

RESTATED BYLAWS OF MOUNTAINBROOK CLUB, INC.

ARTICLE 1. OFFICES

Section 1. Principal Office. The principal office of the Corporation shall be located in Charlotte, North Carolina.

Section 2. Registered Office. The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office in the State of North Carolina. The address of the registered office may be changed from time to time by the Board of Directors.

Section 3. Other Offices. The Corporation may have offices at such other places as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II. OBJECTS

Section 1. Principal Objects. The objects of the Corporation shall be the welfare, benefit and enjoyment of its members and their children, to be derived primarily from the recreation of swimming and tennis, to provide for them a convenient and pleasant place of resort for such purpose with such other incidental forms of recreation as the membership may desire which are appropriate to the Corporation premises and not inconsistent with the primary purpose of swimming and tennis.

Section 2. Earnings, Profits and Control. This Corporation was organized and shall so operate exclusively for pleasure, recreation, and other non-profitable purposes and no part of the net earnings, if any, of this Corporation shall inure to the benefit of any private stockholder, individual, or other corporation, and no part of the net income or assets shall inure to the benefit of any officer, director, member or any other individual or corporation, either during the Corporation's existence or upon its dissolution. The organization shall not be controlled by, or under common control with, any other organization.

ARTICLE III. MEMBERSHIP

Section 1. Eligibility.

A. Membership in the Corporation shall be extended to a limited number of families living within and nearby the Mountainbrook sub-divisions 1 through 6 and 6A, in the city of Charlotte, Mecklenburg County, State of

B. Membership shall not be denied to any resident of Mountainbrook subdivision 1 through 6 and 6A even though total membership may reach the maximum decided upon by the Board. In the event the maximum number is exceeded, no new members living outside the boundaries of Mountainbrook subdivisions 1 through 6 and 6A shall be admitted until such time as the membership is less than the specified limit.

Section 2. Privileges of Membership. The rights and privileges of each membership shall apply to each member of the immediate family of that residence and shall entitle such persons to the full use and enjoyment of the property of the Corporation, subject to such rules and regulations as shall be enacted by the Board of Directors.

Section 3. Voting Privileges. For voting purposes, a member is defined as a family unit and each family unit is entitled to one vote.

Section 4. Application. All applications for membership must be approved by the Board of Directors.

Section 5. Transferability and Redemption of Membership.

A. Membership in the Corporation shall not be transferable.

B. If a member leaves Mountainbrook Club because of employment related transfer, the following guidelines shall be used to establish the initiation fees charged upon reentry:

Length of Absence From Membership:

0 to 18 Months:

No Initiation Fee will be charged.

18 Months & 1 Day to 24 Months:

25% of the Current Initiation Fee

24 Months & 1 Day to 36 Months:

50% of the Current Initiation Fee

36 Months & 1 Day or More:

100% of the Current Initiation Fee

C. If a member leaves Mountainbrook Club for any reason other than an employment related transfer, the following guidelines shall be used to establish the initiation fees charged upon reentry:

Length of Absence from Membership:

0-24 months:

50% of Current Initiation Fee

24 months & 1 Day or More:

100% of Current Initiation Fee

D. Upon written request from a member, the Board, in its sole and absolute discretion, may waive payment of annual dues and repayment of any initiation fee by a member for reasons such as unemployment, medical emergency, extended out-of-town stay or financial hardship.

Section 6. Honorary Membership. Immediate families of the pool staff of the Corporation are granted use of the Corporation facilities at no charge.

ARTICLE IV. COSTS INCIDENT TO MEMBERSHIP

Section 1. Initiation Fee. The amount of the initiation fee shall be set at the discretion of the Board of Directors. The initiation fee is not refundable after one year's membership in the Corporation. If a member withdraws his membership within one year of the date of his application, one-half of the fee may be refunded upon written request by the member and approved by the Board of Directors.

Section 2. Dues. Annual dues for all members shall be due and payable each year in an amount and on a schedule to be determined by the Board.

