

BYLAWS
OF
BRIDGEPORT AT WINDSOR PARK HOA, INC.

ARTICLE 1
GENERAL

1. Name and Location. The name of the Association is Bridgeport at Windsor Park HOA, Inc. The principal office of the Association shall be located at 5022 Wrightsville Avenue, Wilmington, NC 28403, or at such other place as may be subsequently designated by the Executive Board of the Association.

2. Applicability. The provisions of these Bylaws are binding on all owners of lots in Bridgeport at Windsor Park (herein called "Subdivision"), their tenants, guests, invitees, agents, employees, licensees, grantees, successors and assigns.

3. Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms not defined herein shall have the same meaning as set forth in that certain recorded Declaration of Protective Covenants of Bridgeport at Windsor Park, as the same may be amended from time to time (the "Protective Covenants"), unless the context indicates otherwise.

ARTICLE 2
MEMBERSHIP

1. Members. Every person or entity who is a record Owner of a Lot shall be a Member of the Association and membership in the Association shall be limited to Lot Owners.

2. Voting. The Association shall have two classes of membership, Class "A" and Class "B".

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any. Class "A" Members shall have one vote for each Lot in which they hold the interest required for membership; there shall be only one vote per Lot. If only one of the multiple owners of a Lot is present at a meeting of the Association, the Owner who is present is entitled to cast the vote allocated to that Lot. If more than one of the multiple owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the vote allocated to that Lot without protest being made to the person presiding over the meeting by any of the other Owners of the Lot.

(b) Class "B". The sole Class "B" Member shall be the DECLARANT and shall be entitled to three (3) votes for each Lot owned. The rights of the Class "B" Member, including the right to approve or withhold approval of actions proposed under the Protective Covenants and the Bylaws, are specified throughout the same. The Class "B" Member may appoint the members of the Executive Board during the Class "B" Control Period, as specified herein. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Executive Board and committees as provided in the Bylaws. Notwithstanding the termination of the Class "B" Control Period, DECLARANT shall have the right to appoint one member of the Executive Board so long as it owns any real property within BRIDGEPORT AT WINDSOR PARK. The Class "B" Control Period shall terminate and the Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the earliest to occur of the following events:

(i) when the DECLARANT owns twenty-five percent (25%) or less of the planned residential Lots in the Subdivision, including any property which may be annexed thereto, as herein provided, or

(ii) on December 31, 2025, or

(iii) when, in its discretion, DECLARANT so determines and declares in an instrument recorded in the Office of the Register of Deeds of Brunswick County, North Carolina.

Only those Lot Owners subject to assessments under Article 6 Section 1.c.(1) or (2) of the Protective Covenants shall be entitled to vote on issues affecting such assessments or property subject to such assessments. The number of votes required on any issue shall be the same as required for comparable votes on issues affecting general assessments or Common Elements.

ARTICLE 3

MEETINGS OF MEMBERSHIP

1. Place. All meetings of members shall be held at such place as may be designated in the notice of the meeting.

2. Annual Meeting. The Association shall hold its first meeting, whether a regular or special meeting, within one year after the date of the Association's incorporation. The Board shall set the date and time of subsequent regular annual meetings. Annual meetings may be conducted electronically (i.e., via the Internet, intranet, or teleconference) if, and to the extent, permitted by law.

3. Turnover Meeting. The first annual meeting of the members which is held after the Class "B" control period ceases. At the Turnover Meeting, the members shall elect the new members of the Executive Board and transact such other business as may properly come before the meeting.

4. Special Meetings. The President may call special meetings. It shall also be the President's duty to call a special meetings of the members if so directed by Executive Board resolution or upon the written request signed by at least ten (10) percent of the total Class "a" votes of the Association. Business transacted at all special meetings shall be confined to the subjects stated in the notice of the meeting.

