

# "MEADOWS PAGEHURST"

## BYLAWS

### OF

Pagehurst Phase 3A Community Association, Inc.

## ARTICLE I

### NAME AND LOCATION

The name of the corporation is Pagehurst Phase 3A Community Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located in the City of Durham, Durham County, North Carolina, but meetings of Members and Directors may be held at such places within the State of North Carolina, County of Durham, as may be designated by the Board of Directors.

## ARTICLE II

### DEFINITIONS

The following words when used in these Bylaws or any amendments hereto (unless the context shall otherwise require) shall have the following meanings:

- a. "Articles" shall mean and refer to the Articles of Incorporation of the Association.
- b. "Association" shall mean and refer to the Pagehurst Phase 3A Community Association, Inc., a North Carolina nonprofit corporation, and/or any surviving corporation resulting from merger of Pagehurst Phase 3A Community Association, Inc. with another association as allowed in the Declaration.
- c. "Board" shall mean and refer to the Board of Directors of the Association.
- d. "Bylaws" shall mean and refer to the Bylaws of the Association as they may now or hereafter exist.
- e. "Common Area" or "Common Property" or "Common Open Space" (these terms being used interchangeably herein) shall mean and refer singularly or collectively, as applicable, to all real property and improvements thereon or associated therewith, which is/are owned or leased by the Association; easements granted to or reserved by or on behalf of the Association (or the Declarant for later transfer or assignment to the Association); and other real property which has been designated by Declarant as Common Area on a recorded plat, in a Supplemental Declaration, or in a deed or other written instrument, and also shall refer to all personal property owned or leased by the Association and designated as Common Area by the Declarant or the Association. The Common Area is for the common use, enjoyment or benefit of the Owners, and/or for the enhancement or protection of the Property or any part thereof, and may include, without limitation, active and passive recreational areas and facilities. All Common Area shall

be subject to the terms and conditions of the Declaration. Common Area also may include, as determined by Declarant in its sole discretion, all water retention ponds and areas, if any, including all facilities, structures and improvements associated therewith, required to be constructed, repaired, replaced or maintained on or near the Property or any portion thereof by the laws, rules or regulations of any governmental authority having jurisdiction thereof and which is required to handle water runoff from any part or all of the Property.

f. "Common Expenses" shall mean and refer to (i) expenses of administration, maintenance, improvement, repair or replacement of Common Area or Common Property and/or Landscaped Rights-of-Way and/or Roadway Medians, (ii) expenses declared to be or described as Common Expenses by the provisions of the Declaration, (iii) premiums for hazard, liability or other insurance as may be obtained by the Association, and (iv) all other expenses incurred by the Association in carrying out its functions and duties under the Declaration.

g. "Declarant" shall mean and refer to Perfect Corporation, its successors and assigns (in whole or in part). For the purposes of Article V of the Declaration only, in establishing the time when an annual assessment or special assessment is applicable to a Lot, the term "Declarant" shall include any Person to whom the Declarant or such Person has conveyed an undeveloped portion of the Subdivision for development by such Person into Lots (it being contemplated by Declarant that there may be instances in which a certain section or phase of the Property is conveyed to another Person who will develop same into residential Lots or residential property), and who has been designated as such by the Declarant.

h. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Pagehurst Subdivision, Phase 3A, recorded in the Durham County Registry in Book 3245, Page 227, as it may be amended and supplemented (by Supplemental Declarations) from time to time as therein provided.

i. "Dedicated Common Area" or "Dedicated Common Property" or "Dedicated Open Space" (these terms being used interchangeably herein) shall mean and refer to all real property conveyed by the Declarant or the Association to the City of Durham, North Carolina or some other governmental entity in satisfaction of some recreational, open space or other requirement of the City of Durham or such other governmental entity in connection with the approval of the Subdivision or any part thereof. All Dedicated Common Area shall be exempt from the provisions of the Declaration. If any real property is made subject to the Declaration and subsequently is determined by Declarant to be Dedicated Common Area, Declarant or the Association may convey such property to the City of Durham or other appropriate governmental entity free and clear of the provisions of the Declaration and, upon recordation of the deed therefor, the Declaration shall thereafter be deemed to be inapplicable to such property.

