

BYLAWS
OF
GLENNSTONE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

The name of the corporation is GLENNSTONE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Owner's Association." The principal office of the corporation shall be located at 2330 Operations Drive, in the City of Durham, County of Durham, North Carolina 27705, 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

Section 1. "Owner's Association" shall mean and refer to GLENNSTONE HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property subjected to the Declaration of Covenants, Conditions and Restrictions and such additions thereto as may hereafter be brought within the jurisdiction of the Owner's Association.

Section 3. "Common Area" shall mean all property owned by the Owner's Association for the common use and enjoyment of the Owners.

Section 4. "Single Family Lot" shall mean and refer to any plot of land shown upon any recorded sub-division map of the properties, (excepting common areas and areas reserved for construction of condominium units or townhouses) to be used for development of single family detached homes.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any single family lot, which is part of, or constructed upon, the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Cimland, L.L.C., its successors and assigns.

Section 7. "Declaration" shall mean and refer to any Declaration of Unit Ownership or Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Durham, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in any such Declaration and/or the Articles of Incorporation of this Corporation.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the 15th day of January, 2003, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of eight o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all votes of the 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, not less than ten (10) days nor more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Owner's Association, or supplied by such member to the Owner's Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in a Declaration, the Articles of Incorporation, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or 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 unit.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Owner's Association shall be managed by the Board of Directors, which Board shall consist of not less than three directors nor more than twelve directors, the exact number of directors required from time to time to be fixed by Resolution of the Board of Directors of this Corporation. Said directors must be members of the Owner's Association, officers of a corporation owning an individual patio home, condominium unit, single family lot or townhouse lot or a partner in a partnership owning an individual patio

home, condominium unit, single family lot or townhouse lot, except as provided in Section 6 of this Article IV.

Section 2. Term of Office. The initial Directors of this Association shall be appointed by the Declarant and shall consist of three Directors; one of whom will have a term of one year, one of whom will have a term of two years, and one of whom will have a term of three years. At the first annual meeting of the Members, the Members shall elect one Director to fill the vacancy of the Director whose term has expired, and thereafter the Members shall fill the vacancies of the Directors whose terms expire. In the event of any increase in the number of directors, the additional directors shall be elected so that each respective "third" of directors shall be increased equally, as nearly as may be, and, in the event of any decrease in the number of directors, each respective "third" of directors shall be decreased equally, as nearly as may be.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Owner's Association. In the event of death, resignation or removal of a director, his successors 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 Owner's 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.

Section 6. Initial Board. From the time of incorporation until the first annual meeting of members as provided in the Bylaws, the Board shall consist of three persons appointed by Cimland, L.L.C. The persons may be employees of Cimland, L.L.C. and need not own or occupy a single family lot. Until these persons are replaced by elected Board members at the first annual meeting of members, they shall constitute the Board of Directors and exercise all powers and duties granted the Board of Directors in these Articles and the Bylaws of this corporation.

ARTICLE V
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 Owner's Association. The Nominating Committee shall be appointed by the Owner's Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many

nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

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 VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Owner's Association, and to see that their duties are properly performed;

(c) Establish the annual assessment period and fix the amount of the annual assessment against each member at least thirty (30) days in advance of each annual assessment period;

(d) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(e) Foreclose the lien against any property of a member 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 the same; and

(f) Issue, or cause an appropriate officer 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;

(g) Procure and maintain adequate liability and hazard insurance on property owned by the Owner's Association;

(h) Cause all officers or employees to the Association and the officers and employees of any managing agent having fiscal responsibilities to or for the Association to be adequately bonded; and

(i) Cause the Common Area to be maintained and the ad valorem taxes to be paid thereon.

Section 3. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the facilities of the Owner's Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Owner's Association. Such rights 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) Exercise for the Owner's Association all powers, duties and authority vested in or delegated to this Owner's Association and not reserved to the membership by other provisions of these Bylaws, or the Articles of Incorporation;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Owner's Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

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

Section 3. Term. The officers of this Owner's Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Owner's 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 an office may be filled by appointment by the Board. The officers 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:

PRESIDENT

(a) The President shall 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, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

(b) 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.

SECRETARY

(c) 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 Owner's 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 Owner's Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Owner's Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Owner's Association; keep proper books of account; cause

an annual audit of the Association's books to be made at the completion of each fiscal year by a special committee of three (3) members of the Association who shall be appointed annually by the president and shall not be an officer or director of the Association while serving on the committee. The Treasurer shall also prepare an annual budget and a 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 VIII COMMITTEES

The Owner's Association's Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees deemed appropriate in carrying out its purpose.

ARTICLE IX BOOKS AND RECORDS

The books, records and papers of the Owner's Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the Bylaws of the Owner's Association shall be available for inspection by any member at the principal office of the Owner's Association.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration of Covenants, Conditions and Restrictions, each member is obligated to pay to the Owner's Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment which is 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 rate of six percent (6%) per annum, and the Owner's Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape a liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit or property.

ARTICLE XI CORPORATE SEAL

The Owner's Association shall have a seal in circular form having within its circumference the words: GLENNSTONE HOMEOWNERS ASSOCIATION, INC., Corporate Seal, Durham County, North Carolina.

ARTICLE XII
AMENDMENTS

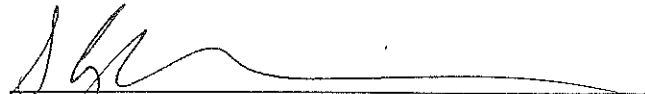
Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by the affirmative vote of 75% of the membership, that is, three-fourths (3/4) of the total votes of both the Class A membership and Class B membership, if any.

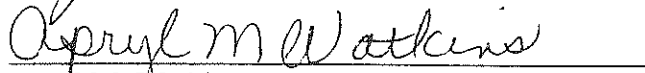
Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.


ARTICLE XIII
FISCAL YEAR

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

IN WITNESS WHEREOF, we, being all of the Directors of GLENNSTONE HOMEOWNERS ASSOCIATION, INC., have hereunto subscribed our names and affixed the seal of said Owner's Association, this the _____ day of _____, _____.


S. Craig Morrison



April M. Watkins


Carol L. Cheek

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of GLENNSTONE HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Owner's Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, _____.


Secretary