

BYLAWS
OF
PARK PLACE OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Park Place Owners Association, Inc., herein referred to as the "Association". The principal office of the corporation shall be located in Wake County, North Carolina. 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 Park Place 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 affecting real property now within the jurisdiction of the Association and such additions thereto as hereafter may be annexed and brought within the jurisdiction of the Association.

Section 3. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and Members of the Association. Common Areas shall also mean the facilities constructed, erected or installed on the real property which is part of the Common Areas for the use, benefit and enjoyment of the Owners, including without limitation, the following:

- (a) All central appurtenant installations for services such as electricity, gas, telephone and cable television;
- (b) All water lines and mains, sewer pipes and sewer systems outside of city street rights-of-way, but not within the area of a Lot;

(c) Private streets, drives, parking areas, medians, traffic and landscape islands, subdivision signs and entrances on the Properties or serving the Properties, including but not limited to the entrance to Laura Duncan Road over adjacent land;

(d) All facilities and amenities for the use and enjoyment of the Members, such as clubhouses, swimming pools, other recreation areas, open spaces and greenways; and

(e) All of the parts of the Properties and facilities and amenities existing in or upon the Properties for common use which is necessary or convenient to the existence, enjoyment, use, maintenance or safety of the Properties.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties (provided said map has been approved by Declarant), with the exception of the Common Areas.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple interest (or undivided fee simple interest) in 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 7. "Declarant" shall mean and refer to Steve Dickson Builder, Inc, and its successors and assigns to whom the rights of Declarant have been specifically transferred.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Park Place Townhomes and amendments thereto applicable to the Properties recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Section 9. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 10. "Common Expenses" shall mean and include:

- (a) All sums lawfully assessed by the Association against its Members;
- (b) Expenses for exterior maintenance of the townhomes as provided in the Declaration;
- (c) Expenses of administration, maintenance, repair, or replacement of the Common Areas;

(d) Expenses declared to be Common Expenses by the provisions of the Declaration or these ByLaws;

(e) Hazard, liability, or such other insurance premiums as the Declaration or these ByLaws may require the Association to purchase;

(f) Ad valorem taxes and public assessment charges lawfully levied against the Common Areas;

(g) The expense of the maintenance of private drainage and utility easements and facilities located therein which are within the boundaries of the Properties, which cross Common Areas and which serve both the Properties and lands adjacent thereto;

(h) Expenses agreed by the Members to be Common Expenses of the Association; and

(i) Unpaid assessments resulting from the purchase of a townhome at a foreclosure sale (such assessment shall be collectible from all Members of the Association, including the purchaser at the foreclosure sale, his successors and assigns).

Section 11. "townhome" or "townhouse" shall mean and refer to a single family dwelling or place of residence constructed upon a Lot within the Properties and constituting a part of a building.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Rights. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the Common Areas (or portions thereof) of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed 60 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Areas. Notwithstanding the foregoing, the Board of Directors may not suspend an Owner's right of ingress and egress over the Common Areas and right to the use of parking spaces as provided in the Declaration.

ARTICLE IV

PROPERTY RIGHTS: RIGHT OF ENJOYMENT

Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Areas to the members of his immediate family, his tenants or contract purchasers, who reside on the Lot of such Member. Such Member shall notify the Secretary of the Association in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the Member. Any Member may allow his guests to use the Common Area, in accordance with these Bylaws, the Declaration and any rules and regulations adopted by the Board.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the second Tuesday in the month of November of each year at the hour of 7:00 o'clock p.m., and at such place as is fixed by the Board of Directors. The Directors may change the date and time of the annual meeting from time to time. 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 next day which 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 written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Except as otherwise provided in the Declaration or these Bylaws, written notice of each meeting of the Members shall be 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, at least 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 power

to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as 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 of the Association. Every proxy shall be revocable and shall cease automatically upon conveyance by the Member of his Lot.

ARTICLE VI

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Election. Until Class B membership becomes Class A membership as provided in the Articles of Incorporation and the Declaration, the affairs of this Association may be managed by a Board of not less than three (3) directors nor more than five (5) directors, who need not be Members of the Association, and who may be appointed by the Declarant. The Declarant shall have the right to determine the number of directors so long as there is a Class B membership. At the first annual meeting of the Members following the date on which Class B membership is converted to Class A membership, and at each annual meeting thereafter, subject to reinstatement of Class B shares, the affairs of the Association shall be managed by a Board of five (5) directors who shall be elected in accordance with these Bylaws.

Section 2. Term of Office. At the first annual meeting of the Members following the date on which Class B membership is converted to Class A membership, two (2) directors shall be elected for a term of three (3) years, two (2) directors shall be elected for a term of two (2) years, and one (1) director shall be elected for a term of one (1) year. At each annual meeting thereafter, directors replacing the directors whose terms have expired shall be elected for a term of three (3) years.

