

**BYLAWS OF
BALLANTYNE RESIDENTIAL ASSOCIATION, INC.**

ARTICLE I

General

Section 1.1 Applicability. These bylaws (these “**Bylaws**”) provide for the self-government of Ballantyne Residential Association, Inc., a North Carolina nonprofit corporation, in accordance with North Carolina law, the Articles of Incorporation of the Association filed with the Secretary of State of North Carolina on November 5, 2021 (the “**Articles of Incorporation**”), and the Declaration of Easements, Covenants, Conditions and Restrictions, executed by CC Ballantyne, LLC, a Delaware limited liability company, CCP Harmon Ballantyne PropCo, LLC, a Delaware limited liability company, and CC Ballantyne MDE, LLC, a Delaware limited liability company, dated November 12, 2021, and recorded in the Office of the Register of Deeds of Mecklenburg County (the “**Declaration**”), as may be amended from time to time.

Section 1.2. Name. The name of the corporation is Ballantyne Residential Association, Inc., a North Carolina nonprofit corporation (the “**Association**”).

Section 1.3. Definitions. Capitalized terms used in these Bylaws and not otherwise defined in these Bylaws shall have the meanings ascribed to such terms in the Declaration. The Declaration is hereby incorporated into these Bylaws by reference.

ARTICLE II

Administration of Ballantyne Residential Association, Inc.

Section 2.1 Authority and Responsibility. The Association shall have the authority and responsibilities set forth under the Declaration.

Section 2.2 Official Action. Unless specifically required in the Declaration, all actions taken or to be taken by the Association shall be valid when such are approved by the Association as hereinafter set forth, or by the person or entity to whom such authority has been duly delegated by the Association as set forth in the Declaration or these Bylaws. The Association shall at all times act in conformity with Chapter 55A of the General Statutes of North Carolina (the “**North Carolina Nonprofit Corporation Act**”), the Declaration and these Bylaws.

ARTICLE III

Offices - Seal - Fiscal Year

Section 3.1 Principal Office and Registered Office. The initial principal office of the Association shall be 601 South Tryon Street, Suite 800, Charlotte, NC 28202. The initial registered office of the Association shall be 160 Mine Lake Ct., Suite 200, Raleigh, NC 27615, Attn: CT Corporation System.

Section 3.2 Other Offices. The Association may have other offices at such other places within the State of North Carolina as the Board of Directors (defined in Section 5.1) may from time to time determine or as the affairs of the Association may require.

Section 3.3 Seal. The Association may, but is not obligated to, have a seal in circular form having within its circumference the name of the Association, the state of its incorporation, the year of its incorporation and the word "Seal."

Section 3.4 Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE IV

Membership

Section 4.1 Qualification. Membership in the Association shall be limited to the Owners of the Parcels, or their respective successors to the fee simple interest of such Parcel as a result of acquisition of such Parcel, whether transferred voluntarily or involuntarily, by foreclosure or other remedy pursuant to any Mortgage that encumbers such Parcel. Each Owner shall automatically be a member (a "**Member**") of the Association for so long as it is an Owner of a Parcel. Membership in the Association shall be appurtenant to and may not be separated from Parcel ownership. In the event any Parcel is submitted to a condominium regime in accordance with the North Carolina Condominium Act set forth in Chapter 47C of the General Statutes of North Carolina (as amended, supplemented or replaced from time to time), or is further subdivided (subject to the limitations on subdivision set forth in Section 8.7 of the Declaration) and is submitted to a sub-declaration instrument, the applicable owner's association for such condominium or sub-declaration shall be treated as the Owner of such Parcel for all purposes under the Declaration and these Bylaws.

Section 4.2 Authority. The authority of the Members of the Association is limited to: (a) the appointment of Representatives (defined in 0) to the Board of Directors in accordance with 0 of these Bylaws; (b) the termination of or amendment to the Declaration in accordance with Section 8.1(b) of the Declaration; (c) the amendment or modification to these Bylaws in accordance with ARTICLE VII of these Bylaws; and (d) the decision to impose Special Assessments in accordance with Section 4.6 of the Declaration. The remainder of the authority granted to the Association under the Declaration is vested in the Board of Directors.

