

BYLAWS
OF
FULLERTON PLACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is FULLERTON PLACE HOMEOWNERS ASSOCIATION, INC. The principal office is presently located at 14120 Ballantyne Corporate Place, Suite 475, Charlotte, Mecklenburg County, North Carolina 28277. The location of the principal office of the Association may be changed by the Board of Directors. Meetings of Members and directors shall be held at such places as shall be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

"Act" shall mean and refer to the North Carolina Planned Community Act, currently codified as Chapter 47F of the North Carolina General Statutes, as it may be amended from time to time.

"Annual Meeting" shall mean the annual meeting of the Members held in the county in which the Property is located within the last quarter of each calendar year, upon proper notice, at a date, time and at a place from time to time designated by the Board.

"Architectural Control Committee" shall mean a committee of individuals appointed by the Declarant or the Board of Directors, as set forth in the Declaration, to publish and promulgate the Architectural Guidelines and determine whether an Owner's Lot improvements or other changes comply with the Architectural Guidelines. The rights, obligations and duties of the Architectural Control Committee are set forth in detail in Article 10 of the Declaration.

"Architectural Guidelines" shall mean architectural, landscape and construction guidelines, published and promulgated by the Architectural Control Committee, that shall be explanatory and illustrative of the general intent of the development of the Property.

"Articles" or **"Articles of Incorporation"** shall mean those articles filed with the Secretary of State of North Carolina, as amended from time to time, incorporating Fullerton Place Homeowners Association, Inc. as a nonprofit corporation under North Carolina law.

"Assessments" shall mean Regular Assessments, Special Assessments, Capital Contribution, Individual Assessments and Fine Assessments, all as defined in the Declaration.

"Association" shall mean and refer to Fullerton Place Homeowners Association, Inc., formed as a nonprofit corporation under North Carolina law, and its successors and assigns.

"Board" or **"Board of Directors"** shall mean and refer to the Board of Directors of the Association.

"Bylaws" shall mean the Bylaws of the Association, as they may be amended from time to time.

"Common Area" shall mean all real and personal property, including easements, the Recreational Facilities and all common amenities the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The Common Area shall not include any dedicated public street or utility rights of way as shown on any recorded subdivision plat for the Property.

"Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Common Area, including (a) the operation, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Area; (b) the costs of any additions and alterations to the Common Area; (c) all costs for labor, services, professional services, common utilities, materials, supplies and equipment incurred in the Association's performance of its duties under the Governing Documents; (d) all liability for loss or damage arising out of or in connection with the Association's performance of its duties under the Governing Documents; (e) all premiums for hazard, liability and other insurance incurred in the Association's performance of its duties under the Governing Documents; (f) all costs incurred in acquiring a Lot pursuant to judicial sale or otherwise to enforce the terms of the Declaration; (g) all administrative, accounting, legal and managerial expenses incurred in the Association's performance of its duties under the Governing Documents; (h) all costs for the operation, maintenance, improvement, and replacement of any Recreational Facilities, including establishing reserves in connection with such obligations; and (i) all costs incurred in replacing, or substantially repairing, capital improvements within the Common Area, including private road and parking lot resurfacing. "Common Expenses" shall be construed broadly.

"Declarant" shall mean and refer to Lennar Carolinas, LLC, a Delaware limited liability company, and its successors and assigns.

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Fullerton Place and all valid amendments thereto applicable to the Property, recorded in the Office of the Register of Deeds of Cabarrus County, North Carolina.

"Development Period" shall mean the period commencing on the date on which the Declaration is recorded in the Register of Deeds of the county where the Property is located and terminating on the earlier to occur of:

- (i) the date on which Declarant no longer owns a Lot in the Subdivision;
- (ii) the date on which Declarant relinquishes in writing Declarant's right to appoint the Board of Directors to the Association; or
- (iii) the date that is ten (10) years after the date the Declaration is recorded in the Register of Deeds of the county where the Property is located, which date may be

extended for an additional ten (10) year period with the approval of a majority of Members (other than Declarant) at a meeting of the Association, **provided**, that the Board records in the Register of Deeds of the county where the Property is located an amendment to the Declaration signed by all of the members of the Board, together with a certificate by the Board's Secretary certifying to the satisfaction of the requisite voting requirements.

"Dwelling Unit" shall mean and refer to each residential unit on an individual Lot.

