

BY-LAWS
OF
GLENRIDGE COMMUNITY ASSOCIATION, INC.

ARTICLE I.

NAME AND LOCATION

The name of the corporation is Glenridge Community Association, Inc., hereinafter referred to as the "Association". The Principal office of the corporation shall be located at 4505 Falls of Neuse Road, Raleigh, North Carolina 27609 but meetings of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(A) "Association" shall mean and refer to Glenridge Community Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

(B) "Glenridge" shall mean and refer to the lands in Cary, North Carolina, which are shown as a part of Glenridge on the Company's Master Plan as revised from time to time.

(C) "Company" shall mean Langston Development Company, Inc., a North Carolina corporation, its successors and assigns.

(D) "Developer" shall mean Langston Development Company, Inc., a North Carolina corporation, its successors and assigns.

(E) "Affiliate" shall mean any corporation owning more than fifty percent (50%) of the voting stock or which is owned or controlled by the Company or the Developer, and, any partnership or joint venture in which the Company or the Developer has more than a fifty percent (50%) or more of the cash flow from such partnership or joint venture.

(F) The "Properties" shall mean and refer to the Existing property described in Article II of the Declaration of Covenants and Restrictions of Glenridge Community Association, and additions thereto as are subjected to said Declaration, or any Supplementary Declaration under the provisions of Article II thereof.

(G) "Residential Lot" shall mean any subdivided parcel of land located within the Properties for which no building permit has been issued by the appropriate governmental authorities and which parcel is intended for use as a site for a Single Family Detached Dwelling or Patio Home (or zero lot line) as shown upon any recorded final subdivision map or any part of the Properties. No parcel shall, however, be classified as a Residential Lot until the first day of the first month following after all of the following have occurred:

(1) Recording of a Plat in the Register of Deeds Office of Wake County, North Carolina, showing such Residential Lot;

(2) The Lot has been placed on an "Inventory List" (as defined in Section 3(c) of Article V) of Lots for sale submitted to the Association by the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates, in those cases where the Lot is owned by the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates.

(3) The Lot is sufficiently developed to be subject to assessment, in the sole and uncontrolled discretion of the Board of Directors, as a Residential Lot in those cases where the Lot is owned by any third party other than the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates.

(H) "Family Dwelling Unit" shall mean and refer to any improved property or any property formerly classified a Residential Lot for which a building permit has been issued by the appropriate governmental authorities, which property is located within the Properties and intended for use as a Single Family Dwelling, including without limitation, any Single-Family Detached Dwelling, or Patio Home (or Zero lot line) located within the Properties.

(I) "Exempt Property" shall mean and refer to the following classifications of property within the Properties:

(1) All land designated on the Master Plan for intended use, or by actual use if applicable, for (i) indoor and outdoor recreational and community facilities owned and operated by the Company, the Company's Affiliates, the Developer, the Developer's Affiliates, and the Association.

(2) All lands and any improvements thereon designated in any way as Common Properties; or Restricted Common Properties;

(3) All lands and any improvements thereon committed to the Association through express, written notification by the Company to the Association of intent to convey to the Association, including, without limitation, Intended Common Properties and Intended Restricted Common Properties;

(4) All lands designated on the Master Plan or on recorded plats as Open Space or Private Open Space (hereinafter referred to, respectively, as "Open Space Areas") and "Private Open Space Areas"), and any improvements thereon which are defined in subparagraph (1) of this paragraph (k);

(5) Property which is used for the maintenance, operation and service of facilities within Common Properties, Restricted Common Properties, Intended Common Properties, Restricted Common Properties, Intended Restricted Common Properties, and facilities within Open Space Areas which are defined in subparagraph (1) of this paragraph (k);

(6) Property which is used for the maintenance, operation, and service of utilities within the Properties;

(J) "Owner shall mean and refer to the Owner as shown by the Real Estate Records in the Register of Deeds Office of Wake County, North Carolina, whether it be one (1) or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot or Family Dwelling Unit situated upon the Properties but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to the mortgages or holder of a deed of trust, its successors or assigns, unless and pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or Tenant of an Owner. In the event that there is recorded in the Office of the Register of Deeds of Wake

County, North Carolina, a long-term contract of sale covering any Lot or Parcel of land within the Properties, the Owner of such Lot or Parcel of land shall be the Purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the Purchaser is required to make payments for the Property or a period extending beyond nine (9) months from the date of the contract and where the Purchaser does not receive title to the Property until all such payments are made, although the Purchaser is given the use of said Property.