Section 4.3 Voting. Each Member of the Association shall hold one (1) vote except as otherwise specified in these Bylaws or in the Declaration. Pursuant to Section 8.1(b) of the Declaration, the decision to terminate or amend the Declaration shall require the unanimous vote of all of the Members.

Section 4.4 Place of Meetings. Meetings of the Association shall be held at a place in Mecklenburg County, North Carolina, designated by the Association.

Section 4.5 Meetings by Telephonic, Video, or Other Conferencing Process. If the Association determines that a meeting of the Members can be held effectively by telephonic, video, or other conferencing process, then the Association may allow for meetings to be held by telephonic, video, or other conferencing process as specified and in accordance with an authorizing resolution adopted by the Members, provided that: (x) the meeting notice states the conferencing process to be used and provides information explaining how Members may participate in the conference directly or by meeting at a central location or conference connection; and (y) the process provides all Members the opportunity to hear or perceive the discussion and offer comments regarding any matter affecting the Association to the same extent as at in-person Association meetings.

Section 4.6 Annual Meetings. The Members are not required to hold annual meetings of the Association ("**Annual Meetings**"; each, an "**Annual Meeting**").

Section 4.7 Special Meetings. Special, non-regularly scheduled meetings of the Association (“**Special Meetings**”) may be demanded and called for by any Member of the Association by written request to the other Members of the Association. Following the request, a meeting may be called by a majority of Members, whose consent to hold a Special Meeting shall not be unreasonably withheld. Each Member shall have one (1) vote regarding the decision to hold a Special Meeting. A notice for the Special Meeting will then be put out in accordance with the provisions set forth in Section 4.8. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of or request for such meeting.

Section 4.8 Notices of Meetings. Written or printed notice stating the time and place of a membership meeting, including Annual Meetings, and the items on the agenda, including the general nature of any proposed amendment to these Bylaws, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any such membership meeting, either personally or by mail, by or at the discretion of the President or the Secretary, to all Members of the Association. The notice of meeting shall specifically state the purpose or purposes for which the meeting is called. A Member’s attendance at a membership meeting waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Section 4.9 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of all of the Members in the Association shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented.

Section 4.10 Proxies. Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by its duly authorized attorney-in-fact. A proxy is not valid after the earlier of the term stated therein or the expiration of twelve (12) months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in its place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. A Member may not revoke a proxy given pursuant to this Section 4.10 except by written notice of revocation delivered to the Members of the Association.

Section 4.11 Actions Without Meeting. Any action which may be taken at a meeting of the Association may be taken without a meeting if consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

Section 4.12 Compensation. No Member of the Association shall receive any compensation from the Association for acting in such capacity; provided, however, that each Member shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by such Member on behalf of and as authorized by the Association.

Section 4.13 Liability of Members. To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable time, each Member is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of such Member’s activities as a Member, unless such Member (or any of its directors, officers or employees) acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws. Such indemnity shall be subject to approval by the Members only when such approval is required by the North Carolina Nonprofit Corporation Act. The Association shall reimburse all fees and expenses incurred

by any Member in connection with the investigation, defense, settlement or appeal of any proceeding to which the Member is a party or is threatened to be made a party by reason of the fact that the Member is or was an agent of the Association or by reason of anything done or not done by him or her in any such capacity; provided, however, as a precondition to such reimbursement, such Member shall be required to: (i) give the Association adequate notice of the claim, assertion or imposition of liability to permit the Association and/or its insurer reasonable opportunity to defend against the same, (ii) cooperate with the Association in its defense against such liability, and (iii) provide adequate supporting documentation of any such fees and expenses. The Member shall repay such amounts reimbursed only if, and to the extent that, it shall ultimately be determined that the Member is not entitled to be indemnified by the Association as provided for herein. The reimbursements to be made hereunder shall be paid by the Association to the Member within twenty (20) days following delivery of a written request therefor by the Member to the Association along with reasonable supporting documentation of the fees and expenses. The expense of indemnifying or defending such Member as provided herein shall be a Special Assessment (provided, unless otherwise required by the North Carolina Nonprofit Corporation Act, the necessary affirmative vote required to levy and impose such Special Assessment under Section 4.6 of the Declaration shall conclusively be deemed to have been made, without taking a vote under said Section 4.6, if the requirements for reimbursing such Member under this Section 4.13 are satisfied) and shall be borne by all Members as provided in accordance with the Declaration, including the indemnified Member.