"Governing Documents" shall mean the Declaration, each supplemental declaration, the Articles of Incorporation, the Bylaws, the Architectural Guidelines, the Rules and Regulations, and such resolutions as the Association's Board of Directors may adopt, if any, and any other documents or instruments used to create and govern the Subdivision, together with any amendments to the foregoing documents.

"Lot" shall mean and refer to each lot of land delineated on the recorded plat for the Subdivision upon which a Dwelling Unit has been or will be constructed.

"Member" shall mean and refer to each Owner of a Lot, each of whom shall be a member of the Association as provided in the Declaration. Any party holding an interest solely as security for the performance of an obligation shall not be a Member.

"Nonprofit Corporation Act" shall refer to the North Carolina Nonprofit Corporation Act, currently codified as Chapter 55A of North Carolina General Statutes, as it may be amended from time.

"Owner" shall mean each person who holds record title to any Lot, including Declarant, but excluding in all cases any party holding an interest solely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale and the contract specifically so provides, the purchaser (rather than the then-fee simple owner of the Lot) will be deemed the Owner.

"Presiding Officer" shall mean the person set forth in these Bylaws to preside over meetings of the Members.

"Property" shall mean and refer to that certain real property described in Exhibit A of the Declaration, together with any additional real property that may be annexed pursuant to Article 3 of the Declaration, all of which may, in the alternative, sometimes be referred to as the "Subdivision."

"Recreational Facilities" shall mean and refer to any community recreational facilities located in the Subdivision.

"Rules and Regulations" shall mean and include the rules and regulations made from time to time by the Board of Directors in accordance with the Declaration to govern the use of the Common Area, Recreational Facilities and property, activities and conduct within the Subdivision.

ARTICLE III PURPOSES

The Association does not contemplate pecuniary gain or profit to the Members and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots and Common Area within the Property. The powers of the Association shall be construed liberally and shall include all of the powers and responsibilities set forth in Section 47F-3-102 of the Act, in the Non-Profit Corporation Act and in the Declaration.

ARTICLE IV MEMBERSHIP

Section 1. Members. Every Owner of a Lot shall be a Member of the Association and shall remain a Member until such time as their ownership of such Lot ceases for any reason, at which time their membership in the Association shall cease automatically. Conveyance of fee simple title to a Lot shall automatically transfer membership in the Association without necessity of further documentation. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to Assessment. Each Owner shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in the Declaration when due, shall comply with decisions of the Association's governing body, and shall otherwise comply with all terms and conditions of the Declaration and the Governing Documents.

Section 2. Classes. The Association shall have two classes of Membership:

Class A: Every person, group of persons or entity that is a record Owner of a fee simple interest in any Lot upon which a Dwelling Unit has been erected within the Subdivision automatically shall be a Class A Member of the Association; **provided**, that, during the Development Period, Declarant shall not be a Class A Member. Class A membership shall be appurtenant to and may not be separated from ownership of any Lot upon which a Dwelling Unit has been constructed that is subject to Assessment.

Class B: During the Development Period, the Declarant shall be the Class B Member. The Class B membership shall cease and be automatically converted to Class A membership upon the expiration of the Development Period.

ARTICLE V MEETINGS OF MEMBERS

Section 1. Annual Meetings. Upon proper notice, the Members shall hold an Annual Meeting in the county in which the Property is located within the last quarter of each calendar year, at a date, time and place that the Board shall designate from time to time. The first Annual Meeting of the Members shall be held within one year from the date of incorporation of the Association and each subsequent Annual Meeting shall be held in the same month of each year thereafter unless a different date is fixed by the Board of Directors. The Declaration may

provide for additional meetings of the Members as set forth therein, including meetings for taking action on the Association's budget or Assessments.

Section 2. Substitute Annual Meeting. If the Annual Meeting shall not be held within the month designated by these Bylaws, a substitute Annual Meeting may be called in accordance with the provisions of **Section 3** of this **Article V**. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President or Board of Directors, or by any Member pursuant to the written request of the holders of not less than 10% of all votes. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in said notice.

Section 4. Place of Meetings. Meetings of the Members shall be held at such place as may be determined by the Board of Directors.

