BYLAWS OF

CHARLESTON PARK HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Charleston Park Homeowners Association, hereinafter referred to as the "Corporation." The principal office of the corporation is located at 1211 Harwich Court, Raleigh, Wake County, North Carolina, but meetings of members and directors may be held at such places within Wake County, North Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Corporation" shall mean and refer to Charleston Park Homeowners Association, a North Carolina nonprofit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in and bound by the Declaration of Covenants, Conditions and Restrictions recorded in Book _____, page _____, Wake County Registry, as properly amended from time to time, and such additions thereto as hereafter may become subject to said Declaration and may be brought within the jurisdiction of the Corporation under the provisions of Article II of the Declaration.

Section 3. "Common Area" shall mean and refer to that certain real property described in the above-mentioned Declaration, Article I, Section 3, and such additions as may hereafter be subjected to said Declaration and brought within the jurisdiction of the Corporation. The Common Area to be

owned by the Association at the time of conveyance of the first below-defined Lot is described in Exhibit A attached hereto and incorporated by reference herein.

Section 4. "Member(s)" shall mean and refer to, singularly or plural as context requires, every person or entity entitled to membership in the Corporation.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot (defined below) which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, and shall further include the record owner of a fee simple title to any property hereafter subjected to the terms, provisions and conditions of the Declaration in accordance with the provisions therein provided.

Section 6. "Declarant" shall mean and refer to H.C. Investment Group, a North Carolina general partnership, its successors and assigns to whom the rights of Declarant as stated in the below-defined Declaration are expressly transferred; who acquire undeveloped area or undeveloped acreage of the Properties for the purpose of development (as opposed to construction of homes thereon); or who acquire title to Declarant's interest in the Properties under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust. The rights of Declarant may be assigned or transferred in whole or in part, and subject to such terms and conditions as Declarant may impose, by a written declaration recorded in the Wake County Registry.

Section 7. "Lot(s)" shall mean and refer to, singularly and plural as context requires, any plot of land with delineated boundary lines, other than Common Area, Limited Common Area, and public rights-of-way, shown on any plat of the Properties recorded in the Office of the Register of Deeds, Wake County, North Carolina.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, as properly amended from time to time, applicable to the Properties and recorded in the Wake County Registry, North Carolina.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number. The business and affairs of the Corporation shall be managed by a Board of Directors of not less than three (3) nor more than nine (9) Directors, who need not be Members. The maximum number of Directors may be changed by amendment of the Bylaws of the Corporation.

Section 2. Term of Office. At the first annual meeting, the Members shall elect a Board of three classes of Directors. One class shall serve for a term of one (1) year; another class shall serve for a term of two (2) years, and one class shall serve for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect as many Directors as necessary to fill the seats of those Directors whose terms are then expiring, and the terms of said newly elected Directors shall be three (3) years. Each Director shall hold office until his or her death, resignation, retirement, removal, disqualification, or his or her successor is elected and qualified.

Section 3. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee and reported to Members at and/or before the annual meeting. Nominations also may 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 one or more members of the Corporation (who can be the Declarant or its designee). Members of the Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of Members and shall serve until their successors are duly appointed and qualified. Such appointment may 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. Nominations may be made from among Members and/or non-Members.

Section 4. Election. Except as provided in Section 6 of this Article, election to the Board of Directors shall be at the annual meeting of the Members, by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

The Board of Directors may adopt rules and regulations regarding the conduct of the election, including, but not limited to: the form of the ballot, the nature and maintenance of the election records, the method of ascertaining the validity of proxies, the counting of ballots and tabulation of results, the inspection of records, challenges, and runoff elections.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Class A and Class B (if any) members of the Corporation. A recall election shall be conducted by the Board of Directors upon a resolution adopted by vote of three-fourths

(3/4) of the Directors, or upon petition signed by members entitled to cast two-thirds (2/3) of the Class A votes and two-thirds (2/3) of the Class B votes, if any. In the event of death, resignation, or removal of a Director, his or her successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 6. Vacancies. A vacancy occurring in the Board of Directors may be filled by the selection by the remaining Directors of a successor who shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled, within thirty (30) days of the vacancy, by the Directors.

Section 7. Meetings.

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

(b) Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Corporation, or by any two (2) Directors, after not less than three (3) days notice to each Director.

(c) Quorum. The 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 an act of the Board.