5. Notice of Meetings. Written notice of each annual and special meeting of the members shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association, at least ten (10) days, but no more than sixty (60) days, before the meeting. The notice shall specify the place, day, time and purpose of the meeting. Alternatively, written notice of each meeting of members may be given by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the member.

Such notice shall also specify the purpose or purposes for which the meeting is called and the items on the agenda, including the general nature of any proposed amendment to the Protective Covenants, Articles of Incorporation or Bylaws of the Association, any budget changes, and any proposal to remove a director or officer.

If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the Association's records, with postage prepaid. Notice given electronically shall be deemed to be delivered when dispatched, unless an error message is reported back to the sending system.

Each member shall notify the Secretary of the Association of any address change, and the giving of notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

6. Waiver of Notice. Waiver in writing of the notice required herein, signed by the member before, at, or after such meeting, shall be equivalent to the giving of such notice. Any member may waive, in writing, notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

7. Membership List. At least ten (10) days before every election of directors, a complete list of members entitled to vote at the election, showing the lot owned by the member and the residence address of each, shall be prepared by the Secretary. Such list shall be open to examination by any member throughout the ten (10) day period preceding the election, until the election is completed.

8. Voting Rights. The number of votes each member is entitled to cast at any meeting of the membership is set forth in Article 6 of the Articles of Incorporation. If only one of the multiple owners of a Lot is present at a meeting of the Association, the Owner who is

present is entitled to cast the vote allocated to that Lot. If more than one of the multiple owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the vote allocated to that Lot without protest being made to the person presiding over the meeting by any of the other Owners of the Lot.

9. Proxies. At all meetings of the members, every member shall have the right to vote in person or by proxy, subject to the limitations of North Carolina law relating to use of general proxies and subject to any specific provision to the contrary in the Protective Covenants or these Bylaws.

All proxies shall be executed in writing, specifying the lot or unit for which it is given, signed by the member or by his duly authorized attorney-in-fact, dated, and be filed with the Secretary prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any lot or unit for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a member who is a natural person, from the date of the proxy, unless a shorter period is specified in the proxy.

10. Quorum. At any meeting of the members, ten (10%) of the members entitled to vote, present in person or by proxy, shall constitute a quorum of the membership for any action, except as otherwise provided in the Protective Covenants or these Bylaws. If, however, such quorum is not present or represented at any meeting, a majority of the members present and entitled to vote shall have power to adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, without notice other than announcement at the meeting.. If adjournment extends thirty (30) days past the originally scheduled meeting date or if a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, then notice of the time and place for reconvening shall be given to members in the manner prescribed for regular meetings.

At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called; provided however, in the event any meeting is adjourned and reconvened due to lack of a quorum, the quorum requirement applicable to such reconvened meeting shall be one-half (½) of the quorum requirement applicable at the meeting adjourned due to a lack of a quorum.

11. Quorum at Meeting Called for Special Assessments of Capital Improvements. Written notice of any meeting called for the purpose of taking any action authorized under Article 6, Section 6 of the Protective Covenants shall be sent to all Members entitled to notice not less than ten (10) days nor more than sixty (60) days in advance of the

meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. The required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

12. Voting Required to Transact Business. When a quorum is present at any meeting, a majority of the votes entitled to be cast by the members present or represented by proxy shall decide any question brought before the meeting unless the question is one upon which, by express provision of the Protective Covenants or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

13. Action Without a Meeting. Any action which is required or permitted to be taken at a meeting may be taken without a meeting if:

a. Consent in writing, setting forth the action so taken, is signed by at least the minimum number votes necessary to authorize such action at a meeting if all of the members entitled to vote with respect to the subject matter thereof had been present, and filed with the Secretary, whether done before or after the action so taken; or

b. Approved by written ballot sent to all members entitled to vote, provided, (i) the number of votes cast by written ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and (ii) the number of approvals cast equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast.

14. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings, will be:

- a. Roll call and certification of proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading of minutes of prior meeting;
- d. Officers' reports;
- e. Committee reports;
- f. Appointment by Chairman of Inspectors of Election;
- g. Election of directors;
- h. Unfinished business;

- i. New business;
- j. Adjournment.

ARTICLE 4 **EXECUTIVE BOARD**

1. Number. The affairs of the Association shall be managed by an Executive Board consisting of three (3) directors who shall be appointed by the DECLARANT until the Turnover Meeting of the members after the termination of the Class "B" Control Period and thereafter consisting of five (5) directors, all of whom shall be members of the Association, except that none of the initial Executive Board or their successors need be members until the Turnover Meeting of the members. The Association shall publish the names and addresses of all directors within thirty (30) days of their election.

2. Term. The term of office of a director shall be two (2) years. The first election of the Executive Board shall provide for the election of three (3) directors for a two (2) year term and for the election of two (2) directors for a one (1) year term. Thereafter, all directors shall be elected for a two (2) year term such that three (3) directors are elected one year and two (2) directors the next year.

3. Vacancy. Any vacancy occurring in the Executive Board by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or other reason, may be filled by the remaining members of the Executive Board appointing a member to fill the vacancy. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

4. Removal. Any director may be removed from the Executive Board, with or without cause, by the DECLARANT during the Class "B" control period and thereafter, by a majority of the members of the association present and voting at a meeting. No member shall continue to serve on the Executive Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency is confirmed by the Executive Board.

5. Organizational Meeting. The organizational meeting of a newly elected Executive Board of the Association shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the Directors elected at the first meeting of the membership, the transfer of title of his Lot by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Executive Board, unless the Director continues to own another Lot.

7. First Executive Board. The first Executive Board shall consist of those named in the Articles of Incorporation of the Association. The first Executive Board, or their replacement (as determined by the DECLARANT during the Class "B" control period), shall serve until the Turnover Meeting.

8. Compensation. No director shall receive compensation for any service he may render to the Association in his capacity as a director. However, each director may be reimbursed for actual expenses incurred in the performance of his duties.

9. Proviso. Notwithstanding any provisions contained herein, until Class B membership ceases and so long as the DECLARANT has a right to appoint any Directors, the Directors, named in the Articles of Incorporation or their successors need not be members and may not be removed by the members of the Association.

10. Powers. The Executive Board may exercise all corporate powers not specifically prohibited by statute, the Articles of Incorporation or the Protective Covenants. The powers of the Executive Board shall specifically include, but not be limited to, the following:

- a. To make and collect general, special and individual assessments and establish the time within which payment of such assessments are due;
- b. To use and expend the assessments collected to maintain, repair, replace, modify, care for, manage and preserve the Common Elements, except those portions thereof which are required to be maintained, cared for and preserved by the owners;
- c. To procure, maintain and pay premiums on, insurance policy(s) and equitably assess the members as part of the Common Expenses;
- d. To contract for and discharge management of the Subdivision and to delegate to such manager, employee or contractor all powers and duties of the Association except those specifically required by the Protective Covenants to have specific approval of the Executive Board or the membership of the Association;
- e. To employ, compensate and discharge such personnel as may be required for the maintenance and preservation of the property, including but not limited to attorneys, accountants, contractors and architects;
- f. To make and amend rules and regulations governing the use of the Common Elements and the conduct of the Lot Owners, their tenants and guests;
- g. To acquire, rent or lease a Lot in the name of the Association or its designee;
- h. To designate, as the Executive Board deems appropriate, assigned parking spaces for each Lot, visitors, service vehicles, and other vehicles;

i. Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to applicable law;

j. To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than for service provided to members;

k. To purchase equipment, supplies and materials required in the maintenance, repair, replacement, operation and management of the Association property;

l. To pay bills for utilities serving the Association property;

m. To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the member personally obligated to pay the same;