(K) "Tenant" shall mean and refer to the lessee under a written agreement for the rent and hire of a Family Dwelling Unit in Glenridge.

(L) "Resident" shall mean and refer to each Owner and Tenant of a Family Dwelling Unit who resides in Glenridge.

(M) "Member" shall mean and refer to all those Owners and Tenants who are Members of the Association as defined in Section 1 of Article III of the Declaration.

(N) "Master Plan" shall mean and refer to the drawing which represents the conceptual plan for the future development of Glenridge. Since the concept of the future development of Glenridge is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

(O) "Intended for Use" shall mean the use intended for various parcels within the Properties as shown on the Master Plan of Glenridge prepared by the Company as the same may be revised from time to time by the Company, or the use to which any particular parcel of land is restricted by Covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the property.

(P) "Common Properties" shall mean and refer to those tracts of land with all improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties". The term "Common Properties" shall also include any personal property acquired or leased by the Association if said property is designated a "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Members of the Association, their guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association. Common Properties shall not include those tracts of land falling within the definition of "Restricted Common Properties" set forth below.

(Q) "Restricted Common Properties" shall mean and refer to those tracts of land with all improvements thereof which are designated as "Common Properties" or "Common Area" on any map of a portion of the Property which is under the control and jurisdiction of a "Sub-Association", as hereinafter defined, and which is reserved or restricted for the use of members of such Sub-Association.

(R) "Intended Common Property" shall mean and refer to those tracts of land and any improvements thereon committed to the Association through express, written notification by the Company to the Association of intent to convey said property to the Association as a Common Property.

(S) "Intended Restricted Common Property" shall mean and refer to those tracts of land and any improvements thereon committed by the Company to become Restricted Common Property.

(T) "Referendum" shall mean and refer to the power of all or some specific portion of the Members to vote by mailed ballots on certain actions by the Board of Directors of the Association more particularly set forth herein. In the event fifty-one (51%) of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members, provided, however, that if a higher or lower percentage required to "pass" shall be specifically expressed herein, that higher or lower percentage shall control in that instance.

(U) "Sub-Associations" shall be North Carolina non-profit corporations established by developers of places or portions of the Properties requiring an association to manage the affairs of its members and properties owned by or under the control of such Sub-Association pursuant to the provisions of Declaration of Covenants and Conditions applicable only to such areas, the form, content and provisions of which shall be subject to the review and approval of the Company.

(V) "Neighborhood Areas" shall mean various areas within Glenridge each of which have been subjected to Additional Restrictive Covenants applied only to such area.

(W) "Neighborhood Covenants" shall mean the additional Restrictive Covenants applicable only to a particular Neighborhood Area, the form, content and provisions of which shall be subject to the review and approval of the Company.

(X) "Board of Directors" shall mean those persons elected or appointed to act collectively as the directors of the Association.

(Y) "Bylaws" shall mean the bylaws of the Association as they now or hereafter exist.

(Z) "Institutional Lender" shall mean any bank, insurance company, trust company, real estate investment trust, savings and loan association, pension fund, or other first mortgage lender holding a first mortgage or deed of trust on any of the Property.

ARTICLE III.

Section 1. Annual Meetings. The first annual meeting of the members shall be held within eighteen months after the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter, on the day and at the hour specified in the notice to members of the meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Type A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than 30 days nor more than 60 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the Association's membership list, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case

f a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, with the exception of any meeting called to vote on the termination of this Declaration described in subparagraph (a(v)) above, another meeting or meetings may be called subject to the giving of proper notice and the required quorum at such subsequent meeting or meetings shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. Proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specifically provided ballots mailed or delivered to the Association.

