

BYLAWS OF
ENO COMMONS HOMEOWNERS ASSOCIATION, INC.

**BINGHAM
14 INDIGO CREEK TRAIL
DURHAM, NC 27712-2564**

ARTICLE I
ASSOCIATION MEMBERS

Section 1. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members of the Association shall be held at the principal office of the Association, at an hour to be fixed by the President, on the second Tuesday in January of each year for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2. SUBSTITUTE ANNUAL MEETING. If the annual meeting shall not be held on the day designated in these Bylaws, a substitute annual meeting at the principal office of the Association may be called in accordance with the provisions of Section 3 of this Article I. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 3. SPECIAL MEETINGS OF MEMBERS. Special meetings of the Members may be held in the principal office of the corporation, or elsewhere by consent of the Members, whenever called in writing by the President or any member of the Board of Directors of the corporation or by Members representing twenty percent (20%) of the Membership entitled to vote.

Section 4. NOTICE OF MEETING. Written or printed notices stating the time and place of meeting shall be mailed or delivered by the Secretary to each member of record at the member's

last known address.

The notice of each meeting shall be mailed or delivered by the Secretary not less than ten days nor more than fifty days prior to the date set for such meeting and as to special meetings, the Notice shall indicate the purpose or purposes thereof.

Section 5. QUORUM. At any meeting of the Members, ten percent (10%) of the Members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the Membership for all purposes.

If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 6. ORGANIZATION. The President, or, in his absence, the Vice President, shall preside over all meetings of Members, and the Secretary of the Association shall act as Secretary at all meetings of the Members; provided, however, in the Secretary's absence the President may appoint a Secretary for the meeting of the Members.

Section 7. VOTING. Each member of the Association, as defined in the Articles of Incorporation of said Association, shall be entitled to one vote on each matter submitted to a vote at a meeting of Members. If the Declarant/Developer under the Covenants has any weighted or preferred voting rights, such rights shall, until such rights terminate as provided in the Covenants, take precedence over this general rule of one vote per member.

The vote of a majority of the Membe
shall be the act of the Members on that matter, unless the vote of a greater number is required by law
or by the Articles of Incorporation or other Bylaws of this Association. Cumulative voting shall not
be allowed.

Section 8. VOTING BY PROXY. The vote allocated to a member may be cast pursuant
to a dated written proxy signed by the member. A member may not revoke a proxy except by
written notice delivered to the person presiding over a meeting of the Association. A
proxy terminates one year after its date, unless it specifies a shorter term.

ARTICLE II BOARD OF DIRECTORS

Section 1. NUMBER AND TERM OF OFFICE. The affairs of the Association shall be
managed by a Board of Directors of at least three (3) Members, the initial board being named in the
Articles of Incorporation of the Association, and which initial officers shall serve until new board
Members are elected as herein provided. The Association shall have the right to increase the number
of Directors at any annual or special meeting where the intention to increase the number of Directors
has been set forth as a purpose of the meeting in a notice properly sent to the Membership as
provided herein. The Board of Directors shall be entitled to act on behalf of the Association, in all
routine, day to day operations of the Association. Said Board shall include the President, Vice
President and Secretary of the Association.

The term of office for each Board member shall be until the successors to such offices shall have been duly elected and qualified as hereinafter stated. Corporate Members, including the Declarant and Developer, may elect individual candidates as said officers as hereinafter provided.

Section 2. COMPENSATION. No Board member shall receive compensation for any service he or she may render to the Association. However, with the prior approval of the Board, any Board member may be reimbursed for actual expenses incurred in the performance of Board duties.

Section 3. ACTION WITHOUT MEETING. The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Board Members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

Section 4. MEETINGS. Meetings of the Board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any member of the Board after not less than five (5) days' notice to each Board member.

Section 5. QUORUM. A majority of the Board Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board Members present at a duly held meeting shall be regarded as the act of the Board.

Section 6. POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS. Subject to the provisions contained herein and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the

following powers:

(a) To adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

(b) To suspend the voting rights and right of use of the common 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; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period of at least sixty (60) days;

(c) To declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(d) To employ a manager, an independent contractor, or other employees as is deemed necessary, and prescribed their duties; provided, that any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;

(e) To procure, maintain, and pay premiums on, insurance policies and equitably assess the Members for their prorata portion of such expense;

(f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common areas or elements other than for service provided to Members;

(g) To exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

(h) To exercise any other powers necessary and proper for the governance and operation of the Association; and

(i) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

Section 7. DUTIES OF THE BOARD OF DIRECTORS. It shall be the duty of the Board to do the following:

(a) To cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the Members to recover the cost of the upkeep of the common elements;

(b) To serve as the architectural committee, subject to Developer rights as set forth in the Declaration of Covenants and Restrictions;

(c) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by twenty (20%) percent of the Members;

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

(e) To fix the amount of the annual assessment at least three (3) months in advance of each annual assessment period, based on the projected budget for the annual assessment period and pursuant to the provisions set forth in the Declaration of Covenants, Conditions and Restrictions;