j. "Improvement" or "Improvements" shall mean and include all buildings, storage sheds or areas, roofed structures, decks, patios, parking areas, exterior recreational areas, recreational equipment and facilities, mailboxes, exterior antennae, dishes or other apparatus to receive or transmit television or radio or microwave or other signals, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope of a Lot, site

preparation of a Lot, landscaping, exterior clotheslines, swimming pools, tennis courts, signs, exterior illumination, changes in any exterior color or shape and any other exterior construction or exterior structure or other exterior improvement which may not be included in any of the foregoing. The definition of Improvements includes both original Improvements and all later changes and additions to Improvements.

k. "Landscaped Rights-of-Way" shall mean the medians and other areas within public or private street rights-of-way within or adjoining the Property which are designated as Landscaped Rights-of-Way by Declarant.

l. "Lot" shall mean and refer to any numbered or lettered plot of land which is part of the Property, is intended for single-family residential use and is shown on any plat in the office of the Register of Deeds, Durham County, North Carolina which Declarant has recorded, caused to be recorded or approved for recordation. Declarant hereby reserves the right to reconfigure, at any time and from time to time, without the consent of the Owners or Members of the Association, the boundaries of any Lot owned by the Declarant and to thereby reconfigure Lots, create additional Lots, eliminate existing Lots, create existing Common Area or reduce proposed Common Area not yet conveyed to the Association (provided that no such reduction violates any applicable ordinances of the City of Durham or other governmental entity having jurisdiction over such Common Area). Declarant's exercise of the right shall be evidenced by the recording of a revised map of the affected Lot or Common Area. Upon the recording of any such revised map, each Lot shown on the previously recorded map that has been revised by the new map shall cease to be a "Lot" as defined herein and each revised Lot as shown on the new map shall be a "Lot" as defined herein.

m. "Maintain", "Maintenance" or any substantially similar term used in the Declaration, when applied to a power or duty of the Association shall mean and include, without limitation, the right to maintain, repair, replace, improve, operate and use the improvement, property or other item which is the subject thereof.

n. "Member" shall mean and refer to each Owner of a Lot who is a member of the Association as provided in the Declaration.

o. "Owner" shall mean and refer to the owner of record as shown in the Durham County, North Carolina Registry, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

p. "Person" shall mean and refer to any individual, corporation, partnership, association, trust or other legal entity.

q. "Property" shall mean the Property described on Exhibit A to the Declaration and any and all other Additional Property (as therein defined) made subject to the Declaration by Supplemental Declaration or merger or consolidation as provided therein.

r. "Roadway Medians" shall mean all areas within public or private street rights of way within or adjoining the Property that are not Landscaped Rights-of-Way and which have been designated as Roadway Medians by Declarant.

s. "Subdivision" shall include the Pagehurst Subdivision, Phase 3A as shown on plats thereof recorded by or with the consent of the Declarant in the Durham County, North Carolina Registry. (It is contemplated by the Declarant that the Subdivision may be recorded on several maps, which may be recorded at different times and may show different phases of the Subdivision.)

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each and every Owner of a Lot shall automatically become and be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and the Board may make reasonable rules relating to the proof of ownership of a Lot. A Person's membership in the Association shall terminate automatically whenever such Person ceases to be an Owner, but such termination shall not release or relieve any such Person from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of such Person's ownership of a Lot, or impair any rights or remedies which the Association or any other Member has with regard to such former Member.

Section 2. Classes of Voting Members. Subject to the rights of Declarant to create an additional type of membership reserved in the Declaration, the Association shall have two classes of voting membership as follows:

Class A. Class A Members shall be all Owners of Lots, with the exception of Declarant until such time as Declarant's Class B Membership is converted to Class A Membership as provided in this Article. A Class A Member shall be entitled to one (1) vote for each Lot owned by such Class A Member at the time notice is given of the particular meeting at which Class A membership votes are eligible to be cast. Provided, when two (2) or more Persons own or hold interests in any Lot, all such Persons shall be Class A Members, and the one (1) vote for such Lot shall be exercised as they, among themselves, determine (including the division thereof into fractional votes), but in connection with any particular vote no more than one Class A membership (1) vote shall be cast with respect to each Lot.

Class B. The Class B Members shall be the Declarant and Anderson Homes, Inc.. The Class B Members shall be entitled to three (3) votes for each Lot owned by the Class B

Members at the time notice is given of the particular meeting at which the Class B votes are eligible to be cast.

