



FOR REGISTRATION REGISTER OF DEEDS
JENNIFER H. MACNEISH
NEW HANOVER COUNTY, NC
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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

**BYLAWS OF
CARLETON PLACE TOWNHOMES
ASSOCIATION**

NOW COMES Carleton Place Townhomes Association and hereby certifies that the attached are the Amended and Restated Bylaws of **CARLETON PLACE TOWNHOMES ASSOCIATION** adopted and amended by the members and directors in accordance with the North Carolina Non-Profit Corporation Act at the annual meeting of the Association held on March 27, 2010.

This the 31st day of August 2010.

CARLETON PLACE TOWNHOMES ASSOCIATION

By: MAURI K. HOIDGES
Name: Maurice Hoidges
Title: President

ATTEST:
By: Charles R. Andrews, Jr.
Name: CHARLES R. ANDREWS, JR.
Title: Secretary

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that Mauri K. HOOGBS, President of Carleton Place Townhomes Association and CHARLES R. ANDREWS, Secretary of Carleton Place Townhomes Association, *[being personally known by me or having seen satisfactory evidence of the principal's identify]* personally appeared before me this day and acknowledged to me that they voluntarily signed the foregoing document for the purpose stated therein and in the capacities indicated.

Date: 9-25-10



Calvin W Barnes
(official signature of Notary)

CALVIN W BARNES, Notary Public
(Notary's printed or typed name)

My commission expires: 12-07-2014

AMENDED AND RESTATED
BYLAWS
FOR
CARLETON PLACE TOWNHOMES ASSOCIATION

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AMENDED AND RESTATED
BYLAWS
FOR
CARLETON PLACE TOWNHOMES ASSOCIATION

ARTICLE I

Name and Definitions

Section 1.1. Name. The name of the Association shall be Carleton Place Townhomes Association (hereinafter referred to as the "Association").

Section 1.2. Definitions. As used in these Bylaws, the following definitions shall apply:

(a) Capitalized terms shall have the same meaning specified for such terms as more particularly set forth in the Declaration for Carleton Place Townhomes as recorded in the office of the Register of Deeds of New Hanover County, North Carolina; and

(b) References to provisions of the North Carolina General Statutes shall include any amendments thereto or any corresponding provisions of any future North Carolina Statutes; and

(c) References to the "North Carolina Nonprofit Corporation Act" shall mean Chapter 55A of the North Carolina General Statutes and shall include any amendments thereto and any corresponding provisions of any future North Carolina Statutes; and

(d) References to "Association Documents" shall mean collectively the Declaration for Carleton Place Townhomes as recorded in the office of the Register of Deeds of New Hanover County, North Carolina, the Articles of Incorporation and Bylaws of the Association, any Rules and Regulations adopted from time to time by the Association, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.

Section 1.3. Bylaws Generally. Any inconsistency between (a) these Bylaws and the Articles of Incorporation of the Association and (b) any of the other Association Documents regarding rights, obligations, and governing provisions of the Association's members, directors, activities and operations shall be resolved in a manner that is consistent with the North Carolina Nonprofit Corporation Act.

ARTICLE II

Offices

Section 2.1. Principal Office. The principal office of the Association shall be located at such place as the Board of Directors may fix from time to time.

Section 2.2. Registered Office. The registered office of the Association required by the North Carolina Nonprofit Corporation Act to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 2.3. Other Offices. The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors (hereinafter referred to as the "Executive Board" or the "Board") from time to time may determine, or as the affairs of the Association from time to time may require.

ARTICLE III

Membership and Voting

Section 3.1. Membership. A Person shall automatically become a member of the Association upon his or her acquisition of title to a Lot within the Property and may become a member in no other manner. Provided, that in order to entitle the acquirer of title to a Lot to become a member, such acquisition shall be in a manner consistent with the terms and restrictions regarding acquisitions contained in the Declaration. If more than one Person owns a Lot, then all of the Persons who own such Lots shall constitute collectively one Owner and one Member of the Association.

Section 3.2. Notice of Membership. Membership in the Association is mandatory and is effective upon acquiring title to a Lot within the Property as is set forth above in Section 3.1. Upon acquiring title to a Lot and becoming a member, each new Owner shall immediately give written notice of such membership to the Secretary of the Association stating the name and address of such new Owner and the Lot acquired by such new Owner as set forth in the Declaration.

Section 3.3. Transfer of Membership. Memberships are not transferable separate from ownership of a Lot within the Property.

Section 3.4. Suspension of Membership. The membership rights of a member shall not be suspended so long as the Person continues to hold title to a Lot, is not in violation of any provision of the Association Documents, and is not in arrears in the payment of any assessment. The membership rights of a member may be suspended as more particularly set forth in the Association Documents.

Section 3.5. Classes of Members and Voting Rights. During the Development Period, the Association shall have two (2) classes of membership as follows:

(a) Class A - Class A Members shall be the Owners of Lots with the exception of the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership.