Section 3. Assessments. Assessments in addition to annual dues may be levied by vote of the majority of the membership.

Section 4. Suspension. Failure to pay annual dues or assessments when due shall be grounds for the Board of Directors to suspend temporarily the privileges of membership of the delinquent member until the Board of Directors is satisfied that such member has satisfied the requirements of membership with respect to the payment of such dues or assessments.

ARTICLE V. BOARD OF DIRECTORS

Section 1. Administration. The business and affairs of the Corporation shall be managed by its Board of Directors, consisting of nine (9) members including the Officers of the Corporation to be elected as hereinafter provided.

Section 2. Election of Board of Directors There shall be elected at each annual meeting of the general membership four or five (4 or 5) Directors who shall serve for a period of two (2) years. Those persons

who receive the highest number of votes at a meeting at which quorum is present shall be deemed to have been elected Directors.

Section 3. Compensation At the end of the fiscal year the Club will reimburse each of the nine members of the Board of Directors the amount of the annual dues. This reimbursement will be prorated by months of service performed by each Board member. The months of service will begin with the annual term of the Board of Directors.

Section 4. Quorum. At the Board meetings, a simple majority of the Board members shall constitute a quorum.

Section 5. Board of Directors Meetings.

A. Meetings of the Board may be called by the President. The secretary shall give notice to each member of the Board of Directors at least seventy-two (72) hours in advance of the holding of any regular or special meeting.

B. Any four (4) duly qualified members of the Board of Directors may upon their own motion petition the President to call a special Board meeting. Upon receipt of such petition the President shall immediately call a meeting.

Section 6. Vacancy. In case of vacancy, the Board of Directors shall elect a successor to fill the unexpired term by affirmative vote of a majority of the remaining Directors, even though less than a quorum.

Section 7. Failure to Attend. Any Board member who fails to attend three successive regular meetings without good cause shall automatically cease to be a member of the Board of Directors, and his office shall be filled by the Board of Directors.

Section 8. Misconduct. Any Board member may be expelled from office for misconduct or neglect of duty. Such expulsion may be effected by simple majority vote of a quorum of the Board of Directors.

Section 9. Parliamentary Procedure. At all meetings, "Roberts Rules of Order Revised" shall govern any question of procedure not covered by the Bylaws.

Section 10. Powers and Duties. The Board of Directors shall have power by majority vote to:

- A. Propose amendments to the Bylaws.
- B. Make and amend rules and regulations for the operation of the Corporation.
- C. Prescribe penalties for violations of the rules and regulations of the Corporation.
- D. Receive and redress complaints.
- E. Approve applications for membership.
- F. Elect from the Board of Directors a President, Secretary, Treasurer, and such other officers as deemed necessary, said officers to serve for a two (2) year term.
- G. Constitute and appoint committee and define the powers and duties of the same.
- H. Fill any vacancies in the membership of the Board of Directors.
- I. Provide for the financing of the Corporation's activities and authorize the issuance of bonds, making of contracts, leases, conveyances, deeds, and notes.
- J. Provide for the handling and expending of the funds of the Corporation and to provide for the operation and maintenance of the Corporation's properties.
- K. Recommend assessments and prescribe dues in accordance with the Bylaws.
- L. Select a depository for the Corporation and, subject to the Bylaws, determine the manner in which checks, drafts, and other instruments for the payment of funds of the corporation shall be executed.

Section 11. Action Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records.

ARTICLE VI. MEMBER MEETINGS

Section 1. Annual Meeting. The annual meeting of the members shall be held at such time and places as may be designated by the Board of Directors after close of fiscal year, December, 31.

A. One-fourth of the members in good standing shall constitute a quorum for the transaction of business at any regular or special meeting of the membership. A quorum shall include members in attendance through their written proxies. Each family membership will be entitled to one vote either by written proxy or in person at any regular or special meeting of the membership. If a quorum exists, action on a matter by the members (other than the election of directors) is approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by law or the Articles of Incorporation or these Bylaws.