ARTICLE V

Board of Directors

Section 5.1 General Powers. The business and affairs of the Association shall be managed by a board of directors (the “**Board of Directors**”); provided, however, the Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate the Declaration, to amend these Bylaws, to appoint Representatives, to impose Special Assessments, or to determine the qualifications, powers and duties, or terms of office of Representatives unless done in accordance with the terms of the Declaration.

Section 5.2 Number, Term and Qualification. The Board of Directors shall consist of five (5) appointed representatives (each, a “**Representative**”; if more than one, “**Representatives**”): The Owner of the Multi-Family Parcel shall have the right to appoint three (3) Representatives to the Board of Directors; the Owner of the Townhome Parcel shall have the right to appoint one (1) Representative to the Board of Directors; and the Owner of the Affordable Senior Housing Parcel shall have the right to appoint one (1) Representative to the Board of Directors. Each Representative shall serve for a term of one (1) year. Representatives may succeed themselves in office. Each Representative shall be automatically re-appointed for a successive term unless the Owner that appointed such Representative appoints a new Representative.

Section 5.3 Initial Representatives. The initial Representatives shall be as follows:

Owner of Multi-Family Parcel Representatives

Jason LaBonte
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Katie Maloomian
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Clarke Crenshaw
c/o Transwestern Investment Group
8235 Douglas Avenue, Suite 450
Dallas, TX 75225

Owner of Townhome Parcel Representative

Matthew Johnston
c/o Pretium Partners, LLC
810 7th Avenue, 19th Floor
New York, NY 10019

Owner of Affordable Senior Housing Parcel Representative

Michael Tubridy
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Section 5.4 Compensation. No Representative shall receive any compensation from the Association for acting in such capacity; provided, however, that each Representative shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him or her on behalf of and as authorized by the Association, and nothing herein shall prohibit the Board of Directors from compensating a Representative for unusual and extraordinary services rendered on the basis of *quantum meruit*; and provided, further, that each Representative, by assuming office, waives his or her right to institute suit against, or make claim upon, the Association for compensation based upon *quantum meruit*.

Section 5.5 Loans to Representatives. No loans shall be made by the Association to Representatives.

Section 5.6 Liability of Representatives. To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable time, each Representative is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his or her activities as a Representative, unless such Representative acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws. Such indemnity shall be subject to approval by the Owners only when such approval is required by the North Carolina Nonprofit Corporation Act. The Association shall reimburse all fees and expenses incurred by any Representative in connection with the investigation, defense, settlement or appeal of any proceeding to which the Representative is a party or is threatened to be made a party by reason of the fact that the Representative is or was an agent of the Association or by reason of anything done or not done by him or her in any such capacity; provided, however, as a precondition to such reimbursement, such Representative shall be required to: (i) give the Association adequate notice of the claim, assertion or imposition of liability to permit the Association and/or its insurer reasonable opportunity to defend against the same, (ii) cooperate with the Association in its defense against such liability, and (iii) provide adequate supporting documentation of any such fees and expenses. The Representative shall repay such amounts reimbursed only if, and to the extent that, it shall ultimately be determined that the Representative is not entitled to be

indemnified by the Association as provided for herein. The reimbursements to be made hereunder shall be paid by the Association to the Representative within twenty (20) days following delivery of a written request therefor by the Representative to the Association, along with reasonable supporting documentation of the fees and expenses. The expense of indemnifying or defending such Representative as provided herein shall be a Special Assessment (provided, unless otherwise required by the North Carolina Nonprofit Corporation Act, the necessary affirmative vote required to levy and impose such Special Assessment under Section 4.6 of the Declaration shall conclusively be deemed to have been made, without taking a vote under said Section 4.6, if the requirements for reimbursing such Representative under this Section 5.6 are satisfied) and shall be borne by all Members as provided in accordance with the Declaration, including the Member that appointed the Representative being indemnified.