(b) Class B - Class B - The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership. The Class B Membership shall cease and be converted to Class A membership upon any of the following events, whichever first occurs:

(i) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that Class B membership shall be reinstated if thereafter and before the time stated below Additional Property is submitted to this Declaration and to the jurisdiction of the Association by Declarant as provided in Section 4.1 of Article 4 of this Declaration;

(ii) December 31, 2005;

(iii) when Declarant determines to terminate its Class B membership status.

Notwithstanding the foregoing, during the Development Period the Class B Member shall have a veto power over all actions of the Executive Board or any committee as may have been appointed by the Executive Board or established by these Bylaws.

Section 3.6. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an Owner, (i) the Association shall cast its votes with the majority of other voters with respect to any Lot it owns, and (ii) the Association's votes shall be counted for the purpose of establishing a quorum. In the event of a tie vote, any votes with respect to any Lot owned by the Association shall not be cast.

(b) Multiple-Person Owners. In the event that any Lot is owned by more than one Person, and if only one of such Person is present at a meeting of the Association, that Person so present shall be entitled to cast the vote for that Lot. If more than one of such Persons is present, the vote appurtenant to that Lot shall be cast only in accordance with unanimous agreement of such Persons who are present at the meeting and such agreement shall be conclusively presumed if any of them purports to cast the vote appurtenant to that Lot without protests being made forthwith to the Person presiding over the meeting by any of the other Persons having an ownership interest in the Lot.

(c) Voting Certificate. If a member is not a natural person, the vote by such member may be cast by any natural person authorized by such member. Such natural person must be named and a certificate signed by an authorized officer, partner or trustee of such Person and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote is cast. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed with the Secretary. Wherever the approval or disapproval of a member is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such member at any meeting of the Association.

(d) Delinquency. No member may vote at any meeting of the Association or be elected to serve on the Executive Board or be appointed to serve on any committee if payment by such member of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting, election, or appointment; provided, however, that for good cause shown and upon bringing such account current (or, at the Board's discretion, upon making appropriate provisions

to bring such account current) the Board may, in its discretion, waive the prohibition stated in this subparagraph.

Section 3.7. Manner of Voting. Voting, except for the election of directors which shall be by written ballot, by members at a meeting shall be by voice vote or a show of hands unless any member present at the meeting requests, and by a Majority Vote the members consent to, a vote by written ballots. Except in the election of directors as provided in Section 5.2 of these Bylaws, if a quorum is present, action on a matter at a meeting of members is approved by the affirmative vote of a majority of the votes cast, unless a greater vote is required by the North Carolina Nonprofit Corporation Act, the Association's Articles of Incorporation, or these Bylaws. Unless otherwise provided in the Association's Articles of Incorporation or these Bylaws, directors will be elected by a plurality of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present.

Section 3.8. Proxies. A member may vote either in person or by one or more agents authorized by a written proxy executed by the member or by the member's duly authorized attorney-in-fact. In cases where the member is more than one Person, a proxy shall be executed by all such Persons or by attorneys-in-fact duly authorized by all such Persons. A proxy is valid for eleven (11) months from the date of its execution unless a different period is expressly provided therein. A revocable appointment of a proxy shall be deemed revoked only if the member appointing the proxy attends a meeting to which the proxy pertains and votes in person, or signs and delivers to the Secretary (or other officer or agent authorized to tabulate proxy votes) either a written revocation of the proxy or a subsequent written proxy.

ARTICLE IV

Meeting of Members

Section 4.1. Place of Meeting. All meetings of members shall be held at the principal office of the Association or at such other place in New Hanover County, North Carolina, as may be determined by the Executive Board to be convenient to the members.

Section 4.2. Annual Meetings. The first annual meeting of the Association shall be held not later than the first anniversary of the incorporation of the Association at such time and place as may be fixed by a resolution of the Executive Board. Subsequent annual meetings of the Association shall be held at least forty-five (45) days prior to the beginning of each fiscal year at such time as may be fixed from time to time by resolution of the Executive Board.

Section 4.3. Special Meetings. Special meetings of the members of the Association may be called at any time by (1) the President; (2) the Executive Board of the Association; or (3) during the Development Period, upon request of the Declarant. In addition to the foregoing, special meetings of the members of the Association shall be held within thirty (30) days of receipt by the Secretary of the Association of a written request signed, dated, and delivered to the Secretary by the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed in such request to be considered at the meeting. Such request for a special meeting must: (1) specify the time and place at which the meeting is to be held, which place must be in New Hanover County, North Carolina; (2) either (a) specify a date on which the

meeting is to be held which will permit the Secretary to comply with all notice provisions of this Article (provided that all such notices are delivered either in person, by facsimile, or by first class, certified, or registered mail) or (b) specify that the Secretary shall designate the date of the meeting (provided that the date so designated shall be not later than thirty (30) days following receipt by the Secretary of such request); (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary in writing.

Section 4.4. Notice of Meetings.