n. To the extent allowed in the Protective Covenants, to exercise all authority with respect to architectural review and control, including but not limited to the authority to approve plans and specifications for all structures on and improvements to lots and Common Elements, to impose and collect architectural review fees, to approve landscaping plans, to enforce design guidelines applicable to the lots and Common Elements, and to enact additional guidelines for all improvements;

o. To exercise all authority in connection with lot use restrictions, including but not limited to the authority to enforce use restrictions applicable to the lots, to enact rules and regulations relating to lot use and lot owners and guests, and to establish and collect fines for breaches of such restrictions, rules and regulations;

p. To delegate to any person or entity any powers not prohibited by law to be delegated;

q. Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the planned community;

r. To have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it;

s. To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property, subject to the provisions of the North Carolina Planned Community Act;

t. To purchase, receive, subscribe for, or otherwise acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of; and deal in and with shares or other interests in, or obligations of, any other entity;

u. To make contracts and guarantees, incur liabilities, borrow money,

issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income;

v. To lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment, provided, however, no money may be lent without approval of a majority of the members present and voting in person or by proxy at a meeting;

w. To be a promoter, partner, member, associate or manager of any partnership, joint venture, trust, or other entity with the approval of a majority of the members of the association present and voting in person or by proxy at a meeting; and

x. To make donations for the public welfare or for charitable, religious, cultural, scientific, or educational purposes, and to make payments or donations not inconsistent with law for other purposes that further the corporate interest;

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

z. 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;

aa. Make contracts and incur liabilities;

bb. Cause additional improvements to be made as a part of the Common Elements;

cc. Grant easements, leases, licenses, and concessions through or over the Common Elements;

dd. Impose reasonable charges for late payment of assessments, and impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer in accordance with the Planned Community Act or for violations of the Protective Covenants, Bylaws, and Rules and Regulations of the Association;

ee. To enforce the provisions of these Bylaws, the Articles of Incorporation, the Protective Covenants and the rules and regulations promulgated thereunder by any legal means;

ff. Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to these Protective Covenants or statements of unpaid assessments;

gg. Provide for the indemnification of and maintain liability insurance for its officers, Executive Board, directors, employees and agents;

hh. Assign its right to future income, including the right to receive common expense assessments; and

11. Duties. It shall be the duty of the Executive Board to do the following:

a. To cause the Common Elements, including the stormwater management system, to be maintained, repaired, and replaced as necessary; and to ensure that all stormwater systems serving the Property are in compliance with the State Stormwater Management Permit Number SW8 050807 and modifications, as issued by the Division of Water Quality under *15A NCAC 2H.1000*; and to assess the members to recover the cost of the same;

b. To keep a complete record of all its acts and corporate affairs in accordance with applicable law and present a statement thereof to the members at the Turnover Meeting, or at any special meeting when such statement is requested in writing by 20% of the members;

c. To supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

d. To fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment period. The budget shall be presented to the members in accordance with N.C.G.S. §47F-3-103(c).

e. 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;

f. To issue, within ten (10) business days after receipt of a written request, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid;

g. To procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in the Protective Covenants;

h. To hold the organizational meeting of any newly elected Executive Board within ten (10) days of their election in accordance with Article 4, Section 5 above;

i. To pay all taxes and assessments against Association property; and

j. To select depositories for the Association's funds and to determine the manner of receiving, depositing and disbursing Association funds and the form of check and the person or persons by whom the same shall be signed, when not signed as otherwise provided

by these Bylaws.

ARTICLE 5

MEETINGS OF DIRECTORS

1. Meetings and Notice. Meetings of the Executive Board shall be held at such place and hour as may be fixed from time to time by resolution of the Executive Board, after not less than three (3) days' notice to each director. Notices of Executive Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, computer, fiber optics or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five business days before the time set for the meeting.