Section 5. Notice of Meeting. Except as otherwise provided in the Declaration, or these Bylaws, not less than 10 days, nor more than 60 days, before the date of any Membership meeting, the President, the Secretary, or other person calling the meeting shall cause notice to either (a) be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner or (b) be sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the Member. If mailed, such notice shall be deemed to be delivered to the Member at his address as it appears on the record of Members of the Association, with postage thereon prepaid. The notice of any meeting shall state the time and place of the meeting and the items on the agenda (as set forth in the Act), along with any additional requirements described in the Declaration.

If a meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed pursuant to the Nonprofit Corporation Act or otherwise, notice of the adjourned meeting shall be given to the Members of record entitled to vote at the meeting as of the new record date.

Section 6. Voting List. At least 10 days before each meeting of the Members, the Secretary of the Association shall prepare an alphabetical list of the Members entitled to vote at such meeting or any adjournment thereof, with the address of and number of votes by each, which list shall be kept on file at the registered office of the Association for a period of ten days prior to such meeting, and shall be subject to inspection by any Member at any time during normal business hours. This list shall be produced and kept open at the time of the meeting and shall be subject to inspection by any Member during the time of the meeting. If more than one person owns a Lot, the vote allocated to such Lot shall be cast in accordance with the provisions of the Act and **Section 5.5(a)** of the Declaration.

Section 7. Quorum. Except as otherwise provided in the Declaration or these Bylaws, representation at a Member meeting of 20% of the votes entitled to be cast on a matter

shall constitute a quorum on that matter. If, however, such quorum shall not be present or represented at a meeting, the Members entitled to vote at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and business can be conducted subject to such quorum requirement being reduced pursuant to Section 47F-3-109 of the Act.

Section 8. Proxies. Voting may be either in person or by one or more agents authorized by a written proxy executed by the Member or by his duly authorized attorney in fact. 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 or may cease upon written notice of cancellation of proxy by Member. Pursuant to Section 47F-3-110 of the Act, proxies shall be valid for 11 months, unless the proxy specifies a shorter term.

Section 9. Voting.

(a) Each Class A Member shall be entitled to one vote for each Lot in which they hold the interest required for membership in the Association. If more than one person, group of persons or entity is the record Owner of a fee simple interest in any Lot, then the vote for the membership appurtenant to such Lot shall be exercised as the multiple owners determine among themselves, but in no event shall more than one vote be cast with respect to any Lot; **provided**, that if the multiple owners cannot reach agreement with respect to the casting of a vote, the vote attributable to such Lot shall not be cast or counted by the Association.

(b) The Class B Member shall be entitled to three votes in the Association for each Lot it owns.

(c) Subject to **Section 9(d)** below, at a legally constituted Member meeting at which a quorum is present, the vote (in person or by proxy) of a majority of the Member votes cast on any matter shall be the act of the Members on that matter, unless the vote of a greater or lesser number is required by the Declaration, these Bylaws, the Act or by law. The quorum and notice requirements shall be as set forth in the Bylaws except as otherwise specified in the Declaration.

(d) During the Development Period, the Class B Member shall have the sole voting rights of the Association on all matters (including election and removal of directors and officers of the Association pursuant to **Article 6, Section 2(b)**); **provided**, that if restricting the right to vote to the Class B Member pursuant to this **Section 9(d)** would not be permissible by the Act or the Nonprofit Corporation Act for a vote on a particular matter, then the provisions of this **Section 9(d)** shall not apply for the vote on that particular matter.

(e) After the expiration or termination of the Development Period, pursuant to **Section 9(c)**, at a legally constituted meeting at which a quorum is present, the vote of a majority of the Member votes cast on any matter shall be the act of the Members on that matter, unless the vote of a greater or lesser number is required by the Declaration, these Bylaws, the Act or by law.

Section 10. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such

action at a meeting and filed with the Secretary of the Association to be kept in the minute book of the Association.

Section 11. Waiver of Notice. Any Member may, at any time, waive notice of any meeting with the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice is required and any business may be transacted at such meeting.

Section 12. Presiding Officer. The President of the Association, or in the absence of the President, the Vice President, shall preside at all meetings of the Members. The Secretary of the Association shall act as the Secretary of the meeting, or in the absence of the Secretary, the President shall designate some other person to act as the Secretary of the meeting. In the absence of both the President and Vice President, the Members present at the meeting shall elect a Presiding Officer for such meeting.