(a) Notice of meetings of members shall be given by the President, Secretary, or other person calling the meeting by any means that is fair and reasonable, and for this purpose, written or printed notice stating the time, place, and date of the meeting shall be delivered (i) not less than ten (10) nor more than sixty (60) days before the date thereof, either in person, by facsimile, or by first class, certified, or registered mail, or (ii) not less than thirty (30) nor more than sixty (60) days before the date thereof, if such notice is mailed by other than first class, registered, or certified mail, to each member of record entitled to vote at such meeting, unless the North Carolina Nonprofit Corporation Act or the Association's Articles of Incorporation require that such notice be given to all members with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the member at the member's address as it appears on the current record of members of the Association, with postage thereon prepaid.

(b) Notwithstanding the foregoing, if the notice provided for above clearly would not be fair and reasonable under the circumstances then existing, then notice appropriate for the circumstances shall be given; PROVIDED, HOWEVER, THAT notice for a meeting where any of the following matters are to be approved in all events shall be given as provided in the first paragraph of this Section: (i) director conflict of interest or indemnification, (ii) amendment to the Association's Articles of Incorporation or Bylaws, (iii) plan of merger or dissolution, or (iv) a sale of assets other than in the regular course of the Association's activities.

(c) In the case of an annual or regular meeting of members, the notice of meeting need not specifically state the business to be transacted thereat or include a copy or summary of any proposed action, unless the purpose, or one of the purposes, of the meeting is (i) the removal of a director pursuant to Section 4.4(b), (ii) any action to significantly modify, remove, close, or relocate a Common Element or (iii) any action to amend the Association Documents, or such notice is otherwise expressly required by the provisions of the North Carolina Nonprofit Corporation Act. Also, and in addition to the notice provisions of subparagraph (a) of this Section, notice of a meeting to act on an amendment to any Association Document shall be accompanied by a copy of the proposed amendment. In the case of a special meeting, the notice of meeting specifically shall state the purpose or purposes for which the meeting is called, and only those matters which are stated in the notice may be acted upon at a special meeting of members.

(d) Also, notice of any meeting of members shall give notice of any matter a member intends to raise at the meeting if the Association receives a written request to do so by members entitled to call a special meeting pursuant to Section 4.3 of these Bylaws, and such

written request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of such meeting.

(e) If any meeting of members 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 and if a new Record Date (as defined in Section 4.11 of these Bylaws) is not fixed for the adjourned meeting. If a new Record Date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to the members of record entitled to vote at the meeting as of the new Record Date.

Section 4.5. Waiver of Notice of Meetings. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the member, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A member's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the member or the member's proxy at the beginning of the meeting objects to holding the meeting or transacting business thereat, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member or the member's proxy objects to considering the matter before it is voted upon.

Section 4.6. Membership Lists. Before each meeting of members, the Association shall prepare an alphabetical list of the members entitled to notice of the meeting and entitled to vote at the meeting, showing each such member's address and the number of votes each such member is entitled to cast at the meeting. As a part of the aforementioned membership list and prepared on the same basis, the Association shall list, current through the time of the membership meeting, a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. The list shall be kept on file at the principal office of the Association for the period beginning two (2) business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any member, personally or by or with such member's representative, at anytime prior to the meeting for the purpose of communication with other members concerning the meeting and at anytime during the meeting or any adjournment thereof. A determination of members entitled to notice of, or to vote at, a membership meeting is effective for any adjournment of the meeting unless the Executive Board fixes a new date for determining the right to notice or the right to vote, which the Board shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 4.7. Quorum.

(a) Unless provided otherwise by the North Carolina Nonprofit Corporation Act, one-third (1/3) of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum on that matter at the opening of a meeting of members. Once a member is represented for any purpose at a meeting, such member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date (as defined in Section 4.11 of these Bylaws) is or must be set for that adjourned meeting. Notwithstanding that a quorum may have been established at a meeting, unless one-

third (1/3) or more of the votes entitled to be cast in an election of directors are represented in person or by proxy at such meeting, the only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice.

(b) If at any meeting of the Association a quorum is not present, a majority of the members who are present at such meeting in person or by proxy may: (1) recess the meeting to such date, time and place as members may agree not more than forty-eight (48) hours after the time the original meeting was called; or, (2) adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called at such date and place as such members may agree, whereupon the Secretary shall announce the date, time and place at the meeting and make other reasonable efforts to notify all members of such date, time and place.

Section 4.8. Informal Action. 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 (including in the case of multiple owners of a Lot, the signatures of all such owners), and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records.

Section 4.9. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call or proof of quorum; (2) proof of notice of meeting; (3) reading of the minutes of the preceding meeting; (4) reports of other officers and management; (5) report of Executive Board; (6) reports of committees; (7) unfinished business; (8) new business; provided, however, that the voting for election of directors may commence at any time at the direction of the presiding officer; and (9) election of directors.

Section 4.10. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The most current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Association documents.