Section 8. Action Taken Without Meeting. A majority of the Directors shall have the right to take any action in the absence of a meeting which they could have taken at a meeting by obtaining the written approval of the action in question by all Directors, which approval is filed with the minutes

of the proceedings of the Board, whether done before or after the action so taken. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 9. Chairman. A Chairman of the Board of Directors may be elected by the Directors to preside over all Board meetings until the President of the Corporation is elected; thereafter, the President shall serve as Chairman. If the office of President is vacant, a Chairman may be elected by the Board to serve until a new President is elected.

Section 10. Compensation. No Director shall receive compensation for any service he or she may render to the Corporation in the capacity of Director. This provision shall not be construed to prohibit the reimbursement of any Director for his or her actual expenses incurred in the performance of his or her duties as Director, which said expenses expressly hereby may be reimbursed.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) To exercise for the Corporation all powers, duties, and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these Bylaws, the Corporation's Articles of Incorporation, or the Declaration;

(b) To adopt and publish rules and regulations interpreting and applying the powers and duties enumerated in the Bylaws, Articles of Incorporation, and Declaration which the Board is empowered or directed to exercise, including, but specifically not limited to, the power to adopt and publish rules and regulations governing the use of its property, and the personal conduct of the Members and their guests thereon, and to establish

penalties for the infraction thereof; and all rules an regulations and amendments thereto adopted by the Board shall be published and mailed or delivered to all Members within fourteen (14) days following adoption and shall become effective fourteen (14) days following adoption. Such notice to a Member of rules, regulations, or amendments shall be deemed notice to any person to whom the Member has delegated his, her, or its right of enjoyment;

(c) To 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;

(d) To suspend the voting rights and right to use of the Association's property of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Corporation. Such rights also may be suspended, after notice and subject to hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations, as provided in the Declaration and/or these Bylaws;

(e) To employ a manager, an independent contractor, or such other agents or employees as it deems necessary, and to prescribe their duties; and to contract with a management company to manage the operation of the Corporation, and, if a contract is entered into with a management company, such contract must be terminable by the Board of Directors without cause or penalty on ninety (90) days or less notice, and any management contract with Declarant shall be for a term not to exceed three (3) years;

(f) To employ attorneys to represent the Corporation when deemed necessary by the Board of Directors;

(g) To grant easements for the installation and maintenance of sewerage, utilities, and/or drainage facilities upon, over, under, and across

the Common Area without the assent of the membership when, in the sole opinion of the Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties; and

(h) To appoint and remove at pleasure all officers, agents, and employees of the Corporation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

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

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

(b) To supervise all officers, agents, and employees of the Corporation, and to see that their duties are properly performed;

(c) As more fully provided herein and in the Declaration:

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

(2) To send written notice of each assessment to every Owner subject thereto at least fifteen (15) days after the fixing of each annual assessment; and

(3) To foreclose the lien against any property for which assessments are not paid within thirty (30) days after a due date or to bring an action at law against the Lot owner personally obligated to pay the same;

(d) To issue or cause to be issued, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A

reasonable fee may be charged by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of any assessment therein stated to have been paid;

(e) To procure and maintain adequate liability insurance covering the Corporation in an amount not less than One Million Dollars ($1,000,000) and adequate hazard insurance on property owned by the Corporation;

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) To cause the Corporation's property and living fences at the backyard Lot boundaries to be operated and maintained consistent with the funds available to the Corporation through assessments paid by Members; and

(h) To require that the Members cause their Lots to be maintained.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Corporation shall be a President and a Vice President, who at all times shall be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board from time to time by resolution may create; and the officers of the Corporation shall have such powers as are necessary to properly administer the business and affairs of the Corporation for which they are responsible as set forth in these Bylaws and in appropriate resolutions adopted by the Board of Directors.

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

Section 3. Term. The officers of the Corporation shall be elected annually by the Board, and each shall hold office for one (1) year unless (s)he shall sooner resign, or shall be removed, or otherwise disqualified to serve. Any officer may be elected to successive terms.

Section 4. Special Appointments. The Board may elect such other officers as the business and affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board from time to time may 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 by 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, the acceptance of such resignation shall be unnecessary to make it effective. Any officer who, as a condition of his/her service, is required to be a member of the Board or a Member of the Corporation, shall be disqualified from holding such office upon loss of membership on the Board or in the Corporation, as the case may be.

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(s) he or she replaces. Any officer so appointed shall have the same qualifications as those required of his/her predecessor.