The Class B Membership shall terminate and be converted to Class A Membership upon the happening of the first to occur of the following:

(a) when the total votes outstanding in Class A Membership equal the total votes outstanding in Class B Membership. Provided, however, and notwithstanding anything to the contrary that may appear herein or in the Declaration, if at any time prior to January 1, 2021 the Class B Membership terminates for the foregoing reason and thereafter Declarant, pursuant to Section 2 of Article II of the Declaration, annexes Additional Property to the Declaration such that, following such annexation, if votes are allocated to the Lots owned by Declarant at the rate of three (3) votes per Lot Declarant's total outstanding votes would exceed the total outstanding votes of the Class A Members, the Class B Membership shall be reinstated until such time as it again terminates due to one of the events of termination stated herein. Prior to January 1, 2021 or the voluntary termination of the Class B Membership by Declarant, whichever first occurs, there shall be no limitation on the number of times the Class B Membership may terminate and be reinstated in accordance with the provisions of this paragraph (a); or

(b) voluntary termination by Declarant and Anderson Homes, Inc.; or

(c) January 1, 2021.

Section 3. Voting, Quorum and Notice Requirements. Except as may be otherwise specifically set forth in the Declaration, the Articles or the Bylaws, the vote of the majority of the aggregate votes entitled to be cast by all classes of the Members present, or represented by legitimate proxy, at a legally constituted (duly called) meeting of the Association at which a quorum is present, shall be the act of the Members with respect to the matter that is the subject of such vote. The number of votes required to constitute a quorum shall be as set forth herein, unless a different number is required by the Articles or the Declaration. Notice requirements for all action to be taken by the Members of the Association shall be as set forth herein or in the Declaration.

## ARTICLE IV

### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter at such time and place as the Board of Directors may prescribe.

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 cast one-fourth (1/4) of all 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 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 that meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

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 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

## ARTICLE V

### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors who need not be Members of the Association. The Board of Directors shall consist of three (3) persons.

Section 2. Term of Office. At the first annual meeting the Members shall select two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year; and at each annual meeting thereafter the Members shall elect directors for a term of two (2) years.

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

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

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

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve 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 VII

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such notice as shall be determined by resolution of a majority of the Directors.

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

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

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. In addition to or in furtherance of the powers of the Board set forth in the Declaration, the Board shall have power to:

a. adopt and publish rules and regulations governing the use of the Common Area 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 of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

c. contract with any third party or any Owner (including, without limitation, Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be at competitive rates and otherwise upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association;

d. subject to all required approvals of the Members, acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

e. borrow money to carry out the functions of the Association, and with the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the following purpose, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

f. subject to the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called meeting at which a quorum is present, dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and upon such conditions as the

Board, or the Members who exercise the required affirmative vote (if the motion or resolution passed by such vote contains such conditions), may determine.

g. participate in mergers and consolidations with other nonprofit corporations organized for the same purposes as the Association, provided that any such merger or consolidation shall be authorized by the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the foregoing purpose;

h. employ a manager or firm to manage the business and property of the Association, and to employ independent contractors or such other employees as the Board may deem necessary;

i. employ attorneys and other professionals when deemed necessary;

j. declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

k. have and exercise any and all power, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina may now or hereafter have or exercise including, without limitation, all powers, duties and authority vested in or delegated to the Association and not expressly reserved to the Members by the provisions of the Bylaws, the Articles or the Declaration.

Section 2. Duties. In addition to or in furtherance of the duties of the Board set forth in the Declaration, 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 the annual meeting of the Members, or 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 the Association, and 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 prior to the beginning of the year for which such assessment is to be effective (provided, however, in the event the Board shall fail to so fix the amount of the annual assessment, the annual assessment then in effect shall continue until such time as the Board shall fix a different annual assessment amount);

(2) send written notice of each annual assessment to every Owner of a Lot subject thereto at least thirty (30) days in advance of the beginning of each year for which such annual assessment is to be effective (provided, however, that failure of the Board to send such notice shall in no way affect the obligation of such Owner to pay annual assessments); 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 same;

d. to issue, or to cause an appropriate officer or agent to issue, upon demand by any Person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e. as set forth in the Declaration, to procure and maintain liability insurance covering the Association, its directors, officers, agents and employees and procure and maintain adequate hazard insurance on the Common 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 operate an Architectural Control Committee subject to the provisions of the Declaration;

h. to cause the Common Area to be maintained in the manner provided for in the Declaration;

i. to maintain any dedicated streets or open spaces within the Subdivision which are not, in the opinion of the Board, adequately maintained by an appropriate governmental authority;

j. to maintain Landscaped Rights of Way and Roadway Medians as provided in the Declaration;

k. to perform such other maintenance and services as set out in the Declaration; and

l. if and when appropriate pursuant to the terms and conditions of the Declaration, to cause Lots and the exterior of dwellings on Lots to be maintained.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and one vice-president, both of whom shall at all times be members of the Board, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create. Except as expressly provided herein, officers shall not be required to be members of the Board.