Section 4.11. Record Date to Determine Members and List of Members. The date for determining which Persons are members and therefore entitled to notice and to vote ("Record Date") shall be the close of business on the thirtieth (30th) day prior to the date of the meeting, unless the Executive Board shall set a different Record Date, which in no event shall be more than thirty (30) days prior to the meeting to which it pertains. The Executive Board shall not set a Record Date retroactively. The membership list shall be current as of the Record Date.

ARTICLE V

Executive Board

Section 5.1. General Powers. The business and affairs of the Association shall be directed by the Executive Board or by such Executive Committee or other committees as the Executive Board may establish pursuant to these Bylaws. There shall be one (1) incorporator of

the Association, being that Person named in the Articles of Incorporation of the Association, who shall hold an organizational meeting upon the call of such incorporator to elect directors in accordance with Section 5.2 hereof and complete the organization of the Association, or to elect directors in accordance with Section 5.2 hereof who then shall complete the organization of the Association. The foregoing action may be taken without a meeting if the action taken is evidenced by written consent describing the action taken and signed by the incorporator.

Section 5.2. Composition and Election of Executive Board.

(a) Number of Directors. The number of directors of the Association shall be five (5).

(b) Term of Office. Each director holding office as of December 13, 2009 shall continue to serve a term of one (1) year, with such term expiring at the 2010 annual meeting of the Association held in accordance with Section 4.2 hereof. All Executive Board members elected after December 13, 2009 shall be elected for a term of two (2) years.

Section 5.3. Election Procedures and Qualifications.

(a) Nominations Committee. Nominations for election to the Executive Board shall be made by a Nominating Committee. The Nominating Committee shall be appointed by the existing Executive Board and shall consist of a chairman, who shall be a member of the Executive Board, and at least two (2) other Persons who are Members of the Association but not currently serving on the Executive Board. The Nominations Committee shall develop election procedures and administer such procedures as are approved by the Executive Board providing for election of directors by members at the annual meetings, and, where appropriate, at special meetings. The Nominations Committee shall serve from the date of their appointment through the close of the annual meeting or, where appropriate, the special meeting, at which the election for members of the Executive Board is to be held.

(b) Nominations. Persons qualified to be directors may be nominated for election by the Nominating Committee and the names submitted in writing to the President of the Association and the Executive Board sixty (60) days before the meeting at which the election is to be held. The Nominating Committee shall nominate for election each such person who has indicated in writing his or her willingness to serve and is eligible to hold such position but in no event less than the number of vacancies or terms to be filled. The written nominations presented by the Nominating Committee shall be accompanied by a statement signed by the nominees indicating the willingness of such nominees to serve as directors. Additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Executive Board. The nominee must either be present at said meeting and consent to the nomination or have indicated in writing his or her willingness to serve as a director and be eligible to hold such position.

(c) Qualifications. No Person shall be eligible to serve as a director unless such Person is an Owner, an officer, trustee, general partner or agent of an Owner who is not a natural person, the Declarant or a Mortgagee.

Section 5.4. Action by Executive Board. A majority of the members of the Executive Board in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Executive Board. Each director shall be entitled to one (1) vote on all matters that come before the Association. Unless a greater vote is required by the Association's Articles of Incorporation, these Bylaws, or by the North Carolina Nonprofit Corporation Act, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Executive Board. A director who participates in a meeting by any means of communication by which all directors simultaneously may hear each other during the meeting shall be deemed present at such meeting for all purposes.

Section 5.5. Removal or Resignation of Directors.

(a) At any regular or special meeting of the Association any one or more of the directors may be removed from office at any time with or without cause by a vote of the members only if the number of votes cast to remove the director would be sufficient to elect the director. A director may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the director. If any directors are so removed, new directors may be elected by the members at the same meeting. Notwithstanding other notice provisions in these Bylaws, any director whose removal has been proposed by the members shall be given at least ten (10) days' notice of the time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

(b) A vacancy among the members of the Executive Board caused by any reason other than the removal of a director by the members shall be filled by a Majority Vote of the remaining Executive Board members at a meeting of the Executive Board held for such purpose promptly after the occurrence of such vacancy, or if the directors remaining in office constitute fewer than a quorum of the Executive Board, the directors may fill the vacancy by an affirmative vote of a majority of the remaining directors, or by the sole remaining director, as the case may be. Each director so elected shall serve as a director until a successor shall be elected at the next annual meeting of the Association, and each such replacement director may be removed only by the Class A Membership, not the Executive Board.

(c) A vacancy caused by a removal of a director by the member shall be filled only by such members pursuant to Section 5.2 of these Bylaws, and the replacement director shall serve as such only for the remainder of the original term of the director being replaced so that the staggered terms shall remain unaffected.