ARTICLE IV.

BOARD OF DIRECTORS: SECTION: TERM OF OFFICE

Section 1. Number. The affairs of this association shall be managed by a Board of not fewer than three (3) nor more than nine (9) directors, who need not be members of the Association. The initial Board shall consist of five directors designated by the Company. The initial directors shall serve until the first meeting of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect the number of Directors allowed herein. One-half (as near as may be) of the directors so elected shall serve for a one (1) year term and the remaining Directors elected shall serve for a two (2) year term. The term of Directors thereafter elected shall be for two (2) years. All directors shall serve until their successors have been duly elected and qualified.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the

Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Members to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum. In the event fifty-one (51%) percent, or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions hereof. At any time that the Class "A" members have the ability to elect a majority of the Board of Directors, the Members may require a Referendum on any action of the Board of Directors by presenting to the Secretary of the Board within thirty (30) days of the taking of such action or ratification by the Board of its intent to take such action a petition signed by not less than twenty-five (25%) percent of the Members.

ARTICLE VI.

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(A) adopt, publish, and amend rules and regulations governing the use of the Common Area and facilities (including, but not limited to, allowing outside memberships to the recreational facilities), and the personal conduct of the members and their guests thereon, and to establish fines or penalties for the infraction thereof.

(B) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days from infraction of published rules and regulations;

(C) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

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

(E) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(F) contract for the provision of a central television antenna, or, in the absence of the availability thereof, to supply cablevision for the convenience of the members, the cost of either of which may be included in annual or special assessments, and regulate or prohibit the erection of television antennas or disc on individual lots.

(G) collect from the Members and remit to the Glenridge Community Association, Inc. dues or assessments due pursuant to the Master Covenants.

(H) merge or consolidate with another association as provided in the Declaration and Articles of Incorporation.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(A) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(B) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(C) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance in each annual assessment period;

(2) send written notice of each assessment to every

Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within ninety (90), thirty (30) or fifteen (15) days after due date as determined by the Board of Directors or to bring an action at law against the owner personally obligated to pay the same.

(D) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(E) procure and maintain liability and hazard insurance on property owned by the Association in an amount equal to one hundred percent (100%) insurable replacement value;

(F) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and to obtain director's and officer's liability insurance;

(G) cause the Common Area to be maintained as required in the Declaration, including the maintenance, repair and reconstruction or any water impoundment areas, recreational facilities, and private streets situated on the Common Area;

(H) pay all ad valorem taxes and public assessments relating to the Common Area and storm water impoundment area.

(I) pay the premium for all hazard insurance procured pursuant to the requirements of the Declaration.

(J) upon written request from the holder, insurer or guarantor of any first mortgage or deed of trust on any lot(s), issue timely written notice of:

(1) any condemnation or casualty that affects either a material portion of the project or the lot securing its mortgage or deed of trust,

(2) any 60-day delinquency in the payment of assessments or charges owed by the owner of any lot on which it holds the mortgage or deed of trust,

(3) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, and

(4) any proposed action that requires the consent of a specified percentage of mortgage holders.

(K) prepare accurate indexes of Members, Property Classifications, Votes, Assessments, the Cumulative Maximum Number of Residential Lots and Family Dwelling Units Authorized in the Properties, and the Maximum Regular Annual Assessment;

(L) operate an Architectural Review Board;

(M) hold Annual Meetings, Special Meetings, and Referendums as required, hold elections for the Board of Directors as required, and give Members "proper notice" as required;

(N) prepare Annual Statements and Annual Budgets, and shall make the financial books of the Association available for inspection by Members at all reasonable times.