Section 5.7 Meetings of the Board of Directors.

(a) Regular Meetings. Regular Meetings shall be held, without notice, at such hour and address as may be fixed from time to time by resolution of the Board of Directors. Should any such meeting fall upon a weekend or a legal holiday, then that meeting shall be held at the same time on the next date which is not a weekend or legal holiday.

(b) Special Meetings. Special Meetings shall be held when called by any two (2) Representatives, after not less than three (3) or more than thirty (30) days written notice to each Representative.

(c) Notices of Special Meetings. The notice provided for herein may be waived by written instrument signed by those Representatives who do not receive said notice. Except to the extent otherwise required by law, the purpose of a special meeting of the Board of Directors need not be stated in the notice. Notices shall be deemed received upon the happening of any one of the following events: (1) one day following deposit of same in the United States mail with proper postage paid and addressed to the Representative at his or her last known address on file with the Association; or (2) actual delivery to the Representative. A Representative's attendance at a special meeting waives objection to lack of notice or defective notice of the special meeting, unless the Representative at the beginning of the special meeting objects to holding the special meeting or transacting business at the special meeting.

(d) Approved Meeting Place. All Board of Directors meetings shall be held in Mecklenburg County, North Carolina.

(e) Meetings by Telephonic, Video, or Other Conferencing Process. If the Board of Directors determines that a meeting of Representatives can be held effectively by telephonic, video, or other conferencing process, then the Board of Directors may allow for meetings to be held by telephonic, video, or other conferencing process as specified and in accordance with an authorizing resolution adopted by the Board of Directors, provided that: (x) the meeting notice states the conferencing process to be used and provides information explaining how Representatives may participate in the conference directly or by meeting at a central location or conference connection; and (y) the process provides all Representatives the opportunity to hear or perceive the discussion and offer comments regarding any matter affecting the Board of Directors and the Association to the same extent as at in-person Board of Directors meetings.

(f) Quorum. A majority of the Representatives then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Representatives present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

Section 5.8 Action Without Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written approval of all the Representatives. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors. Said written approval shall be filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 5.9 Presumption of Assent. A Representative who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken *unless* his or her contrary vote is recorded or his or her dissent is otherwise entered in the minutes of the meeting; or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof; or unless he or she forwarded such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Representative who voted in favor of such action.

Section 5.10 Voting. Each Representative shall have one vote on matters that come before the Board. The decision to impose Special Assessments shall be governed by Section 4.6 of the Declaration.

Section 5.11 Powers and Duties. The Board of Directors shall conduct the general affairs of the Association. The powers and duties to be exercised by the Board of Directors on behalf of the Association shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, repair, and maintenance of the Common Area and other maintenance responsibilities of the Association under the Declaration.

(b) Determination of the funds required for the operation, administration, maintenance and other affairs of the Common Area, preparing the Annual Budget in which there shall be established the contribution of each Owner to the Common Area maintenance costs, expenses and reasonable reserves, and collection of the Assessments from the Owners, as provided in the Declaration.

(c) Employment and dismissal of personnel necessary for the efficient operation, maintenance, repair, and replacement of the Common Area.

(d) Adoption of rules and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Area.

(e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(f) Obtaining insurance as required or as permitted under the terms of the applicable provisions of the Declaration.