(f) To send written notice of each assessment to every member at least thirty (30) days in advance of the due date for each annual assessment;

(g) To foreclose any unpaid assessments and liens resulting therefrom against any property for which assessments are not paid within thirty (30) days after assessment due date, or to

bring an action at law against the member personally obligated to pay the same;

(h) To issue, or have issued for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all parties except the member and lot owner as of the date of the assessment;

(i) To procure and maintain at all times sufficient liability insurance to adequately protect the Association as provided in the Declaration of Covenants, Conditions and Restrictions. In the event that the Association acquires a tangible real property asset which should prudently and reasonably be insured for casualty loss, the Association shall procure and maintain such casualty insurance; and

(j) To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE III OFFICERS

Section 1. OFFICERS. The Executive officers of this Association shall be a President, Vice President, and Secretary/Treasurer.

Section 2. ELECTION OF OFFICERS. Each office shall be elected from member-candidates nominated from the floor at the annual meeting of the Association. Election shall be by secret written ballot and by a majority of the Members present at such meeting, provided that a quorum is present. Corporate Members, including the Declarant and Developer, may elect individual candidates to said offices. Cumulative voting shall not be allowed. Each officer elected

shall serve until the next annual election or until a successor shall have been elected and qualified.

Section 3. POWERS AND DUTIES OF THE EXECUTIVE OFFICERS.

(a) 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.

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

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the associate seal and affix it on all papers requiring said seal; shall 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; shall prepare, execute, certify, and record amendments to the Declaration of Covenants, Conditions and Restrictions on behalf of the Association; and shall perform such other duties as required by the Board.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; shall sign all checks and promissory notes (such checks and promissory notes to be co-signed by the President) of the Association; shall keep proper books of account; shall cause an annual audit of the Association 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

annual meeting, and deliver a copy to each member.

Section 4. ACTION WITHOUT MEETING. Each Officer shall have the right to take any action in the absence of a meeting which her or she could take at a duly held meeting by obtaining the written consent to the action of all of the Officer Members. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Officers.

Section 5. REMOVAL. Any Officer may be removed, with or without cause, by a vote at any meeting of the Members at which a quorum is present, of at least seventy (70%) percent of all Members present and entitled to vote. In the event of death, resignation or removal of an Officer, an interim successor shall be selected by the Board to serve out the remainder of the term..

ARTICLE IV 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 or a mortgagee of any member. The Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions and 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 V FORMS OF PROXY AND WAIVER

Section 1. FORMS OF PROXY. The following form of proxy shall be deemed

sufficient, but any other form may be used which is sufficient in law:

ENO COMMONS HOMEOWNERS ASSOCIATION, INC.

Know all persons by these presents that the undersigned member of ENO COMMONS HOMEOWNERS ASSOCIATION, INC. hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meeting of the Members of ENO COMMONS HOMEOWNERS ASSOCIATION, INC., at which I am not present, until the secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

Dated: _____, 19 _____.

Member Name

Witness: _____

Section 2. FORM OF WAIVER OF NOTICE. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

ENO COMMONS HOMEOWNERS ASSOCIATION, INC.

We the undersigned (Board or Association Members) of ENO COMMONS HOMEOWNERS ASSOCIATION, INC. do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the (Board or Association Members) of the said association, and consent that same be held at _____ on the _____ day of _____, 19 ____ at _____ o'clock __. M., and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

**ARTICLE VI
GENERAL PROVISIONS**

Section 1. AMENDMENTS Except as otherwise provided herein or in the Declaration of Covenants, Conditions and Restrictions, these Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular or special meeting of the Board or at a regular or special meeting of the Members at which a quorum is present by a vote of the majority of the Members.

Section 2. ASSOCIATION SEAL. A seal with the words "ENO COMMONS HOMEOWNERS ASSOCIATION, INC." on the outer circle and the date of incorporation within the circle, shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

Section 3. DISSOLUTION. The Association may be dissolved with the assent given in writing and signed by not less than seventy (70%) percent of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the intangible assets of the Association shall be used to pay any creditors of the Association and the costs of dissolution. All residual assets of the Association will be turned over to one or more

organizations with similar purposes which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

Section 4. FHA/VA APPROVAL. As long as there are preferred voting rights held by the Developer as set forth in the Protective and Restrictive Covenants, the following actions will require the prior approval of the Federal Housing Administration (FHA) or the Veterans Administration (VA): annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area after the initial subdivision plats, dissolution and amendment of the Articles of Incorporation of the Association or these ByLaws.

CERTIFICATION

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of ENO COMMONS HOMEOWNERS ASSOCIATION, INC., a North Carolina corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors thereof, held on the _____ day of March, 1997.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of March, 1997.

Secretary
Eno Commons Homeowners Association, Inc.