2. Special Meetings. Special meetings of the Executive Board shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

3. Quorum. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

4. Waiver of Notice. Before or at any meeting of the Executive Board, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a meeting of directors otherwise valid is held without proper call or notice, action taken at such a meeting is deemed ratified by a director who did not attend unless promptly, after having knowledge of the action taken and of the impropriety in question, he files with the Secretary of the Association his written objection to the holding of the meeting or to any specific action so taken.

5. Action Without a Meeting. Any action taken by a majority of directors

without a meeting is nevertheless effective if written consent to the action is obtained from all the directors and filed with the minutes of the proceedings of the Executive Board, whether done before or after the action so taken.

6. Attendance by Telephone. Any director may participate in a meeting of the Executive Board, by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other. Such participation by a director in a meeting shall be deemed presence in person by the director at such meeting.

7. Open Meetings, Executive Session.

a. Except in an emergency, notice of Executive Board meetings shall be posted at least forty-eight (48) hours in advance of the meeting at a conspicuous place within the planned community which the Executive Board establishes for the posting of notices relating to the Association. Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment. Subject to the provisions of Article 5, Section 5 of these Bylaws, all Executive Board meetings shall be open to all members; but attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak. At regular intervals, the Board shall provide Members an to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.

b. Notwithstanding the above, the President may adjourn any meeting of the Executive Board and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

ARTICLE 6

OFFICERS AND THEIR DUTIES

1. Officers. The officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected annually by the Executive Board. Any two offices may be held by the same person, except the offices of the President and Secretary. The President and Vice President must be members of the Executive Board. All other officers need not be members of the Executive Board or of the Association. The Association shall publish the names and addresses of all officers within thirty (30) days of their election.

2. Special Officers. The Executive Board may from time to time elect such other officers as the affairs of the Association require, including an Assistant Treasurer and Assistant Secretary, each of whom shall hold office for such period, have such authority, and perform such duties as the Executive Board may prescribe.

3. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected by the Executive Board may be removed at any time

with or without cause by the Executive Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Executive Board.

4. Removal or Resignation. Any officer may be removed from office with or without cause, at any time, by action of the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice, unless a later time is specified therein. The acceptance of the resignation shall not be required to make it effective.

5. Compensation. No compensation shall be paid to the officers of the Association.

6. Vacancy. A vacancy in any office may be filled by the Executive Board. An officer appointed to fill a vacancy shall serve for the unexpired term of the officer s/he replaces.

7. Duties. The duties of the officers are as follows:

a. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members. He shall have executive powers and general supervision over the affairs of the Association and other officers and shall be an ex-officio member of all committees. He may sign all written contracts, and shall prepare, execute, certify and record or cause to be prepared, executed, certified and recorded amendments to the Protective Covenants on behalf of the Association and perform all duties incident to his office which may be delegated to him from time to time by the Executive Board.

b. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be prescribed by the Executive Board.

c. Secretary. The Secretary shall record the notes and keep the minutes of all meetings of the members and of the Executive Board in one or more books provided for that purpose; shall see that all notices are fully given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the Association's records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents requiring said seal; shall keep the records of the Association, except those of the Treasurer, and in general, shall perform all duties as from time to time may be assigned to him by the President, including certifying amendments to the Protective Covenants, or assigned to him by the Executive Board.

d. Treasurer. The Treasurer shall receive and deposit all monies and other property of the Association in such depositories as may be designated by the Executive Board; shall keep proper books of account; shall disburse the funds of the Association as ordered by the Executive Board, taking proper vouchers for such disbursements, and shall render to the President and Executive Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, which records shall be

open to inspection by members at reasonable times; shall prepare an annual budget and a statement of income and expenditures to be presented to the members at their regular Turnover Meeting; shall with the approval of the Executive Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, but in such event, the Treasurer shall retain supervisory responsibilities, and, in general, shall perform all duties incident to the office of Treasurer and assigned to him by the President or the Executive Board.