B. Written notice of a meeting shall be mailed or emailed to each regular member in good standing at his known address at least ten days, but not more than sixty days, prior to the date of the meeting.

Section 2. Special Membership Meeting.

A. Special meetings of the members may be called by the Board of Directors at any time or by the President at such times as, in his judgment, may be necessary. Special meetings of the members shall also be called within thirty days after written request to the Secretary signed by ten percent of the members in good standing, describing the purposes of the meeting. Written notice of any such meeting shall be mailed to each regular member in good standing at his last known address at least three days prior to the date of such special meeting.

B. The notice of every special meeting shall state the object or objects for which it is called, and no further business shall come before such meeting.

Section 3. The Order of Business. The order of business at all membership meetings shall include: reading of minutes, reports of President, Treasurer, Secretary and committees; election of Directors, unfinished and new business, and adjournment.

Section 4. Record Date. The Board of Directors shall fix the record date for determining the members entitled to notice of a members' meeting and the record date for determining the members entitled to vote at a members' meeting. If no record date for determining the members entitled to notice of a members' meeting is fixed, members at the close of business on the business day preceding the day on which notice is given are entitled to notice of the meeting. If no record date for determining the members entitled to vote at a members' meeting is fixed, members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

Section 5. Members' List. After a record date is fixed for the notice of a meeting, an alphabetic list of members entitled to receive notice, including their addresses, will be prepared. The list must contain a listing of members who are entitled to vote at the meeting, although not entitled to receive notice. The list must be made available for inspection at the principal office, or other reasonable place in the city in which the meeting will be held, as specified in the meeting notice, during the period from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled to access to the list for the purpose of communicating with other members. The member or the member's representative is entitled to make the inspection on written demand, and subject to North Carolina General Statutes Sections 55A-16-02(c) and 55A-16-05, to copy the list at a reasonable time and at the member's expense. Refusal or failure to prepare or make available the members' list does not affect the validity of action taken at the meeting.

Section 6. Action by Ballot. Any action that may be taken at a meeting of members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter setting forth each proposed action and providing an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid if the number of votes cast by ballot equals

or exceeds the quorum required to be present at the meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the Corporation in order to be counted. Once received by the Corporation, a written ballot may not be revoked.

ARTICLE VII. OFFICERS

Section 1. Officers. The officers of this corporation shall be a President, a Secretary, a Treasurer, and such other officers as may at any time be deemed necessary by the Board of Directors.

Section 2. President. The President or his designated representative shall preside at all meetings. The President shall be the administrative officer of the Corporation, recommend to the Board of Directors the formation of all committees and shall further recommend the Chairman thereof, and sign all official documents. He shall be an ex-officio member of all committees, perform all such other duties as are required of the office, and exercise general supervision and control of the affairs of the Corporation.

Section 3. Secretary. The Secretary shall keep a record of all the proceedings of all meetings. He shall attest all documents of the Corporation and shall be custodian of the official seal of the Corporation. He shall handle such correspondence of the Corporation that the President or the Board of Directors delegate to him. He shall keep a copy of the minutes of each meeting and be familiar with the character, constitution and Bylaws of the Corporation. He shall maintain an up-to-date copy of the Bylaws and submit a copy to each new Board of Directors. He shall upon request perform such other duties as pertain to his office.

Section 4. Treasurer. The Treasurer shall have custody of all funds and securities of the Corporation and deposit the same in the name of the Corporation in such depository as the Directors may elect. He shall be responsible for the issuance of all checks, drafts, notes, and orders for the payment of money. He shall upon request at all reasonable times exhibit his books and accounts to any Director and member of the Corporation.

Section 5. Signature. All checks, drafts, notes, and orders for the payment of money shall be signed by one or more persons authorized by the Board of Directors.

Section 6. Vacancy. Whenever, any office of the Corporation shall become vacant for any cause, the vacancy shall be filled for the unexpired term by the Board of Directors.