(d) A director may resign at any time by giving notice to the Executive Board, the President, or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding anything to the contrary herein, (i) every director (or replacement thereof) automatically is terminated as a director effective immediately upon the date of disposition by the Owner of the Lot which made such person eligible to be a director, (ii) any director automatically is terminated as a director effective immediately upon such day as such Owner is sixty (60) days delinquent in meeting any financial obligation owed to the Association, and (iii) any director who is not in attendance at three (3) consecutive regular meetings of the Board automatically is terminated as a director for failing to attend the aforementioned number

of meetings, which termination shall be effective on the third missed meeting date. With regard to Items (ii) and (iii) above, the Executive Board may, in its discretion, for good cause shown and upon such terms and conditions as the Executive Board may deem appropriate (such as, making a delinquent account current or making adequate provisions to make such account current), elect to reinstate such director for the remainder of such director's term of office.

Section 5.6. Powers and Duties of the Board. All of the Association's corporate powers shall be exercised by or under the authority of, and the affairs of the Association shall be managed under the direction of, the Executive Board. In this regard, the Board shall take all actions that are not required by the North Carolina Nonprofit Corporation Act to be exercised or done by the members, and to the extent consistent with the North Carolina Nonprofit Corporation Act, the Board shall take all action not required by the Association Documents to be exercised or done by the members. Any activity undertaken by the Association that (i) requires both action or approval by both members of the Association and its Board under the North Carolina Nonprofit Corporation Act or (ii) materially modifies the members' right of access to, over and through the Common Elements shall be approved by both the Members of the Association and the Executive Board. In addition to duties and responsibilities imposed by any other provision of the Association Documents or by any resolution of the Executive Board that may hereafter be adopted, the Association shall perform, or to the degree authorized by law, the Board shall authorize agents, employees, or officers to perform on behalf of the Association, the following specific duties and responsibilities:

(a) Provide goods and services to the members in accordance with the Association Documents, and provide for Upkeep of the Common Elements and, to the extent provided in the Declaration, of the Lots.

(b) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Elements and, to the extent provided in the Declaration, of the Lots, and provide goods and services to the members and Owners, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.

(c) Collect the assessments, deposit the proceeds thereof in depositories designated by the Executive Board and use the proceeds to carry out the Upkeep of the Property to the Extent the Association is so authorized by the Declaration.

(d) Adopt, amend and repeal any reasonable Rules and Regulations not inconsistent with the Association Documents.

(e) Open bank accounts on behalf of the Association and designate the signatories thereon.

(f) Enforce by legal means the provisions of the Association Documents.

(g) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Elements.

(h) Notify the members of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(i) Obtain and carry insurance against casualties and liabilities, as provided in Article 10 of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized goods and services rendered to the Association and not billed to Owners of individual Lots or otherwise provided for in Article 6 of the Declaration.

(k) Notify a Mortgagee of any default in paying assessments for Common Expenses by an Owner (which remains uncured for ninety (90) days) or for any other default, simultaneously with the notice sent to the defaulting Owner.

(l) Acquire, hold and dispose of Lots and mortgage the same without the prior approval of the Association if such expenditures and hypothecations are included in the budget.

(m) Charge reasonable fees for the use of the Common Elements and for services.

(n) Suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household, guests, employees, customers, tenants, agents and invitees to use any recreational facilities, areas or amenities located in the Common Elements.

(o) Prepare an annual budget in accordance with Article 6 of the Declaration.

(p) Adopt an annual budget and make assessments (general or special) against the Owners to defray the Common Expenses of the Association, establish the means and methods of collecting such assessments from the Owners and establish the period of the installment payment, if any, of the assessments for Common Expenses.

(q) Borrow money on behalf of the Association when required for any valid purpose; provided, however, that (except during the Development Period), either a Majority Vote of members obtained at a meeting held for such purpose or written approval by members entitled to cast more than sixty-seven percent (67%) of the total number of votes shall be required to borrow any sum in excess of fifteen percent (15%) of the total annual assessment for Common Expenses for that fiscal year and, subject to Section 15.5 of the Declaration, mortgage any of the Common Elements owned in fee simple by the Association.

(r) Execute deeds, plats of resubdivision and applications for construction permits for the Common Elements owned in fee simple by the Association, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant.

(s) Dedicate or transfer any portion of the Common Elements owned in fee simple by the Association or grant easements, rights-of-ways or licenses over and through the

Common Elements owned in fee simple by the Association pursuant to Section 3.2 of the Declaration and subject to the restrictions set forth in Section 15.5 of the Declaration.

(t) In its sole discretion, designate certain portions of the Common Elements as Limited Common Elements, pursuant to Section 3.9 of the Declaration, and impose such restrictions and conditions on the use thereof as the Executive Board deems appropriate.

(u) To take any and all additional acts as may be required or permitted by the Association Documents and the North Carolina Nonprofit Corporation Act.

Section 5.7. Meeting of Directors.

(a) Regular Meetings. A regular meeting of the Board shall be held within fifteen (15) days after the annual meeting of members and shall be held at such time and place as shall be determined by the directors for the purpose of electing Officers and conducting other appropriate annual business. Otherwise, the Board may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings; provided, however, that commencing at the end of Development Period, such meetings shall be held at least quarterly during each fiscal year.