Section 7. Multiple Offices. The offices of President and Treasurer may be held by the same person, and the offices of Secretary and Treasurer may be held by the same person. No person simultaneously shall hold more than one (1) of any other combination of offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. Unless amended or altered by the Board, in its discretion, the duties of the officers shall be as follows:

(a) President. 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, contracts, and other written instruments; and shall sign all promissory notes and, in the absence of the Treasurer, shall sign all checks of the Corporation.

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

(c) Secretary. 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 Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members, and any other notice required to be given by the Board; keep appropriate current records showing the Members of the Corporation together with their addresses; record, compile, revise, index, and publish all rules and regulations adopted by the Board; and perform such other duties as may be required by the Board.

(d) Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate bank accounts of all monies of the Corporation and for the disbursement of such funds as directed by resolution of the Board of Directors; shall keep or cause to be kept proper books of account; shall sign all promissory notes of the Corporation; shall cause an annual audit of the Corporation books to be made by a public accountant at the completion of each fiscal year; shall cause every Member to be notified of the

amount and due date of each annual assessment and special assessment at least fifteen (15) days after such assessment shall be fixed and at least thirty (30) days before such assessment shall be due; shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and shall deliver a copy of such budget and statement to each Member.

ARTICLE VI

LIMITATION OF LIABILITY

Section 1. Official Conduct. The Board of Directors, the individual Directors, and the officers of the Corporation, when acting in their capacity as Directors or officers, shall be liable to the Corporation or its Members only for willful malfeasance, misfeasance, or nonfeasance, or for gross misconduct in office, and shall not be liable for any mistake of judgment, oversight, or negligent act or omission. The Board, in it discretion, may purchase insurance or bond, in such amount as it deems adequate and reasonable to indemnify and save harmless the Board, each Director and the officers of the Corporation against any liability arising out of their official activities that it or they may have to the Corporation or the Members, and the amount of such insurance or bond shall be the limit of such liability. The Board also may purchase such insurance or bond in such amount as it deems appropriate to indemnify and protect the Corporation, the Board, each Director, and the officers of the Corporation against any contractual liability arising out of contracts made by or on behalf of the Corporation. Every contract made by the Board or by the officers or agents of the Corporation on its behalf shall contain a provision to the effect that the Board, the officers, or the agents, as the case may be, are acting only as agents of the Corporation and shall have no personal liability thereunder.

ARTICLE VII

COMMITTEES

Section 1. Architectural Committee. The Board may appoint an Architectural Committee composed of three (3) or more representatives (who need not be Members of the Corporation) which shall review and approve or disapprove the plans and specifications setting forth any proposed alteration or modification of any existing improvements or the construction, erection, or installation of additional improvements on any of the Properties, as provided in Article VII of the Declaration.

Section 2. Nominating Committee. The Board may appoint a Nominating Committee, comprised of such Members and having such duties and responsibilities as are provided in these Bylaws, the Declaration, and the rules and regulations of the Corporation.

Section 3. Other Committees. The Board of Directors may appoint such other committees, comprised of such members and having such duties as are set forth in these Bylaws, the Declaration, and the rules and regulations of the Corporation as the Board deems appropriate in carrying out its purposes, such as, but not limited to:

(a) A Recreation Committee, which may advise the Board of Directors on all matters pertaining to the recreational program and activities of the Corporation and may perform such other functions as the Board, in its discretion, determines.

(b) A Maintenance Committee, which may advise the Board of Directors on all matters pertaining to the maintenance, repair, reconstruction, replacement, or improvement by the Properties, and may perform such other functions as the Board, in its discretion, determines.

(c) A Publicity Committee, which may inform the Members of all activities and functions of the Corporation and, after consulting with the Board of Directors, may make such public releases and announcements as are in the best interests of the Corporation.

(d) An Audit Committee, which may supervise the annual audit of the Corporation's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer may be an ex officio member of this Committee.

(e) A Grievance Committee, as may be appointed at the discretion of the Board to serve from time to time, to hear or receive oral or written grievances of Members, and to consult and advise with the Board concerning resolution of such grievances.

(f) An Elections Committee, which may advise the Board of Directors on all matters pertaining to the conduct of election of Directors, supervise such elections, and perform such other functions as the Board, in its discretion, determines.