ARTICLE VIII. FISCAL YEAR

The first day of January shall constitute the beginning of the fiscal year of the Corporation.

ARTICLE IX. LIMITATIONS OF CLUB RESPONSIBILITIES

Section 1. Limitations. The Corporation shall not be responsible for any supplies furnished it, nor for any engagement whatever creating indebtedness, except for such orders as have been made by authority of the Board of Directors and except as herein otherwise stated. A purchase must be made by a member of the Board of Directors to whom authority has been given. No purchase shall be made in excess of the Corporation's budget as fixed by the Board of Directors.

Section 2. Indemnification. Any person who at any time serves or has served as a director, officer, employee, or agent of the Corporation, or in such capacity at the request of the Corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any

threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may have become liable in any such action, suit or proceedings.

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this provision, including without limitation, to the extent needed, making a good faith evaluation of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the Corporation.

Any person who at any time after the adoption of this provision serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing so or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall insure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from this provision.

ARTICLE X. USE OF FACILITIES

Section 1. Member Social Events. The Corporation shall not serve or permit to be consumed on its premises any alcoholic beverages except at club-sponsored, adult-oriented events where family activities are not the primary focus,

Section 2. Charitable Use. All facilities of the Corporation are primarily for the use, entertainment, and enjoyment of the members and their children and are not to be used for any commercial purposes, but may on occasion, by authority of the Board of Directors, be made available for charitable use.

Section 3. Private Use. There shall be no private use of any of the Corporation's premises or facilities except as approved in writing by the Board.

Section 4. Application. When any member or organization applies to the Corporation for private use, the application must be in writing accompanied by a check for the proper charge and the member or organization shall be responsible for all indebtedness and the conduct of all persons present.

Section 5. Limitation. Private use should come within the purpose of intent of the Articles on Objects and Use of Facilities.

ARTICLE XI. EXPULSION AND CENSURE

Section 1. Censure. In the event of any infraction of any of the Bylaws or any rule or regulation of the Corporation, or any conduct on the part of any member or dependent of a member of the Corporation, which may tend to endanger the good order, welfare, or character of the Corporation, the President, upon the approval by the majority of the Board of Directors, may withdraw all privileges of the Corporation from such member or dependent of a member for a period of not more than ten (10) days.

Section 2. Appeal. Any member or dependent of a member who has been suspended as set out in Section I above and who feels unjustly aggrieved shall have the right to petition the President for a special meeting of the Board of Directors at which time the entire matter will be heard, A majority of the Board of Directors shall have the right to lift the suspension as set out in Section I and reinstate the member or his dependent.

Section 3. Suspension. Any member or dependent of a member who has been censured as provided in Section 1, Article XI, and thereafter commits a second offense will receive a written notice of at least three days of a special or regular Board of Directors meeting. At this meeting, the charge will be heard

and the member or dependent given an opportunity to defend himself. If found guilty, the member or dependent shall be suspended from all privileges of membership for a period not exceeding thirty (30) days. The next offense shall Cause the Board of Directors to expel said member or dependent from membership in the Corporation.

ARTICLE XII. AMENDMENT OF BYLAWS

Section 1. Proposed Amendments

A. By the Board. All amendments to these Bylaws proposed by a member of the Board, shall be presented in writing to all the Board members and approved by a majority of that body before being brought before the membership.

B. By the Membership. Proposed changes to these Bylaws may be Initiated by the membership with written notification to the Board of Directors, signed by ten percent of the members in good standing, stating the nature of, and reason for, the alteration. The Board must present such a proposal to the membership for action together with a recommendation of the Board by majority vote.

Section 2. Approval of Proposed Amendments. All proposed amendments must be approved at the annual meeting or at a special meeting of the membership by a majority of all members entitled to vote. All members shall be notified in writing of any proposed changes at least ten days prior to any special or annual meeting called to consider same.

Section 3. Membership Notification. All members shall be notified in writing of amendments to the Bylaws.

February 12, 2006