OWNERS' ASSOCIATION, INC." shall be the common corporate seal of the Association and shall be in the custody of the secretary.

CERTIFICATION

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of MEADOWBROOK PROPERTY OWNERS' ASSOCIATION, INC., a North Carolina corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors thereof, held on the 7th day of January, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 7th day of January, 1994.

David A. Harris
Secretary