8. Indemnification. To the fullest extent and upon the terms and conditions from time to time provided by law, the Association shall indemnify any and all of its officers, directors, employees and agents, or any person who has served or is serving in such capacity at the request of the Association in any other Association, partnership, joint venture, trust or other enterprise, against liability and reasonable litigation expenses, including attorneys' fees incurred by him in connection with any action, suit or proceeding in which he is made or threatened to be made a party by reason of being or having been such director, officer, employee or agent (excluding, however, liability or litigation expenses which any of the foregoing may incur in relation to matters as to which he shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of his duty). Such directors, officers, employees and agents shall be entitled to recover from the Association, and the Association shall pay, all reasonable costs, expenses and attorneys' fees in connection with the enforcement of rights of indemnification granted herein. 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 right to which such person may be entitled apart from the provisions of this bylaw.

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, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the Association.

Expenses incurred by a director, officer, employee or agent in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association against such expenses.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another Association, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

Any person who at any time after the adoption of this Section 8 serves or has served in any of the aforesaid capacities for or on behalf of the corporation 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.

9. Fidelity Bond. The Association shall provide blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association should also be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other such bonds shall name the Association as an obligee and their premiums shall be a common expense and paid by the Association. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. The fidelity bond coverage must at least equal the sum of the annual assessment on all Lots in the Subdivision, plus the Association's reserve funds. The bonds must include a provision that calls for 10 days' written notice to the Association, or any insurance trustee, before the bond can be canceled or substantially modified for any reason.

ARTICLE 7 **COMMITTEES**

The Executive Board shall appoint a Nominating Committee and such other committees as they may from time to time deem appropriate.

ARTICLE 8 **FINANCES**

1. Contracts. The Executive Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Executive Board. Such authority may be general or confined to a specific instance.

3. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Executive Board.

4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Executive

Board may select.

ARTICLE 9 **RECORDS**

1. Receipts and Expenditures. The Executive Board or the manager shall keep detailed accurate records in chronological order of the receipts and expenditures affecting the Common Elements and any other expenses incurred. Both said book and the vouchers accrediting the entries thereupon shall be available for examination by all Lot Owners, their duly authorized agents and attorneys, at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good and accepted accounting practices.

2. Other Records. The Executive Board or the manager shall keep correct and complete books of records of account, minutes of the proceedings, and a record of the names and addresses of the members entitled to vote, which latter records must be kept at the Association's principal office. Any member, his agent or attorney may examine these books and records for any proper purpose at any reasonable time.

3. Inspection of Records. The Association shall make available to Lot Owners, lenders, holders, insurers or guarantors of any first mortgage, current copies of the Protective Covenants, Articles of Incorporation, Bylaws or other rules concerning the Subdivision and the books, records and financial statements of the Association. Available means available for inspection upon request during normal business hours and under reasonable circumstances.

4. Annual Report. Within seventy-five (75) days after the close of each fiscal year, the Association shall make available to all members at no charge an annual report consisting of at least the following: (i) expenses, (ii) a balance sheet; (iii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such report shall be prepared on an audited, reviewed, or compiled basis, as the Executive Board determines, by an independent public accountant, provided, upon written request of any holder, guarantor or insurer of any first mortgage on a Lot, the Association shall provide an audited financial statement. During the Class "B" Control Period, the annual report shall include certified financial statements.

ARTICLE 10 **RULES AND REGULATIONS**

The Executive Board shall have the right to enact administrative rules and regulations regarding the use of the Common Elements and conduct of the members. The Master Association may enforce or impose sanctions for any violation of the Protective Covenants or rules and regulations. To the extent specifically required by the Protective Covenants, the Executive Board shall comply with the following procedures prior to imposition of sanctions:

1. Notice. The Executive Board or its delegate shall serve the alleged violator with

written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than fifteen (15) days within which the alleged violator may present a written request for a hearing to the Executive Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice (including the collection of court costs and reasonable attorneys' fees) unless a challenge is begun within fifteen (15) days of the notice. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Executive Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

