

**FIRST AMENDMENT TO BYLAWS OF
STRAUS PARK MASTER ASSOCIATION, INC.**

This First Amendment (the "Amendment") to the Bylaws of Straus Park Master Association, Inc. is made as of this 26th day of October, 1998 by the Board of Directors of Straus Park Master Association, Inc., a North Carolina non-profit corporation, for the benefit of all parties bound by, benefiting from or otherwise involved with the Declaration of the Master Association and all future owners of those certain portions of the property within the bounds of Straus Park (said Bylaws, the "Original Bylaws").

RECITALS

Whereas, all those terms defined in the Original Bylaws are intended to and shall have the same meanings herein; and

Whereas, the Original Bylaws, as modified by this Amendment, are intended to be, and shall be, the Bylaws hereafter; and

Whereas, pursuant to Article VII of the Original Bylaws, the same may be amended; and

Whereas, Declarant presently owns more than seventy-five (75%) of the existing Lots and has presented the Amendment to the Directors for consideration; and

Whereas, modifications to the Original Bylaws are needed due to certain matters which have arisen subsequent to the recording of the Original Bylaws; and

Whereas, this Amendment shall be beneficial to the proper development of Straus Park.

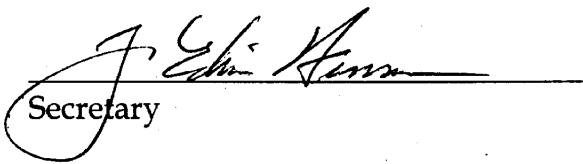
Now, therefore, in consideration of the foregoing, the Original Bylaws are modified as set forth hereafter:

1. Article III, Section 1 of the Original Bylaws is hereby deleted and revoked and the following is adopted to serve as Article III, Section 1 in its place and stead:

Section 1: The affairs of the Master Association shall be governed by a Board of Directors which shall be composed of seven persons, until a condominium declaration is filed establishing a condominium regime in Straus Park and the condominium association therefor is incorporated and established, at which time said Board shall be composed of eight persons. Five of the Directors shall be the Presidents of the five Owner's Associations, while the sixth and seventh Directors (the "Appointees") shall be appointed by the Declarant, the Declarant's successor or the

Declarant's designee to make such appointment, by notice thereof provided to the Master Association. Upon the establishment of the aforesaid condominium regime and association, the eighth Director shall be the President of that condominium association, so long as only one condominium association exists in Straus Park. If more than one condominium association exists in Straus Park, then the condominium associations shall choose one condominium association President to be a Director. Notwithstanding the foregoing, prior to the Release Date, the Appointees shall collectively (jointly and severally) have eight votes on all matters, while the other Directors shall have one vote each, (i.e. a total of five prior to the condominium association Director and then six). Each non-Appointee Director shall serve for the period of such Director's appointment or office (as President), or until a successor is duly elected; and thus, each President's term as a Director shall be coterminous with his or her term as President. Each of the Appointees shall serve at Declarant's pleasure.

This is to certify that this First Amendment to the Bylaws of Straus Park Master Association, Inc. was duly adopted the 26 day of October, 1998.


Secretary