(b) Special Meetings. Special meetings of the Board may be called by or at the request of the Chairman of the Board, if any, the President or any two (2) directors. Such meetings may be held either within or without the State of North Carolina.

(c) Open Meetings. All meetings of the Executive Board shall be open to Owners as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, litigation strategy, or hearings with respect to violations of the Association Documents. Any final action taken by the Board in executive session shall be recorded in the minutes of such meeting.

(d) Notice. Regular meetings of the Board may be held without notice. The person or persons calling a special meeting of the Board, at least three (3) days before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

Notwithstanding the foregoing provisions of this paragraph (d), notice for any meeting of directors shall be made as may be required otherwise by the North Carolina Nonprofit Corporation Act, including without limitation, meetings of directors where any of the following matters are to be approved: (i) amendment to the Association's Articles of Incorporation or Bylaws, (ii) plan of merger or dissolution, or (iii) a sale of assets other than in the regular course of the Association's activities.

(e) Waiver of Notice. Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the

meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(f) Quorum. A majority of the Executive Board in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the Executive Board.

(g) Adjournment of Meeting. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(h) Presumption of Assent. A director of the Association who is present at a meeting of the Executive Board or at a meeting of any committee of the Executive Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (i) such director objects at the beginning of the meeting (or promptly upon the director's arrival thereat) to holding the meeting or to transacting any business at the meeting, or (ii) such director's contrary vote is recorded or such director's dissent or abstention from the action taken otherwise is entered in the minutes of the meeting, or (iii) such director files written notice of dissent or abstention to such action with the person presiding at the meeting before the adjournment thereof or forwards such notice by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a director who voted in favor of the action taken.

(i) Conduct of Meetings. The President shall preside over meetings of the Executive Board and the Secretary shall keep the minutes of the meeting and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board when not in conflict with the Association Documents.

Section 5.8. Informal Action by Directors. Action required or permitted to be taken at a meeting of the Executive Board may be taken without a meeting if the action is taken by all members of the Board and evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records.

Section 5.9. Hearing Procedure for Member or Other Occupant. Except as authorized and permitted by Article 12 of the Declaration, the Executive Board shall not impose a fine or penalty, undertake permitted remedial action, suspend voting or infringe upon other rights of a member or other occupant for a violation of the Association Documents unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which

the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time within twelve (12) months following such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with a written notice of a hearing to be held by the Covenants Committee in executive session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on his or her behalf; and (iv) the proposed sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the alleged violator by placing said notice in the United States mail, postage prepaid, by any method as permitted for the service of summons as set forth in Rule 4 of the North Carolina Rules of Civil Procedure or by the delivery of said notice by any officer, director or agent of the Association to the alleged violator or to any person who may be served on the alleged violator's behalf as provided in said Rule 4.

(c) Hearing. The hearing shall be held in executive session of the Covenants Committee pursuant to the notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(d) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Executive Board. To perfect this right, a written notice of appeal must be received by the Manager, President or Secretary of the Association within thirty (30) days following the hearing date, said written notice to contain information by which the Executive Board may notify the alleged violator of the date of the appeal hearing.

ARTICLE VI

Managing Agent

Section 6.1. Compensation. The Executive Board may employ for the purpose of administering the Property a "managing agent" at such compensation as shall from time to time be established by the Board.

Section 6.2. Requirements. The managing agent shall be a bona fide business enterprise, unaffiliated with the Declarant which manages common interest communities. Such firm or its principals shall have a minimum of two (2) years experience in real estate community Association management and shall employ Persons possessing a high level of competence in the technical skills necessary to proper management of the Property. The managing agent must be

able to advise the Executive Board regarding the administrative operation of the Property and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, and property management. Otherwise, the managing agent may be a full-time employee of the Association who shall organize, staff, train and administer the in-house personnel solely to manage the Property.

Section 6.3. Duties. The managing agent shall perform such duties and services as the Executive Board shall from time to time direct. Such duties, services, and responsibilities may include, without limitation, the activities listed in Sections 5.6(a), (b), (c), (f), (j), (k) and (o) hereof, but shall not include, the activities set forth in Sections 5.6(d), (e), (g), (h), (i), (l), (m), (n), (p), (q), (r), (s), (t), and (u) hereof, as well as any authority or actions specifically reserved to the Board by the Association Documents to the extent such reservation is consistent with the North Carolina Nonprofit Corporation Act. In general, the managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Association Documents. Within the aforementioned parameters, the Executive Board may direct one of the Board members, or a Person employed for such purpose, to undertake the responsibility of interpreting, on a day-to-day basis, the scope of the duties of the managing agent if any questions or issues regarding such scope arise between meetings of the Board.