2 Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the Executive Board in executive session or before an adjudicatory panel appointed by the Board (an "Adjudicatory Panel"). Any Adjudicatory Panel appointed by the Executive Board shall be composed of Members of the Association who are not officers of the Association or members of the Executive Board. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

If it is decided at the hearing that a fine should be imposed, a fine not to exceed One Hundred Dollars (\$100.00) may be imposed for the violation and without further hearing, for each day more than five (5) days after the decision that the violation occurs. Such fines shall be assessments secured by liens under Article 8 of the Declaration. If it is decided that a suspension of planned community privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured. The Owner may appeal the decision of an Adjudicatory Panel to the full Board by delivering written notice of appeal to the Executive Board within fifteen (15) days after the date of the decision. The Executive Board may affirm, vacate, or modify the prior decision of the Adjudicatory Panel.

3. Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Executive Board may, to the extent permitted by law, elect to enforce any provision of the Protective Covenants by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the dispute resolution procedures set forth in the Protective Covenants, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed as trespass. The enforcement rights and sanctions set out in Section 3.24 herein are in addition to and not in limitation or in lieu of any enforcement rights or remedies set out in the Protective Covenants.

ARTICLE 11
FORMS OF PROXY AND WAIVER

1. Forms of Proxy. The following form or proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

BRIDGEPORT AT WINDSOR PARK HOA, INC.

Know all men by these presents that the undersigned member of BRIDGEPORT AT WINDSOR PARK HOA, INC. hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meeting of the members of BRIDGEPORT AT WINDSOR PARK HOA, 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: _____
Member

Dated: _____
Witness

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:

BRIDGEPORT AT WINDSOR PARK HOA, INC.

We the undersigned (Board or Association Members) of BRIDGEPORT AT WINDSOR PARK HOA, INC. do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the (Executive Board or Association members) of the said association, and consent that same be held at _____ on the ____ day of _____, 20__ 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 _____, 20__.

Name

ARTICLE 12
PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of all Association Meetings, when not in conflict with the Protective Covenants, Articles of Incorporation, and these Bylaws.

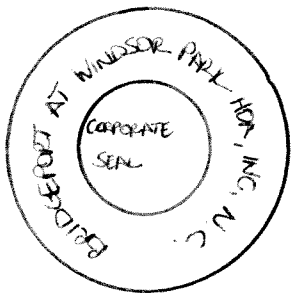
ARTICLE 13
GENERAL PROVISIONS

1. AMENDMENT. These Bylaws may be altered, amended or rescinded by the Executive Board prior to the Turnover Meeting of the members, thereafter these Bylaws may be amended at a duly called meeting of the members, following an affirmative vote on the amendment by a majority of the Executive Board. The notice of the members' meeting shall contain a full statement of the proposed amendment. Amendments must be approved by an affirmative vote of a majority of the votes of all Association Members entitled to vote. Directors and members not present in person at the meeting considering a proposed amendment may cast their votes for such proposal in writing, provided such votes are delivered to the Secretary of the Association at or prior to the meeting. HUD/VA has the right to veto amendments even while there is a Class B membership. No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant, the Class "B" Member, or the assignee of such right or privilege.

2. ASSOCIATION SEAL. A seal with the words "BRIDGEPORT AT WINDSOR PARK HOA, INC.," on the outer circle shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

These Bylaws effective as of MAY 18, 2006.

[Corporate Seal]





Secretary

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of BRIDGEPORT AT WINDSOR PARK HOA, INC., a North Carolina corporation;

That the foregoing Bylaws constitute the original Bylaws of BRIDGEPORT AT WINDSOR PARK HOA, INC., a non-profit corporation under the laws of the State of North Carolina, as duly adopted at a meeting of the Executive Board thereof held on the 18TH day of MAY, 2006.

Certified to be correct, this the 18TH day of MAY, 2006.


Secretary