ARTICLES OF INCORPORATION
OF
ENO COMMONS HOMEOWNERS ASSOCIATION, INC.

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

ARTICLE I - NAME

The name of the corporation is ENO COMMONS HOMEOWNERS ASSOCIATION, INC.

ARTICLE II - DURATION

The period of duration of the corporation is perpetual.

ARTICLE III - PURPOSES AND POWERS

The purposes and powers for which the corporation is organized are as follows:

- (1) To operate and manage a planned unit subdivision development known as ENO COMMONS, located in Durham County, North Carolina;

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of ENO COMMONS HOMEOWNERS ASSOCIATION, INC. in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Covenants, Conditions and Restrictions which shall be recorded in the Public Records of Durham County, North Carolina, at such time as the real property and the improvements thereon are submitted to said Declaration;

(3) To make, establish and enforce reasonable rules and regulations governing the use of subdivision development, common elements, land, and other real and personal property which may be owned by the Association itself;

(4) To make, levy and collect assessments against lot owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration of Covenants, Conditions, and Restrictions and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the recreation, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas, including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the maintenance of insurance in accordance with the Bylaws, including the employment of attorneys to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the properties for which the Association is responsible;

(6) To enforce by any legal means the provisions of the Declaration of Covenants, Conditions and Restrictions, the Bylaws of the Association, and the rules and regulations for the use of the Association property;

(7) To arrange for the management of the Association's property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Board of Directors or the membership of the Association;

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration of Covenants, Conditions and Restrictions of ENO COMMONS HOMEOWNERS ASSOCIATION, INC. and all powers reasonably necessary to implement the purposes of the Association.

ARTICLE IV - MEMBERSHIP

A. The formal membership of ENO COMMONS HOMEOWNERS ASSOCIATION, INC. is defined as being all those persons who fit the definition of Member in the Declaration of Covenants and Restrictions for Eno Commons, including, but not limited to, the owners of lots in Eno Commons subdivision, the Developer, and the owners of any other lands which may be added thereto by the Developer. Membership shall be established by acquisition of fee title to a lot in Eno Commons subdivision whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association,

and the membership of the prior owner as to a lot designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

B. Neither one's membership in the Corporation nor a member's share in the funds and assets of the Corporation may be assigned, hypothecated or transferred in any manner except as an appurtenance to Eno Commons subdivision.

ARTICLE V - DIRECTORS

A. The number of Directors and the method of election of the Directors shall be fixed by the Bylaws; however, the number of Directors shall not be less than three. Directors shall be elected at large from the membership.

B. The first election by the members of the Association for Directors shall not be held until after the Developer has relinquished control of the Association as set out in the Declaration of Covenants, Conditions and Restrictions. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the Bylaws. After the Declarant has relinquished control, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new Directors are elected and qualified.

ARTICLE VI - INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors shall be three and the names and addresses of the persons who are to serve as the first Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
1. Sherri Zann Rosenthal	805 Green Street Durham, Durham County, NC 27701
2. Mark C. Shannon	110 Copper Hill Drive Raleigh, NC 27606-8414
3. Charles A. Reinhardt, Jr.	401 North Mangum Street Post Office Box 825 Durham, Durham County, North Carolina 27702

ARTICLE VII - TAX STATUS AND DISSOLUTION

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a Corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made

to members, directors or officers of the corporation; provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

The Association may be dissolved with the assent given in writing and signed by not less than seventy (70%) percent of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the intangible assets of the Association shall be used to pay any creditors of the Association and the costs of dissolution. All residual assets of the Association will be turned over to one or more organizations with similar purposes which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

ARTICLE VIII - REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation in the State of North Carolina is 805 Green Street, Durham, Durham County, North Carolina 27701; and the name of its initial registered agent at such address is Sherri Zann Rosenthal.

ARTICLE IX - INCORPORATOR

The name and address of the incorporator is Sherri Zann Rosenthal, 805 Green Street, Durham, Durham County, North Carolina 27701.

IN WITNESS WHEREOF, the incorporator has hereunto set her hand and seal this 27 day
of March, 1997.



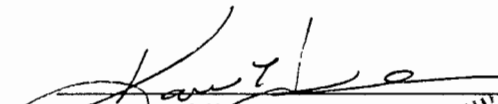
Sherri Zann Rosenthal

NORTH CAROLINA

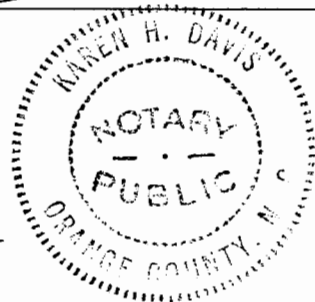
DURHAM COUNTY

I, a Notary Public, do hereby certify that Sherri Zann Rosenthal personally appeared before me
this day and acknowledged the due execution of the foregoing Articles of Incorporation.

WITNESS my hand and notarial seal, this the 24th day of March, 1997.



Notary Public



My commission expires: 6-27-97