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

Section 3. Term; Compensation. The officers of this Association shall be elected annual by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve. No officer shall receive compensation for services rendered in such capacity to the Association; provided, however, that an officer may be reimbursed for actual expenses incurred in the performance of such duties.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

a. President. The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes (provided, however, the President may delegate his or her duty to co-sign all checks of the Association to a professional management company employed to manage the Association).

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 Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

d. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association (provided, however, the Treasurer may delegate his or her duty to co-sign all checks of the Association to a professional management company employed to manage the Association); keep proper books of account; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

## ARTICLE X

### COMMITTEES

The Board shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee as provided in these Bylaws. In addition, the Board may appoint such other committees as it deems appropriate in carrying out the functions of the Association.

## ARTICLE XI

### 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 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 XII

### ASSESSMENTS

As more fully provided in the Declaration, each Class A 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 assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the lesser of eighteen percent (18%) per annum or the highest lawful rate per annum and a late charge in the amount of fifteen percent (15%) of the past due assessment shall be added to the assessment. In addition, the Association may bring an action at law against the Owner personally obligated to pay the delinquent assessment or foreclose the lien against that Owner's Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

## ARTICLE XIII

### CORPORATE SEAL

The Association shall have a corporate seal and/or stamp in circular form having within its circumference the words the name of the Association and such other words as are approved by the Board.

## ARTICLE XIV

### AMENDMENTS

Section 1. Amendments by Members. 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; provided, however, prior to termination of the Class B Membership, no such amendment shall be effective unless written consent of the Declarant shall have been given thereto. Notwithstanding any provision in these Bylaws to the contrary, if the Declarant desires to qualify parts or all of the Property for FHA or VA approvals, as long as there is a Class B membership, the Federal Housing Administration (FHA) or Veterans Administration (VA) shall have the right to veto any amendments to these Bylaws.

Section 2. Amendments by Declarant. In addition to the foregoing, and notwithstanding anything to the contrary that may appear herein, Declarant may (at Declarant's option) at any time and from time to time amend or modify these Bylaws without obtaining the consent or

approval of the Members or any other person or entity if such amendment or modification is necessary for any one or more of the following purposes: to correct an obvious typographical error; to cause these Bylaws to comply with the requirements of FHA (Federal Housing Administration), VA (Veterans Administration), Fannie Mae (Federal National Mortgage Administration) or other similar agency; or as may be necessary to establish or maintain the tax exempt status of the Association under the laws of the United States or the State of North Carolina.

Section 3. Amendment by Amendment to Declaration. In addition to the foregoing methods of amending these Bylaws, if a provision of the Declaration or Articles is amended and prior to such amendment, there is an identical provision in these Bylaws, then the identical provision contained in these Bylaws shall be deemed amended to conform to the corresponding amended provision of the Declaration or Articles.

## ARTICLE XV

### MISCELLANEOUS

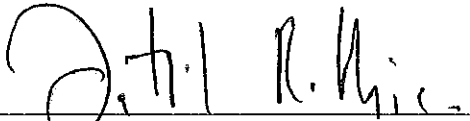
Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association and end on December 31 of the year of incorporation.

Section 2. Titles. The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

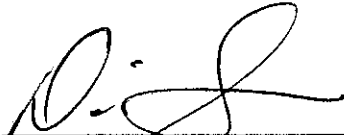
Section 3. Number and Gender. Whenever the context of this Declaration requires, the singular shall include the plural and one gender shall include all.

Section 4. Conflicts. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the directors of Pagehurst Phase 3A Community Association, Inc., have hereunto set our hands this 12<sup>th</sup> day of Dec, 2001.

  
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Satpal Rathie

  
\_\_\_\_\_  
Steve Smalto

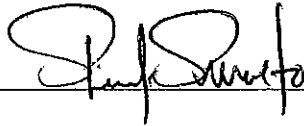
  
\_\_\_\_\_  
Dave Servoss

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Pagehurst Phase 3A Community Association, Inc.;

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted pursuant to a consent to action in lieu of the organizational meeting of the Board of Directors thereof, held on the 11 day of DECEMBER, 2001.

  
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