(O) provide regular and thorough cleanup of all roads, roadways, roadway medians, recreational areas and amenities, parkways, cul-de-sacs and roadway islands, neighborhood and other entrances, ponds and walking paths around said ponds, and bike trails throughout the Properties, including, but not limited to, mowing grass on all roadsides, cul-de-sac and roadway islands, entrances, parks, recreational areas, dams and pond shoulder areas, and bike trails; sweeping all roads and bike trails; landscape maintenance on all roadsides, cul-de-sac and roadway islands, entrances and bike trails; pickup and disposal of trash on all roads, roadsides, cul-de-sac and roadway islands, entrances, parks, recreational areas, and bike trails. Such cleanup as is possible shall begin within an individual residential neighborhood as soon as construction of dwellings has commenced within said neighborhood.

(P) provide general maintenance of all identification, informational and directional signs, bike trail signs, and neighborhood and other area signs, including, but not limited to, painting, light replacement, repair work and replacement as needed.

(Q) repave all paved bike trails as needed.

(R) operate and maintain (1) all streetlights along public roads and within all Common Properties; and (2) all lighting within the entrance area, pool, clubhouse and tennis court areas.

(S) provide regular and thorough maintenance and cleanup of all Common Areas including, but not limited to, mowing of grass, fertilization as needed, landscape maintenance as needed, pickup and disposal of trash, repair, maintenance and replacement of sprinkler systems, washing down of picnic tables and benches as needed, and painting, repairs to and replacement of all improvements as needed, including the swimming pool, tennis courts, clubhouse and all related facilities.

ARTICLE VIII.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall

take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(A) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(B) 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 required of him by the Board.

Secretary

(C) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(D) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX.

COMMITTEES

The Association shall appoint an Architectural Control Committee, when such responsibility has been delegated to the Committee by the Company, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed

appropriate in carrying out its purpose.

ARTICLE X.

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. The Declaration, the Articles of Incorporation and the By-Laws 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 XI.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid on or before the due date as determined by the Board of Directors, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum. If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:
Glenridge Community Association, Inc.

ARTICLE XIII.

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by the approval of two-thirds (2/3) of the votes cast at such meeting subject to the normal quorum requirements, except that so long as the Company, as the Class "B" Member, is entitled to elect a majority of the Members of the Board of Directors of the Association, no Amendment of this Declaration shall be made without the consent of the Company; and until the end of the period of development no Amendment of this Declaration shall be made without the consent of the Company which would have the affect of creating a disproportionate increase in the Maximum Regular Annual Assessment, the actual assessment levied, or any Special Assessment of any Class of Owners.

Notwithstanding the foregoing, the Federal Housing Authority or the Veterans Administration shall have the right to veto amendments while there is a Class "B" membership.

Notwithstanding the foregoing, the Company, for so long as it shall retain control of the Board of Directors of the Association, and, thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, with the consent and approval of VA or HUD, FNMA and without the consent of any Owner, in order to qualify the Association for tax-exempt status, and to correct obvious errors and omissions herein. Such amendment shall become effective upon the date of its recordation in the Wake County Registry.

Section 2. In the case of a conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV.

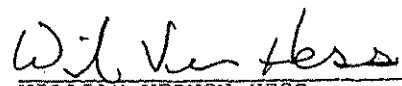
MISCELLANEOUS

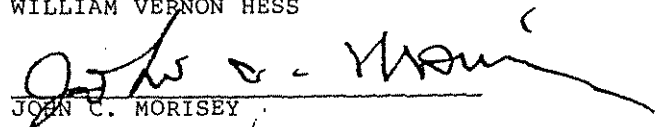
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the Glenridge Community Association, Inc., have hereunto set our hands this 8th day of July, 1991.

DIRECTORS:


THOMAS L. FORVILLE


WILLIAM VERNON HESS


JOHN C. MORISEY

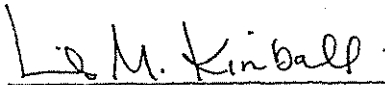
CERTIFICATION

I, the undersigned, do hereby certify:

THAT, I am the duly elected and acting Secretary of the Glenridge Community Association, Inc., a North Carolina corporation, and,

THAT, the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of directors thereof, held on the 8th day of July, 1991.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 8th day of July, 1991.


Secretary