Section 3. Removal. Until Class B membership becomes Class A membership as provided in the Articles of Incorporation and the Declaration, the Declarant may remove any director with or without cause. At the first annual meeting of the Members following the date on which Class B membership is converted to Class A membership, 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 in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. 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 may 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 VIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually, without notice, after the annual meeting of Members as provided in Article V, Section 1. In addition, the Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings. Should said meetings 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 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. The attendance in any manner provided by law of 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.

Section 4. Action Taken Without a Meeting. The directors will 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 IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) To adopt, amend and publish rules and regulations governing the use of the Common Areas and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To suspend the voting rights and the right to use of the Common Areas as provided in these Bylaws;
- (c) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) 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; and
- (e) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and compensation. The Board may employ or contract with reputable management companies for the collection of assessments and the conduct of the day-to-day affairs of the Association.

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

- (a) To 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) To supervise all officers, agents and employees of this Association, 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 thirty (30) days in advance of each annual assessment period; and

- (3) To foreclose the lien against any Lot for which assessments are not paid or to bring an action at law against the Owner of such Lot personally obligated to pay such assessment.
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) To cause the Common Areas, the improvements on the Common Areas and the townhomes and Lots to be maintained as provided in the Declaration;
- (h) To cause the payment of ad valorem taxes and public assessments levied against the Common Areas; and
- (i) To direct and supervise the affairs of the Association and require the Association to fulfill all of its obligations and duties as set forth in the Declaration.

ARTICLE X

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 initial meeting of the Board of Directors and 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 such 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 not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected 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:

(a) President. The President shall preside at all meetings of the Board of Directors and all meetings of the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, promissory notes, deeds and other written instruments; shall co-sign checks of the Association; and shall perform such other duties as may be required of him by the Board.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall perform 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 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; shall keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as may be required of him by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign checks of the Association; keep proper books of account; cause an annual review or audit of the Association books to be made by an accountant or certified public accountant at the completion of any fiscal year as directed to do so by the Board; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE XI
COMMITTEES

Section 1. The Board may appoint an Architectural Control Committee provided in the Declaration and a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

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

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

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

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article X, Section 8(d). The Treasurer shall be an ex-officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented. K

ARTICLE XII
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 Lot against which the assessment is made. Any assessment, or portion thereof, which is not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same and may foreclose the lien created herein against the Owner's Lot in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of deeds of trust,

and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for any assessment provided for herein by non-use of the Common Areas or abandonment of his Lot, nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any reduction, delay, abatement or suspension of any assessments provided for herein.

ARTICLE XIII - INDEMNIFICATION

The Corporation shall indemnify its directors, officers, employees and committee members to the maximum extent required or permitted by Part 5 of Article 8 of Chapter 55A of the North Carolina General Statutes, as amended from time to time, or by any similar statute by which it is amended, supplemented or repealed. Any person who serves in any such capacity of or on behalf of the Corporation shall be deemed to have done so in reliance upon and in consideration of such indemnification. Such indemnification shall inure to the benefit of such person and his or her heirs, successors, assigns and legal representatives, and it shall not be exclusive of any other rights to which such person may be entitled.

ARTICLE XIV

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 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 a reasonable cost.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Park Place Owners Association, Inc." and in its center the words, "Corporate Seal".

ARTICLE XVI

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 the Members present in person or by proxy, except that as long as there is a Class B membership, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendment to these Bylaws.

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

ARTICLE XVII


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.

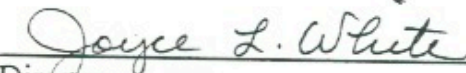
IN WITNESS WHEREOF, we, being all of the directors of PARK PLACE OWNERS ASSOCIATION, INC., have hereunto set our hands this the 30 day of October, 1995.



Director



Director



Director

CONSENT OF INCORPORATOR
OF
PARK PLACE OWNERS ASSOCIATION, INC.
TO
ACTION WITHOUT MEETING

I, the undersigned, being Incorporator of Park Place Owners Association, Inc. (the "Corporation"), do hereby adopt the following resolution and authorize the actions taken as recited herein by signing my written consent hereto.

BOARD OF DIRECTORS

RESOLVED, that Steven R. Dickson, Laura R. Caldwell and Joyce L. White hereby are elected as Directors of the Corporation, to complete its incorporation and thereafter serve until the election and qualification of their successors.

The foregoing resolution is adopted and the foregoing action is taken and approved without meeting, pursuant to the consent of the Incorporator of this Corporation, as indicated by his signature appended hereto, effective the 30th day of October, 1995.



RODERICK W. O'DONOGHUE, JR., Incorporator