Section 4. Complaints. In the event that the Board deems it inappropriate to appoint a Grievance Committee, it shall be the duty of each other committee to receive complaints from Member on any matter involving Corporation functions, duties, and activities within its field of responsibilities. Each committee shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director, or officer who is, or may be, further concerned with the matter presented.

ARTICLE VIII

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on a date and at a time and place fixed by the Corporation's

initial Board of Directors in the rules and regulations, but within one (1) year from the date of incorporation of the Corporation. Subsequent annual meetings thereafter shall be held on the same date, and at the same time and place, unless changed by amendment of the rules and regulations. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

Section 3. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing or delivering a copy of such notice, at least fifteen (15) days before such meeting, unless otherwise required by the Declaration, to each Member entitled to vote thereat, said notice being either addressed or delivered to the Member's address last appearing on the books of the Corporation, the address supplied by such Member to the Corporation for the purpose of notice, or to the address of a Lot owned by the Member. Such notice shall specify the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If the date, time, or place of an annual meeting is changed by amendment of the rules and regulations of the Board of Directors, notice of such change shall be given within fifteen (15) days after adoption of the amendment and at least thirty (30) days prior to the date of the annual meeting.

Section 4. Voting Rights.

(a) The Corporation shall have two classes of voting membership:

Class A. Class A Members shall be all Owners except the Declarant; however, the Declarant shall be a Class A Member to the extent provided in the paragraph below. Each Class A Member shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Article V of the Corporation's Articles of Incorporation, provided that, when more than one (1) person or entity holds such interest in any Lot, all such persons and/or entities shall be Members, but the vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

Class B. Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Lot in which the Class B Member(s) holds a fee or undivided fee interest. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

(1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, however, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities, if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the Properties by the Declarant in the manner provided in Article II of the Declaration, it being hereby stipulated that the conversion and reconversion shall occur automatically as often as the foregoing facts shall occur, or

(2) Ten (10) years from the date of incorporation of the Corporation.

(b) The Board of Directors may suspend the right of any Member to vote for any period during which any assessment against said Member's Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) If the Owner of any home on a Lot does not occupy that residence as such Owner's own personal living quarters or if any Lot is leased for rental purposes to any tenant(s), then, in such event, the vote of said Owners of said Lots, if voted in a block, shall not be entitled to any weight greater than forty-nine percent (49%) on any matter before the Corporation other than annexation or amendment of the Declaration.

Section 5. Quorum. The presence at the meeting of Members or proxies entitled to cast one-tenth (1/10) 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 the Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented; and if any meeting is adjourned for lack of a quorum, the quorum required at any subsequent meeting shall be one-half (1/2) that required at the preceding meeting.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Any proxy may be revoked, in writing and with notice to the Secretary, by the Member who gave the proxy; and every proxy shall

automatically cease upon death of the Member or conveyance by the Member of his/her Lot.

ARTICLE IX

ASSESSMENTS

Each Member is obligated as more fully provided in the Declaration, the terms of which are incorporated by reference herein, to pay the Corporation annual and special assessments together with such interest thereon, reasonable late payment fee, and costs of collection including reasonable attorney's fees incurred by the Corporation in collecting delinquent assessments, which shall be a charge on each Member's Lot(s) and which shall be a continuing lien upon said property and improvements thereon against which each such assessment is made. Each such assessment, together with interest, said late payment fee, costs, and reasonable attorney's fees, also shall be the personal obligation of the person or entity who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to said Owner's successors in title unless expressly assumed by them.

The assessments levied by the Corporation shall be used for those purposes and shall be in those amounts and shall be payable as stated in the Declaration. Any assessments which are not paid when due shall be delinquent. If an assessment is not paid within thirty (30) days after the due date, said assessment shall bear interest from the date of delinquency at the rate described in the Declaration. The Corporation may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee, costs, and reasonable attorney's fees of any such action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the

assessments provided for herein by nonuse of the Corporation's property or abandonment of any Lot(s).

ARTICLE X

SUSPENSION OF PRIVILEGES: NOTICE; HEARING

Section 1. Right to Hearing.

(a) In the event that any Member, or said Member's delegee, violates any rules or regulations of the Corporation, such Member's voting and other rights arising out of this Corporation and the Declaration shall not be suspended (except for nonpayment of any assessment) for longer than seven (7) days, unless such Member or said Member's delegee has been extended an opportunity for a hearing thereon.

(b) No Member shall be entitled to a hearing when the reason for the suspension of rights is nonpayment of assessments.