Section 6.4. Standards. The Executive Board shall impose appropriate standards of performance upon the managing agent. Subject to additional restrictions, directions, and limitations that, from time to time, may be provided by the Executive Board, and unless the managing agent is instructed otherwise by the Executive Board, the managing agent shall comply with the following:

(a) The cash method of accounting shall be employed and expenses required by these Bylaws to be charged to one or more but less than all Owners shall be accounted for and reported separately;

(b) two (2) or more Persons shall be responsible for handling cash to maintain adequate financial control procedures;

(c) cash account of the Association shall not be commingled with any other entity's accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Executive Board; and

(f) a financial report shall be prepared for the Association at least quarterly, containing: (i) an "income statement" reflecting all income and expense activity for the preceding period on an accrual basis; (ii) an "account activity statement" reflecting all receipt

and disbursement activity for the preceding period on a cash basis; (iii) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format; (iv) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis; (v) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (vi) a "delinquency report" listing all Owners who are delinquent in pay assessments and describing the status of any actions to collect such assessments.

Section 6.5. Limitations. The Executive Board may employ a managing agent for an initial term not to exceed two (2) years. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety (90) days' written notice and with cause on no more than thirty (30) days' written notice.

ARTICLE VII

Officers

Section 7.1. Designation and Duties of Officers. The principal Officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may also elect an assistant treasurer, an assistant secretary and such other Officers as in the Board's judgment may be necessary. The President, Vice President, Secretary and Treasurer shall be members of the Executive Board. Any other Officers may be, but need not be, Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent, if any, inconsistent with the Association Documents, and shall perform such other duties as may be assigned to such office by resolution of the Executive Board. If any Officer (other than the President) is unable for any reason to perform the duties of the office but such office has not been vacated, the President (or the Executive Board if the President fails to do so) may appoint another qualified Person to act in such Officer's stead on an interim basis.

Section 7.2. Election of Officers. The Officers of the Association shall be elected annually by the Executive Board at the annual meeting of the Board. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals, and no Officer may act in more than one capacity where action of two (2) or more Officers is required. Each Officer shall hold office until such Officer's death, resignation, retirement, removal, or disqualification or until the election and qualification of such Officer's successor.

Section 7.3. Resignation or Removal of Officers. Any Officer or agent may be removed by the Executive Board at any time with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. An Officer may resign at any time by notifying the Association, orally or in writing, of such resignation. A resignation shall be effective upon receipt by the Association unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Executive Board may fill the pending vacancy prior to such date; however, the successor to the resigning Officer may not

take office until the effective date. An Officer's resignation does not affect the Association's contract rights, if any, with such Officer.

Section 7.4. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The Person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such Person replaces.

Section 7.5. President. The President shall be the chief executive Officer of the Association; preside at all meetings of the Association and of the Executive Board; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Executive Board; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the office of President.

Section 7.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Executive Board or by the President.

Section 7.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Executive Board; have charge of such books and papers as the Board may direct and as may be required by the North Carolina Nonprofit Corporation Act; give or cause to be given all notices required to be given by the Association; give each Owner notice of each assessment against such Owner's Lot as soon as practicable after assessment is made; provide for each member and Owner, upon request, notice and a copy of the Rules and Regulations or amendment thereof; maintain a register setting forth the place to which all notices to members, Owners and Mortgagees hereunder shall be delivered; make it possible for any member or Owner to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the office of Secretary.

Section 7.8. Treasurer. The Treasurer shall be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of Treasurer.

ARTICLE VIII

Committees

Section 8.1. Covenants Committee. The Executive Board shall establish a Covenants Committee as set forth in Article 9 of the Declaration.

Section 8.2. Nominations Committee. The Executive Board shall establish a Nominations Committee as set forth in Section 5.3(a) of these Bylaws.

Section 8.3. Finance Committee. The Executive Board shall establish a Finance Committee consisting of not less than three (3) nor more than five (5) members. The members of the Finance Committee shall be appointed by the Executive Board from time to time and shall include the Treasurer. The Finance Committee shall (a) assist the Executive Board in preparing the annual budget required by Section 5.6(o) of these Bylaws, including submitting recommendations for the annual budget to the Executive Committee not less than sixty (60) days prior to the beginning of each fiscal year; (b) monitor the integrity of the Association's financial records and budget processes to ensure compliance with the Association documents and applicable laws; and (c) review and approve all contracts in excess of [\$ 25,000.00] to which the Association is a party.

Section 8.4. Committees of the Board. The Executive Board, by resolution of a majority of the number of directors in office, may designate two or more directors to constitute an Executive Committee and such other committees as the Board shall deem advisable, each of which, to the extent authorized by the North Carolina Nonprofit Corporation Act and provided in such resolution, shall have and may exercise all of the authority of the Executive Board in the management of the Association. Each committee member serves at the pleasure of the Executive Board. The provisions of these Bylaws governing meetings, action without meeting, notice and waiver of notice, and quorum and voting requirements of the Executive Board apply to any committees of the Executive Board established pursuant to this Section. The designation of any committee of the Executive Board and the delegation thereto of the Board's authority shall not operate to relieve the Executive Board, or any member thereof, of any responsibility imposed upon him or her by law.

