

**AMENDED AND RESTATED BYLAWS
OF
ROSALYNN PLACE HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The words, phrases and terms used in these Bylaws and not otherwise defined herein shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions for the Rosalynn Place Homeowners' Association, Inc. (the "*Association*"), as the same may be amended from time to time (the "*Declaration*"), which is recorded in the office of the Register of Deeds for Wake County, North Carolina.

**ARTICLE II
INCORPORATION**

1. Purposes. The Association is a nonprofit corporation organized under the laws of the State of North Carolina and its purposes are as set forth in the Articles of Incorporation. Any fees charged by the Association will be to defray expenses incurred in fulfilling such purposes.
2. Location. The principal business office and mailing address of the Association shall be 2420 Raleigh Boulevard, Raleigh, Wake County, North Carolina 27604-2235, or such other location as the Board of Directors may from time to time determine.

**ARTICLE III
MEMBERS**

1. Membership.
 - (a) The Members of the Association shall be (i) the Owners of each Lot located within the Subdivision as depicted on the Subdivision Plat, and (ii) the Declarant, Habitat for Humanity of Wake County, Inc. ("*Declarant*"). Except for Declarant, membership shall be appurtenant to and may not be separated from the ownership of any said Lot.
 - (b) The Association shall have two (2) classes of voting Members which are as follows:
 - (i) Class A. The Members, exclusive of Declarant, shall be Class A Members. The Owner(s) of each Lot shall be entitled to one vote. When more than one person holds an interest in a given Lot, all such persons shall be Members and the single vote for said Lot shall be exercised by agreement of a majority in interest of the multiple Owners of such Lot. In no event shall more than one vote be cast by Class A Members owning a single residential Lot.
 - (ii) Class B. The Class B Member shall be Declarant during such period(s) as Declarant owns one or more Lots. It shall be entitled to exercise two (2) votes for each Lot owned by it. The Class B membership shall terminate during such period(s) that all the

Articles of Incorporation. Notwithstanding the foregoing, a quorum shall not be required for any meeting of the Members called for the purpose of considering ratification of a proposed budget.

In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by a majority of the membership votes present in person or by proxy. Notwithstanding any provision to the contrary in these Bylaws or the Declaration, the quorum requirement at the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. In no event, however, may the quorum be less than ten percent (10%) of the membership votes.

7. Proxies. A Member may vote at any meeting by proxy. The Member's proxy shall be in writing, dated, signed by the Member and delivered to the Secretary of the Association or to the property management company authorized by the Board of Directors to receive proxies prior to the opening of the meeting for which it is first intended to be used. In the event a Lot is owned by more than one person, then all Members of the Lot shall sign the proxy. A proxy shall be valid until the expiration of eleven (11) months from the date of its execution, unless the Member executing it specifies therein a shorter length of time for which it is to continue in force, or the Member executing it revokes the proxy by delivering actual notice of such revocation to the person presiding over the meeting.

ARTICLE IV FEES AND ASSESSMENTS

1. Admission Without Fee. For all Class A Members, record ownership of any Lot located within the Subdivision as depicted on the Subdivision Plat shall establish the Owner as a Member of the Association. There shall be no admission fee charged to the Member.

2. Annual Assessments. With the exception of Declarant, which shall not pay assessments for any Lot it owns which has not been issued a certificate of occupancy from the City of Raleigh or in which it has a beneficial interest under a deed of trust, the annual assessment shall be the same for each Member and for Fiscal Year 2009 shall be One Hundred Twenty and No/100 Dollars (\$120.00). For each subsequent Fiscal Year, the annual assessment shall be no more than one hundred and ten percent (110%) of the annual assessment for the immediately preceding Fiscal Year.

3. Payment of Assessments. The annual assessment shall be payable in equal monthly installments, due on the first day of each calendar month. Any Owner who acquires a Lot after the assessment date shall only be responsible for his or her pro rata portion of the annual assessment.

4. Additional Assessments. Additional assessments as described in Article I, Part A, Section 5 of the Declaration may be levied on Members of this Association.

Board of Directors shall be nominated and elected by the Class B Member. For all future elections, a list of candidates shall be nominated and presented by the Board of Directors to the Members at the annual meeting of the Members. The Members shall elect the Directors from such list. Election of a Director shall require votes for such individual of at least a majority of the membership votes present at the annual meeting. Each Director shall hold office until the end of his or her designated term or until his or her successor shall have been elected and qualified. Terms for the Directors shall be for a period of three (3) years at which time they may be re-nominated and elected for a second three (3) year term. The Board of Directors may also provide for staggered terms.

3. Resignation and Removal. A Director may resign by submitting his or her resignation in writing to the Board of Directors. A Director may be removed from office with or without cause by a majority of the membership votes. A Director whose removal for cause is to be considered shall receive at least two (2) weeks notice of such proposed action and shall have the opportunity to address the Members regarding such action prior to any vote on such removal.

4. Vacancies. Vacancies in the Board of Directors shall be filled by the vote of a majority of the Directors then in office. Any Director thus elected shall serve for the remainder of the vacated term.

5. Compensation. No compensation shall be paid to Directors for their services as Directors. The Board of Directors may provide for the payment of any and all expenses incurred by the Directors in their capacity as Directors. Nothing herein contained shall be construed to exclude any Director from serving the Association in any other capacity and receiving compensation for such services as determined by the Board of Directors.