Section 2. Notice.

(a) Notice of suspension shall be given to the Member described in Section 1(a) of this Article or said Member's delegee (or if the delegee is less than eighteen (18) years of age, to said Member and the delegee), in writing, and shall be delivered either in person or by first-class mail, postage prepaid. The notice shall state the reason for the suspension, the date that such reason arose, the length of the suspension, the rights affected by the suspension, and the dates that the suspension shall begin and end.

(b) If the suspension arises from the violation of the rules or regulations of the Corporation and affects the voting or other rights of the Member hereunder for longer than seven (7) days, the notice shall advise that the Member (or the Member's delegee) shall be entitled to a hearing

thereon at a date and time certain if the Member or delegee shall so request, in writing, within seven (7) days after date of the notice.

Section 3. Hearing.

(a) All hearings shall be conducted by the Board of Directors or by a committee or individual designated by the Board for such purpose. If the hearing is conducted by a designated committee or individual, the Member or delegee shall have the right to appeal the decision of such committee or individual to the Board of Directors.

(b) Hearings shall be conducted in accordance with rules and regulations of the Corporation, which shall provide for a fair and impartial hearing and shall permit the Member or delegee to present matters in defense, mitigation, or extenuation. It is not required, however, that the conduct of the hearings shall conform to rules of evidence and procedure applicable to legal proceedings.

(c) A hearing shall be held not less than ten (10) days nor more than fifteen (15) days following notice of suspension; but the time may be varied for good cause shown, and the hearing body may grant continuances.

(d) If the notice of suspension does not specify the time, date, and place of hearing, the hearing body shall establish the time, date, and place upon receipt of the Member's or delegee's written request for a hearing, and notice thereof shall be delivered to the Member or delegee at least forty-eight (48) hours in advance of the hearing.

(e) No suspension shall become effective until completion of any hearing or appeal thereon to which the Member or delegee may be entitled and for which request is made.

(f) The decision rendered following hearing by a committee or individual designated by the Board of Directors for such purpose shall be

conclusive unless the Member or delegee shall appeal therefrom, in writing, to the Board of Directors within three (3) days following notice of the final decision of the said committee or individual. The Board of Directors may prescribe the manner of appeal in its rules and regulations. Any final decision of the Board of Directors made following a hearing or an appeal shall be conclusive.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year, unless hereafter changed by the Board of Directors in its discretion, shall be the calendar year.

Section 2. Corporate Seal. The Corporation shall have a seal in circular form having within its circumference: Charleston Park Homeowners Association North Carolina 1992.

Section 3. Books and Records. The books, records, and papers of the Corporation shall be subject to inspection by any Member at any time during reasonable business hours. The Declaration, the Articles of Incorporation, and the Bylaws of the Corporation shall be available for inspection by any Member at the principal office of the Corporation, where copies may be purchased at reasonable costs.

Section 4. Facsimile Signature and Seal. The Board of Directors, by adoption of an appropriate resolution, may provide for the use of facsimile signature on any document or instrument required to be signed by the President when such document or instrument is to be co-signed or countersigned by another officer of the Corporation; and may provide for use of facsimile of the corporate seal of the Corporation.

Section 5. Notice. Unless otherwise provided in the Declaration, the Articles of Incorporation, or these Bylaws, all notices required to be given

shall be in writing; shall set forth the purposes for which the notice is given; shall state the time, date, and place of any event for which notice is given; and shall be mailed or delivered to each Member at the Member's address last appearing on the books of the Corporation, the address last appearing on the books of Corporation for the purpose of notice, or to the address of a Lot owned by the Member at least thirty (30) days and not more than sixty (60) days prior to the occurrence of the meeting or event of which notice is given. Every such notice shall bear the signature or facsimile of the President and shall be issued by the Secretary. Notice shall be deemed given as to any Member when mailed by first-class mail, postage prepaid, or delivered to the Member's last known address or the Lot owned by the Member.

Each Member shall be responsible for informing the Secretary of said Member's address and of any subsequent changes thereof; and no notice shall be required to be given to any Member who has failed to so inform the Secretary.

The applicable notice period shall not apply to any Member who has been an Owner for less than the applicable days preceding the meeting or event of which notice is given, but the Secretary shall make a good faith effort to give any such Member as much notice as reasonably practicable.

