

BYLAWS
OF
HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location. The name of the corporation is HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC., HEREINAFTER REFERRED TO AS THE "association". The principal office of the corporation shall be 1421 Jenkins Road, Wake Forest, Wake County, North Carolina 27587, 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

Section 1. "Association" shall mean and refer to HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Properties.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot 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.

Section 6. "Declarant" shall mean and refer to John M. Rich and A. Melanie Murphy.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded Book 6990 Page 197 in the Office of the Register of Deeds for Wake County, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
Meeting of Members

Section 1. Annual Meetings. The annual meeting of the members shall be held on the second Monday in January each year at the hour of 7:00 p.m. If the day for the annual

meeting of the members is a legal holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday.

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 the written request of the members who are entitled to one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. 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 a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, 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 of 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, 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 these 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 of aforesaid shall be present or be represented.

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.

ARTICLE IV

Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this Association shall be managed by a board of seven (7) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting at which a seven (7) member Board is elected, the members shall elect two (2) directors for a term of one year, two (2) directors for a term of two years, and three (3) directors for a term of three years; and at each annual meeting thereafter, the members shall elect the appropriate number of directors to fill the expired terms, said directors being elected to serve a term of three years thereafter. In deciding initially which directors are designated to fill the one, two and three-year terms, the directors receiving the highest number of votes shall serve the three year terms, the directors receiving the fourth and fifth highest number of votes shall serve the two year terms, and the directors receiving the least number of votes shall serve the one year terms.

Section 3. Removal. In the event of death, resignation, or removal of a director, his successor shall be selected by the members of the Association at a special meeting that shall be called pursuant to Article III, Section 2 within 30 days of the death, resignation, or removal of said director, and the successor 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 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 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 or at any special meeting called pursuant to Article III, Section 2. The Nomination 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.

ARTICLE VI Meetings of Directors

Section 1. 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 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 (2) 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 and publish rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of the members and their guests thereon, and to establish 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 for 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 Bylaws, the Articles of Incorporation, or the Declaration;
- D. Declare the office of a member of the Board of Director 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 prescribe their duties.

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 Class A 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 of 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 thirty (30) days after due date 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 adequate liability and hazard insurance on property owned by the Association;
- F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. Cause the Common Properties to be maintained as provided in the Declaration of Covenants.

ARTICLE VIII
Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this association shall be a President and Vice-President, 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; however, the election of officers may occur at a special meeting called pursuant to Article III, Section 2. In the event all members of the Board of Directors are removed or resign, the nominations and election of officers shall occur within 30 days of such removal at a special meeting called pursuant to Article III, Section 2.

Section 3. Term. The Officers of this Association shall be elected annually by the directors 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 shall be removed from office with or without cause by a majority vote of the members at either the annual meeting or a special meeting called pursuant to Article III, Section 2.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. However, in the event all members of the Board are removed or resign and none remain to fulfill the requirements of this Section, any and all vacancies shall be filled at the next annual meeting or at a special meeting called pursuant to Article III, Section 2.

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

Section 8. Duties. The duties of the Officers are 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 and other written instruments and shall cosign all checks and Promissory Notes.
- 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 required of him 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 membership; 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.
- D. Treasurer – The Treasurer shall receive and deposit in appropriate bank accounts all moneys 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's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meetings, and deliver a copy of each to the members.

ARTICLE IX
Committees

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X
Books and Records

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

ARTICLE 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 the date when due, the assessment shall bear interest from the due date at the annual rate of Eighteen Percent (18%) per annum, and 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 attorneys' 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 Properties or abandonment of his Lot.

ARTICLE XII
Corporate Seal

The Association shall have a Seal in a circular form having within its circumference the words: "HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC.".

ARTICLE XIII
Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and Bylaws, 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 such fiscal year of HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC. shall begin on JANUARY 1, 1997.

IN WITNESS WHEREOF, we, being all of the directors of HIGHGATE PARK PROPERTY OWNERS ASSOCIATION, INC. HAVE HEREUNTO SET OUR HANDS AND SEALS ON THIS THE 14TH DAY OF July, 2003.

Ruth M. McCaffrey

Paula J. Albertson

Christopher D. Graves

John O. Woodlief

Jennifer L. Hilkert

Brian P. Newcomb

Joan K. Miller

Note: The Original Bylaws were signed by Ruth M. McCaffrey, John O. Woodlief and John M. Rich on July 19, 1997. At a Special Meeting called on November 19, 2002, the majority membership voted to amend the Bylaws and this document is the first Amended Bylaws for Highgate Park Property Owners Association, Inc. At the annual meeting held July 14, 2003, a majority of a quorum of members present in person or by proxy voted to amend the Bylaws and this document is the second Amended Bylaws for Highgate Park Property Owners Association, Inc.