Section 13. Order of Business. The order of business at the Annual Meeting and any special meeting of the Members shall be as follows:

- (a) The calling of the meeting to order;
- (b) The calling of the roll;
- (c) The announcement by the Presiding Officer of the purpose of the meeting and of the nature of the business which may be presented at it;
- (d) The reading and approval of the minutes of any former meeting of the Member if such minutes have not been previously read and approved;
- (e) The presentation of and action, if required, upon reports of officers and committees;
- (f) Unfinished business;
- (g) New business, including the election of directors for the forthcoming year if the meeting be an Annual Meeting; and
- (h) Adjournment.

ARTICLE VI BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors.

Section 2. Number, Term and Qualifications.

- (a) The Board of Directors shall consist of either three or seven directors, as set forth in this **Section 2**. The initial Board of Directors shall consist of those three individuals that were set forth in the Articles, as amended by any Amendment to the Articles. These initial directors shall serve until their successors are appointed or elected as provided in this **Section 2**.

(b) Notwithstanding anything to the contrary contained in the Declaration or in these Bylaws including in **Section 3** through **Section 7** below, until 60 days prior to the termination of the Development Period, the Class B Member shall be entitled to appoint, remove and replace any or all of the members of the Board of Directors in its sole discretion. Any director appointed by the Class B Member need not be an Owner.

(c) Within 60 days prior to the termination of the Development Period, the Members shall elect the three members of the Board of Directors to replace those members currently serving as directors. At least a majority of the directors the Members so elect shall be Lot Owners. These three directors shall serve until their successors are appointed or elected as provided in this **Section 2**.

(d) At the first Annual Meeting of the Association after the termination of the Development Period, the Board of Directors shall be increased to seven directors. At this first Annual Meeting after the end of the Development Period, the Members shall elect two directors to serve for a term of one year, two directors to serve for a term of two years, and three directors to serve for a term of three years. At subsequent Annual Meetings thereafter, the Members shall elect, to serve for a term of three years, the number of directors needed to fill the vacancy or vacancies created by the director(s) whose term(s) is (are) expiring. Directors need not be Members of the Association. **Section 3** through **Section 7** shall not apply during such time as the Class B Member may appoint, remove or replace the Directors pursuant to **Section 2(b)** above.

Section 3. Nomination. After the first election of directors by the Class A Members, nominations for election to the Board may be made by a Nominating Committee established by the Board of Directors. Nominations may also be made from the floor at the Annual Meeting. Nominations at the first Annual Meeting will be from the floor. The Nominating Committee, if formed, shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board 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 as it shall in its discretion determine, but not less than the number of vacancies to be filled.

Section 4. Election of Directors. Except as provided in **Sections 2(b), 2(c)** and 7 of this **Article VI**, the directors shall be elected at the Annual Meeting by the Members or their proxies; and those persons who receive the highest number of votes shall be deemed to have been elected. If any Member so demands, the election of directors shall be by ballot. Cumulative and fractional voting is prohibited.

Section 5. Election Process. The directors may be elected by secret written ballot, if a Member so demands, at the Annual Meeting. In such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled under the provisions of **Article IV** of these Bylaws. The persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 6. Removal. Any director may be removed at any time with or without cause, by a majority vote of the Members. If any directors are so removed, new directors may be

elected at the same meeting. Additionally, any director who has three consecutive unexecuted absences may be removed by a majority vote of the remaining directors.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the selection of a successor by the remaining directors, who shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors. Any directorship to be filled by reason of an increase in the authorized number of directors shall be filled only by election at an Annual Meeting or at a special meeting of Members called for that purpose.

Section 8. 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 actual expenses incurred in the performance of his duties.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after the Annual Meeting of the Members for the purpose of electing officers. In addition, a regular meeting of the Board of Directors shall be held at least quarterly, without notice and at such place and hour as may be fixed from time to time by resolution of the Board of Directors. At regular intervals, the Board of Directors shall provide Members an opportunity to attend a portion of a Board meeting and to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of Members who speak on each side of an issue and may place reasonable time restrictions on Members who speak.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President, or by any two directors. Such a meeting may be held as fixed by the person or persons calling the meeting.

Section 3. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least 10 days, but not more than 60 days, before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 4. Waiver of Notice. Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. 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.