6. Regular Meetings. A regular meeting of the Board of Directors for the appointment of officers and such other business as may come before the meeting shall be held in January of each year immediately following the annual meeting of Members. In addition, the Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings.

7. Special Meetings of the Board. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or by any two (2) Directors.

8. Notice. Written notice stating the time and place of a regular or special meeting of the Board of Directors shall be delivered not less than five (5) days before the date thereof, either personally or by telegraph, teletype or other form of wire or wireless communication, or by facsimile transmission, mail or by private carrier, or by any other means permitted by law, by or at the direction of the President or twenty percent (20%) of the Directors then in office, to each Director entitled to vote at such meeting.

In the case of a regular meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter on which the vote of the Directors is expressly required by the provisions of the Act or notice of such purpose is otherwise required by law or these Bylaws to be provided. In the case of a special meeting, the notice of meeting shall include a description of the matter or matters for which the meeting is called.

3. Resignation and Removal. An officer may resign by submitting his or her resignation in writing to the Board of Directors. An officer may be removed from office with or without cause by the vote of sixty-seven percent (67%) of the Directors then in office. An officer whose removal for cause is to be considered shall receive at least two (2) weeks notice of such proposed action and shall have the opportunity to address the Board of Directors regarding such action prior to any vote on such removal.

4. Vacancies. Vacancies in any office shall be filled by majority vote of the Directors then in office. Officers thus appointed shall serve for the remainder of the vacated term.

5. Duties and Authority. The duties and authority of the officers shall be as follows:

(a) The President shall preside at all meetings of the Members and of the Board of Directors at which he or she is present. The President shall exercise general supervision of the affairs and activities of the Association. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments. In general the President shall perform all duties incident to the office and such other duties as may be prescribed by the Board of Directors from time to time.

(b) In the absence of the President, the Vice President shall fulfill the duties and obligations of the President. The Vice President shall perform such other duties and possess such powers as are incident to the office or as shall be assigned by the President or the Board of Directors.

(c) The Secretary shall cause notices of all meetings to be served as prescribed in these Bylaws and shall keep or cause to be kept the minutes of all meetings of the Board of Directors and Members and a record of the Members of the Association showing the names and addresses of the Members. The Secretary shall perform such other duties and possess such powers as are incident to the office or as shall be assigned by the President or the Board of Directors.

(d) The Treasurer shall have custody of the funds and securities of the Association and shall keep or cause to be kept regular books of account for the Association. The Treasurer shall perform such other duties and possess such powers as are incident to the office or as shall be assigned by the President or the Board of Directors.

ARTICLE VII

INDEMNIFICATION AND REIMBURSEMENT OF DIRECTORS AND OFFICERS

1. Indemnification for Expenses and Liabilities.

(a) Any person who at any time serves or has served (1) as a director, officer, employee or agent of the Association, (2) at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or (3) at the request of the Association as a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by the

to a Proceeding and all reasonable expenses incurred in enforcing the indemnification rights provided herein. "Director," "officer," "employee" and "agent" include the estate or personal representative of a director, officer, employee or agent. "Association" shall include any domestic or foreign predecessor of this Association in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

ARTICLE VIII CONFLICTS OF INTEREST

A transaction between (i) the Association and one or more of its Members, or (ii) between the Association and any other corporation, firm, association or other entity in which one or more of the Members are directors or officers, or have a substantial personal, professional, political or financial interest, shall be known as an "Interested Member Transaction." No Interested Member Transaction shall be deemed approved by a vote of the Members unless the material facts as to such Interested Member Transaction are disclosed in good faith or are known to the Members, and the Members authorize such contract or transaction by a majority of the membership votes present at the meeting without counting the vote or votes of any Members materially involved in the Interested Member Transaction. Provided, however, nothing in this provision shall prevent the Association from contracting with Declarant.

ARTICLE IX AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted if approved: (1) by the vote of sixty-seven percent (67%) of the Directors then in office (or, in lieu thereof, in writing by at least ten percent (10%) of the membership votes entitled to be cast on the matter where the Members have called a special meeting of the Members to consider such Amendment; (2) by sixty-seven percent (67%) of the membership votes; and (3) in writing by any other person whose approval may be required by the Articles of Incorporation.

Any vote affecting any Stormwater Control Measures in any manner must have the prior written consent of the Raleigh City Attorney as all such Stormwater Control Measures are required to comply with the Raleigh City Code. Failure to maintain the Stormwater Control measures is a violation which potentially subjects each Class A Member to significant daily civil penalties and other enforcement actions.

ARTICLE X ADDITIONAL PROVISIONS

1. Dissolution. So long as shared Stormwater Control Measures are required by the City of Raleigh, upon dissolution of the Association, the Owners of Lots having an interest in the Common Area shall form a North Carolina nonprofit corporation substantially in the form of the Association and assign to it the duty and authority to assess on a per Lot basis all Lots using such Common Area. Such corporation shall maintain such Common Area in the same manner that the Association is empowered to do so by the Declaration with the same right of lien for assessments provided for in the Declaration. If Stormwater Control Measures are not required by the City of Raleigh, upon dissolution of the Association, any remaining assets shall be distributed pro rata to