Section 8.5. Other Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Any such committee shall consist of two (2) or more Persons as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committee shall have such duties and responsibilities as may be set forth in the resolution designating the committee, and the Board shall appoint. In addition, the Board shall appoint the chair of each committee.

ARTICLE IX

Contracts, Compensation and Loans

Section 9.1. Execution of Documents. Unless otherwise provided in the authorizing resolution of the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations for Common Expenses and all checks drawn upon reserve accounts, shall be executed by any two (2) Persons designated by the Executive Board. Any Officer of the Association may be designated by Board resolution to sign a Statement of Common Expenses on behalf of the Association.

Subject to any restrictions or limitations set forth in these Bylaws, and consistent with the purposes of the Association as is set forth in the Association's Articles of Incorporation, the Board may authorize any officer or officers or any agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association, and

such authority may be general or confined to specific instances. Subject to any applicable restrictions set forth in these Bylaws, the Board may enter into employment contracts on such terms and conditions as the Board deems necessary or desirable.

Section 9.2. Compensation of Officers and Directors. Members of the Executive Board shall not receive any compensation for their services as directors or reimbursement for any out-of-pocket expenses incurred in attending regular or special meetings of the Board and otherwise in handling the affairs of the Association. The election of an officer does not of itself create any contract rights.

Section 9.3. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or specific in nature and scope. Notwithstanding the foregoing, no loan, guaranty, or other form of security shall be made or provided by the Association to or for the benefit of any of its directors, officers, employees, or members.

ARTICLE X

Indemnification and Insurance

Section 10.1. Indemnification. The Association shall indemnify, to the fullest extent provided by law, any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitratative or investigative and whether or not brought by or on behalf of the Association, by reason of the fact that such party is or was a director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, Officer, partner, trustee, employee or agent of another Association, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees; PROVIDED, however, that the Association shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Association or if such person received an improper personal benefit from such activities. The Association likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein. The Association shall pay all expenses incurred by any director, Officer, employee or agent in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, Officer, employee or agent to repay such amount unless it ultimately shall be determined that such party is entitled to be indemnified by the Association against such expenses.

The Executive Board of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Bylaw, including without limitation, (a) a determination by a majority vote of disinterested directors that the activities giving rise to the liability or expense for which indemnification is

requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Association and that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the Association.

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

Section 10.2. Liability Insurance. The Association shall have the power, pursuant to Article 10 of the Declaration, to purchase and maintain insurance on behalf of any Person who is or was a director, Officer or member of the Covenants Committee against any liability asserted against such Person and incurred by such Person in any such capacity or arising out of such Person's status as such, whether or not the Association would have the power to indemnify such Person against such liability under the provisions of this Section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

ARTICLE XI

Books and Records

Section 11.1. Maintenance. The Association shall keep books and records as required by the North Carolina Nonprofit Corporation Act. All books and records shall be kept in accordance with generally accepted accounting principles. Additionally, the Association shall cause to be adopted procedures for an annual review of the financial status of the Association by an auditor retained by the Executive Board who shall not be an Owner or an occupant of a Lot. The cost of such review shall be a Common Expense.

Section 11.2. Availability. The books and records of the Association shall be available for examination by the members, the Owners, their attorneys, accountants, Mortgagees and authorized agents as (a) may be required under the North Carolina Nonprofit Corporation Act, and (b) otherwise during general business hours on business days at the times and in the manner established by the Executive Board for the general knowledge of the Owners. Pursuant to Section 13.3 of the Declaration, all Mortgagees or their representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the members and Owners. The Executive Board may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents to a member, Owner or Mortgagee.

Section 11.3. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year, the Executive Board shall make available to members and Owners and Mortgagees requesting the same, an itemized accounting of the Common Expenses for such

fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Executive Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

Section 11.4. Fiscal Year. The fiscal year of the Association shall end on December 31 of each year, unless otherwise determined by the Executive Board.

ARTICLE XII

Notices

Except as specifically provided otherwise in the Association Documents and the North Carolina Nonprofit Corporation Act, all notices, demands, bills, statements or other communications under the Association Documents shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner; (2) if to the Association, the Executive Board or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If a Lot is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder, otherwise the Person receiving the notice shall have the responsibility for notifying the other Persons comprising the Owner.

ARTICLE XIII

Amendments

These Bylaws may be amended or repealed and new Bylaws may be adopted by the members and directors as is provided by the North Carolina Nonprofit Corporation Act; provided, however, that no amendment to these Bylaws may diminish or impair the rights of the Declarant under the Bylaws without the prior written consent of the Declarant.



JENNIFER H. MACNEISH
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

Filed For Registration: 09/29/2010 09:35:49 AM
Book: RE 5513 Page: 2357-2383
Document No.: 2010027047
27 PGS \$89.00

Recorder: CRESWELL, ANDREA

State of North Carolina, County of New Hanover

PLEASE RETAIN YELLOW TRAILER PAGE WITH ORIGINAL DOCUMENT.

2010027047

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