Section 6. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the

action so taken is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is so taken.

Section 7. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of President, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

Section 8. Participation in Meetings by Means of Conference Telephone. Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone, video conference or similar communications device by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

Section 9. Committees of the Board. The Board of Directors shall designate three individuals, who need not be Members, to constitute an Architectural Control Committee as provided in the Declaration and may appoint other committees as it deems appropriate. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors of any responsibility or liability imposed upon it or him by law.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power, in addition to those powers set forth in the Declaration, to:

(a) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles, the Declaration, the Act or the Nonprofit Corporation Act;

(b) declare the office of a Member of the Board of Directors to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board of Directors, unless such absence or absences are excused by the Board of Directors;

(c) execute deeds or other legal documents to effectuate the transfer of Association Common Areas as allowed under the Declaration, subject to approval of the Members, if required;

(d) employ, on such terms as the Board of Directors determines to be reasonable, a manager, independent contractors, or such other employees or agents as it may deem necessary and to prescribe their duties;

(e) borrow money as allowed by the Declaration;

(f) appoint and remove at pleasure all officers, committees (subject to the Declaration), managers, agents and employees of the Association, to be responsible for the day-

to-day operation of the Association and prescribe their duties and fix their compensation, if any; and

(g) exercise any other powers necessary and proper for the governance and operation of the Association.

Section 2. Duties. It shall be the duty of the Board of Directors, in addition to or in conjunction with any duties set forth in the Declaration, to:

(a) cause to be kept a full and accurate record book of all its acts and corporate affairs and, as set forth in the Declaration or as required by the Nonprofit Corporation Act, to make such books available to the Members and the holders of first mortgages on any Lot.

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

(c) provide such notices to and obtain such consents from the Owners and holders of first deeds of trust on Lots within the Property as is required by the Declaration, these Bylaws, the Act or the Nonprofit Act;

(d) appoint members to the Nominating Committee for such terms as deemed appropriate;

(e) cause to be published the names and addresses of all officers and Board of Directors within 30 days of their election;

(f) direct and supervise the affairs of the Association and require the Association to fulfill all of its obligations and duties set forth in the Declaration.

Section 3. Delegation of Powers. The Board of Directors and the officers may delegate to other persons or a management agent the powers to collect Assessments, fines, late fees, interest and other charges provided by the Declaration and these Bylaws; to maintain bank accounts in the name of the Association and to deposit all funds of the Association into such bank accounts; to hire and discharge other agents and independent contractors; to supervise the use, maintenance, repair, replacement and modification of the Common Areas; to pay from the funds of the Association, the expenses and liabilities of the Association, including but not limited to compensation and reimbursements to such person or management agent; and to prepare statements of Common Expenses and statements concerning the status of paid and unpaid Assessments.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the 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. The offices of Secretary and Treasurer may be held by the same person; **provided** that no individual may act in more than one capacity where action of both the

Secretary and Treasurer is required. 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 IX**.

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. Officers shall include a President, Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, be removed, or be 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 any 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 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. Duties. The duties of the officers are as follows, which duties the Board may change in its discretion to the extent consistent with these Bylaws:

(a) President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all leases, promissory notes, mortgages, deeds and other written instruments, and, in the absence of the Treasurer, shall sign all checks.

(b) Vice Presidents. The Vice President shall act in the place instead of the President in the event of his death, inability or refusal to act, and when so acting shall have all the powers of and be subject to the restrictions upon the President. The Vice President shall exercise and discharge such other duties as may be required of him by the President or the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board, of the Members, and of all Committees, keep the corporate seal of the Association and affix it on all papers requiring a seal, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association and their addresses, cause to be prepared the voting lists prior to

each meeting of the Members, and perform such other duties as required by the President or the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks of the Association, shall keep proper books of account, shall 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 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. Any or all of the duties may be delegated to a Management Company at the order of the Board of Directors.

Section 8. Officers to Certify Amendments. The President or Vice President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE X COMMITTEES

The Board of Directors of the Association may appoint a Nominating Committee, as provided in these Bylaws, and shall appoint an Architectural Control Committee, as provided in the Declaration. The Board of Directors may appoint such other committees as it deems appropriate in carrying out its purpose that shall serve at the Board's discretion.