Section 6. Conflicts. If there should be any conflicts between the provisions of these Bylaws and the provisions of the Articles of Incorporation, the provisions of the Articles of Incorporation shall control; and if there should be any conflict between the provisions of these Bylaws and the provisions of the Declaration, the provisions of the Declaration shall control.

Section 7. Rights of Enjoyment. The Corporation's real property shall be owned for the common use and benefit of the Members; and the Members or their permitted delegees (namely, their family members, tenants, or contract purchasers who reside on the Member's Lot(s), provided the Member has given notice of same to the Secretary, and Association-authorized guests) shall have a right and easement of enjoyment in and to said property, subject to limitations imposed by the Board of Directors for violation of rules or regulations, or failure to pay assessments, as provided herein, in the Articles of Incorporation, and in the Declaration. The Members' said rights shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to dedicate or transfer all or any part thereof to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members. No dedication, transfer, or mortgage of said property shall be effective unless an instrument evidencing agreement of two-thirds (2/3) of each class of Members has been recorded in the Wake County Registry, North Carolina.

ARTICLE XII

AMENDMENT

Section 1. Methods of Amendment.

These Bylaws may be amended, at the annual meeting of Members, or at a special meeting called for that purpose, by an affirmative vote of a two-thirds (2/3) majority of Class A and Class B Members.

If the Declaration or Articles of Incorporation are amended, equivalent provisions of these Bylaws shall be deemed to have been amended in like manner, and the Bylaws shall be revised to reflect such amendment.

Section 2. Required Approval.

So long as a Class B membership exists, the Veterans Administration

("VA") and the Federal Housing Administration ("FHA") shall have the right to veto amendments to the Bylaws, and all proposed amendments must be presented to VA and FHA for approval before becoming effective.

IN WITNESS WHEREOF, we, being all the Directors of the CHARLESTON PARK HOMEOWNERS ASSOCIATION, have hereunto set our hands this the ____ day of _____, 1992.

_____
Michael D. Fields, Director

_____
W. Robert Logan, Director

_____
Richard G. Berent, Director

_____
Joseph C. Lassiter, Director

CERTIFICATION

I, the undersigned, hereby certify:

THAT I am the duly elected and acting secretary of CHARLESTON PARK HOMEOWNERS ASSOCIATION, a North Carolina corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation, this the ____ day of _____, 1992.

[CORPORATE SEAL]

_____
JOSEPH C. LASSITER

RESOLUTIONS ADOPTED BY THE MEMBERS

OF

CHARLESTON PARK HOMEOWNERS ASSOCIATION

The undersigned, being the sole member of CHARLESTON PARK HOMEOWNERS ASSOCIATION, hereby adopts the following resolution by signing its written consent thereto in lieu of a first annual meeting of members:

Election of Directors

RESOLVED, that the following persons be, and they hereby are, elected as directors of the corporation to serve as such until their successors have been duly elected and qualified: Michael D. Fields (to serve for a term of three years), W. Robert Logan (to serve for a term of three years), Joseph C. Lassiter (to serve for a term of two years), and Richard G. Berent (to serve for a term of one year).

This action is effective this the ____ day of _____, 1992.

H.C. INVESTMENT GROUP

By:_____
MICHAEL D. FIELDS, General Partner

CONSENT OF DIRECTORS OF

CHARLESTON PARK HOMEOWNERS ASSOCIATION

TO ACTION WITHOUT MEETING

We, the undersigned, being all of the directors of CHARLESTON PARK HOMEOWNERS ASSOCIATION, hereby adopt the following resolutions by signing our written consent thereto:

Election of Officers

RESOLVED, that the following persons be, and they hereby are, elected as officers of the corporation to serve as such until their successors have been duly elected and qualified:

Michael D. Fields, President
W. Robert Logan, Vice President
Joseph C. Lassiter, Secretary
Michael D. Fields, Treasurer

RESOLVED, that these resolutions shall remain in effect until rescinded or modified by resolution of the Board of Directors of the corporation.

This action is effective immediately upon execution.

This the ____ day of _____, 1992.

_____
Michael D. Fields, Director

_____
W. Robert Logan, Director

_____
Richard G. Berent, Director

_____
Joseph C. Lassiter, Director

AHP2/pinellas/ajs

H.C. INVESTMENT GROUP

By: _____
MICHAEL D. FIELDS, General Partner

H.C. INVESTMENT GROUP

By: _____
MICHAEL D. FIELDS, General Partner