

MINUTES OF INITIAL MEETING

Pursuant to call and waiver of notice, all the members and the initial Board of Directors of the HOPE VALLEY GREEN HOMEOWNERS' ASSOCIATION, INC. (the "Association") assembled and held their first meeting at 209 Providence Road, Chapel Hill, North Carolina, at ____ o'clock p.m., on September ____, 1997.

Present at the meeting were J. Michael Adair, Mary Bryan Adair, Rachel Graham, and John A. Northen, attorney.

Mr. Adair called the meeting to order, and on motion duly made and seconded, he was appointed temporary chairman, and Rachel Graham was appointed temporary secretary.

The election of the Board of Directors was thereupon declared to be in order. The following were named and duly elected as directors of the Association: J. Michael Adair, Mary Bryan Aclair, and Rachel Graham. Mr. Adair took the chair and presided at the meeting.

The election of officers for the Association was thereupon declared to be in order. The following were named and duly elected: J. Michael Adair, President; Mary Bryan Adair, Vice-President; and, Rachel Graham, Secretary/Treasurer.

The chairman then announced that the Articles of Incorporation had been filed with the Secretary of State on September ____, 1997. The Secretary was instructed to cause a copy of the Articles of Incorporation to be inserted in the front of the minute and bylaw book of the Association.

The secretary presented a form of bylaws for the regulation of the affairs of the Association, which were read, section by section.

On motion duly made, seconded, and carried, it was

RESOLVED, that the bylaws submitted at and read to this meeting be, and the same hereby are, adopted as and for the bylaws of the Association, and that the Secretary be, and he hereby is, instructed to certify the bylaws and cause the same to be inserted in the minute book of the Association, and to certify a copy of the bylaws, which shall be kept at the principal office of the Association and open to inspection by the members at all reasonable times during office hours.

On motion duly made, seconded, and carried, it was

RESOLVED, that the seal, an impression of which is herewith affixed in the margin, be adopted as the corporate seal of the Association.

The Secretary was authorized and directed to procure the proper corporate books.

On motion duly made, seconded, and carried, it was

RESOLVED, that Central Carolina Bank & Trust Co. be, and it is, hereby selected as a depository for the monies, funds, and credit of the Association and that any of the officers of the Association be, and they are authorized and empowered to draw checks (including checks payable to their own order or to bearer) on the above depository, against the account of the Association with the depository, and to endorse in the name of the Association and receive payment of all checks, drafts, and commercial papers to the Association either as payee or endorsee, provided however, the signatures of at least two of the three officers of the Association shall be required to draw or endorse checks greater than \$5,000.00 in amount.

FURTHER RESOLVED, that the authority hereby conferred above shall remain in full force and effect until it shall have been revoked and until a formal written notice of such revocation shall have been given to and received by Central Carolina Bank & Trust Co.

FURTHER RESOLVED, that the certification of the Secretary of the Association as to the election and appointment of persons so authorized to sign such checks and as to the signatures of such persons shall be binding on the Association;

FURTHER RESOLVED, that the Secretary be, and he hereby is, authorized and directed to deliver to Central Carolina Bank & Trust Co. a copy or summary of the relevant portions of these resolutions properly certified by him.

On motion duly made, seconded, and carried, the following preambles and resolutions were unanimously adopted:

WHEREAS, the Directors have reviewed the qualifications of and in the best interest of the Association have decided and determined to employ J. Michael Adair as President.

NOW THEREFORE, BE IT RESOLVED that said J. Michael Adair shall be appointed as President, to serve in such capacity for a period of one year or until his resignation, retirement, or replacement.

WHEREAS, the Directors have reviewed the qualifications of and in the best interest of the Association have decided and determined to employ Mary Bryan Adair as Vice-President.

NOW THEREFORE, BE IT RESOLVED that said Mary Bryan Adair shall be appointed as Vice President, to serve in such capacity for a period of one year or until his resignation, retirement, or replacement.

WHEREAS, the Directors have reviewed the qualifications of and in the best interest of the Association have decided and determined to employ Rachel Graham as Secretary/Treasurer.

NOW THEREFORE, BE IT RESOLVED that said Rachel Graham shall be employed, as Secretary-Treasurer, to serve in such capacity for a period of one year or until his resignation, retirement, or replacement.

RESOLVED, that the fiscal year of the Association shall be the calendar year.

RESOLVED, that at such time as seventy-five percent of the lots have been sold by Providence Center Corporation, the President shall schedule a meeting of all lot owners to consider the election of a new Board of Directors, which new Board (once elected) shall consider the appointment of such new or replacement officers as the Board may desire.

RESOLVED, that Providence Center Corporation shall assign to the Association all contracts or agreements obtained or in effect with respect to the Common Area, including but not limited to the common area entrance lighting, trash storage and removal, utility provider agreements, or other such contracts or agreements; and, the Association shall accept such assignments, shall notify all necessary parties that the Association shall be substituted for Providence Center Corporation with respect thereto, and shall indemnify and hold Providence Center Corporation harmless from any loss, cost or expense, including reasonable attorneys' fees, incurred or arising therefrom.

RESOLVED, that the proposed budget for the Association is ratified and the dues to be collected by the Association from the lot owners shall initially be \$70 per year per lot.

There being no further business, the meeting was adjourned.

Secretary-Treasurer