ARTICLE XI INDEMNIFICATION

The Association shall indemnify any and all persons who may serve or who have served at any time as directors or officers of the Association, or as appointed committee members, as set forth in the Declaration. This indemnification shall not be deemed to be exclusive of, or be deemed to in any way limit, any other right of indemnification which a director, officer or appointed committee member may be entitled to either by vote of the Members or Directors or pursuant to the Act, the Nonprofit Corporation Act or other law. Nothing contained in this Article, or in the Declaration, shall operate to indemnify any director, officer or appointed committee member if such indemnification is for any reason contrary to any applicable state or federal law.

ARTICLE XII BOOKS AND RECORDS

The Association shall keep full and accurate books of account. All funds collected by the Association shall be held and expended solely for the purposes designated in the Declaration and shall be deemed to be held for the use, benefit and account of the Association and all of the Owners. All books and records will be kept in accordance with good accounting procedures and will be reviewed at least once a year by an independent accounting firm.

The Association shall make available to all Owners and the holders of all first mortgages on Lots, upon reasonable request during normal business hours, current copies of the books,

records and financial statements of the Association and the Governing Documents and the Association shall, within 75 days after the close of the fiscal year to which the information relates, make an annual income and expense statement and balance sheet available, at no charge, to all Lot Owners. Upon written request by an Owner or holder of a first mortgage to the Association, the Association shall send the requesting Owner or holder of a first mortgage a copy of the financial statement for the immediately preceding fiscal year. A more extensive compilation, review, or audit of the Association's books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Board or by the affirmative vote of a majority of the Members present and voting in person or by proxy at any Annual Meeting or any special meeting duly called for that purpose

ARTICLE XIII ASSESSMENTS

As more fully provided in Article 6 of the Declaration, each Member is obligated to pay to the Association any Assessments and the Assessments are secured by a continuing lien upon the Lot against which the Assessment is made.

ARTICLE XIV CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: FULLERTON PLACE HOMEOWNERS ASSOCIATION, INC. and the year of incorporation.

ARTICLE XV AMENDMENTS AND CONFLICTS

Section 1. Amendments. During the Development Period, the Board of Directors may adopt amendments to these Bylaws at a meeting duly called for such purpose, and the Members shall not be entitled to vote on amendments of these Bylaws during the Development Period; **provided**, any amendment to the Bylaws during the Development Period shall require the approval, in writing, of the Declarant, as allowed pursuant to Section 55A-10-30 of the Nonprofit Corporation Act. Following the expiration or termination of the Development Period, unless these Bylaws, the Declaration, the Act, the Nonprofit Corporation Act or applicable law require a higher percentage for certain amendments, at a regular or special meeting of the Members duly called for such purpose, the Members entitled to vote to amend the Bylaws may do so, in person or by proxy, upon the affirmative vote or written ballot (as provided by law) of the lesser of: (a) 2/3 of the votes cast or (b) a majority of the votes of the Association entitled to be cast on the amendment. Unless otherwise provided by the amendment, or as otherwise may be provided by applicable law, any amendment of the Bylaws shall be effective when approved in accordance with this **Article XV**. Unless then required by applicable law, such amendment need not be set forth in an amendment to the Declaration duly recorded in the Office of the Register of Deeds in the county in which the Property is located in order to be effective.

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

Declaration and these Bylaws, the Declaration shall control, except to the extent the Declaration is inconsistent with the Act.

ARTICLE XVI GENERAL PROVISIONS

Section 1. Compliance with Statutes. These Bylaws are set forth subject to the requirements of the Act and the Nonprofit Corporation Act, as amended, replaced and re-codified from time to time. In the event these Bylaws conflict with the provisions of said statutes, it is hereby acknowledged and agreed that the provisions of such statute shall control.


Section 2. 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

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CERTIFICATION

I, the undersigned, do hereby certify: THAT I am duly elected and acting Secretary of the Fullerton Place Homeowners Association, Inc. a North Carolina nonprofit corporation, and that the foregoing Bylaws constitute the original Bylaws of said Fullerton Place Homeowners Association, Inc. as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____ 2008.

IN WITNESS WHEREOF, I hereunto subscribed my name and affixed the seal of said FULLERTON PLACE HOMEOWNERS ASSOCIATION, INC. this _____ day of _____, 2008.

 05/20/08
Print Name: VICTORIA STEIMCE
Title: Secretary