(g) Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining audits of the financial records of the Association from the Association's public accountant (if required by applicable law or by the provisions of the Declaration, or, if not so required, if the Association deems such an audit to be desirable); furnishing the annual reports; and furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices and the same shall be available for examination by all Owners or their duly authorized agents or attorneys, at convenient hours on working days.

(h) Keeping a complete record of the minutes of all meetings of the Board of Directors and Owners in which minute book shall be inserted actions taken by the Board of Directors and/or Owners by consent without meeting.

(i) Enforcing the obligations and Assessments provided in the Declaration, including, but not limited to, the institution of civil actions to enforce payment of Assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments, and the imposition of interest charges in the amount of the Default Interest Rate for late payment of Assessments.

(j) Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation, these Bylaws, the Declaration, or the rules and regulations of the Association.

(k) Enforcing, on behalf of the Association, any other rights or remedies of the Association, including, but not limited to, the institution of civil actions.

(l) Hiring attorneys and other professionals.

(m) In accordance with the terms and provisions of the Declaration, and to the extent provided therein, entering any Parcel when necessary in connection with (i) any maintenance or construction for which the Association is responsible, and (ii) the exercise of the Association's right of inspection granted under Section 5.6 of the Declaration.

(n) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Association.

(o) Furnishing estoppel certificates in accordance with Section 8.8 of the Declaration.

(p) Reviewing, and, as appropriate, approving or disapproving Plans submitted by Owners in accordance with Section 5.5 of the Declaration.

(q) Exercising any other powers and duties reserved to the Association by the Declaration, the Articles of Incorporation, or these Bylaws.

Section 5.12 Independent Property Manager. The Board of Directors may employ or enter into a management contract with any individual, firm or entity it deems appropriate and in the best interests of the Association concerning the routine management of the Association and the Common Area. The Board of Directors may delegate to such person, firm or entity (referred to in these Bylaws as the “**Independent Property Manager**”) such duties and responsibilities in the management of the Association and the Common Area as the Board of Directors deems appropriate; provided, however, that the Board of Directors may not delegate to the Independent Property Manager the complete and total responsibilities and duties of the Association in violation of the North Carolina Nonprofit Corporation Act. The Independent Property Manager's contract shall be for a term not to exceed three (3) years, renewable by agreement between the Board of Directors and such Independent Property Manager for successive one-year terms; provided, however, that any such contract shall provide that it is terminable by the Association, with or without cause, upon not more than ninety (90) days' prior written notice and without payment of any penalty. The Board of Directors shall have the authority to fix the reasonable compensation for the Independent Property Manager, which shall be determined on an arm's-length, market-rate basis. The Independent Property Manager shall at all times be answerable to the Board of Directors and subject to its direction.

ARTICLE VI

Officers

Section 6.1 Enumeration of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. Every officer must be a member of the Board of Directors.

Section 6.2 Election and Term. The officers of the Association shall be elected annually by the Board of Directors. Such elections shall be held at the first meeting of the Board of Directors next following the Annual Meeting or substitute Annual Meeting of the Members. Each officer shall hold office until his or her death, resignation or removal, or until his or her successor is elected and qualified.

Section 6.3 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 6.4 Vacancy. A vacancy in any office may be filled by the election by the Board of Directors of a successor to such office. Such election may be held at any meeting of the Board of Directors. The officer elected to such vacancy shall serve for the remaining term of the officer he or she replaces.

Section 6.5 Multiple Offices. The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person.

Section 6.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and all meetings of the Board of Directors. He or she shall see that the orders and resolutions of the Board of Directors are carried out; he or she shall sign on behalf of the Association all written instruments regarding the Common Area and all promissory notes of the Association, if any; and he or she shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the North Carolina Nonprofit Corporation Act in the supervision and control of the management of the Association in accordance with these Bylaws.

Section 6.7 Vice Presidents. The Vice Presidents, in the order of their election unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 6.8 Secretary. The Secretary shall keep the minutes of all meetings of Members and of the Board of Directors; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the Office of Secretary of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 6.9 Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He or she shall prepare a proposed annual budget (to be approved by the Board of Directors) and the other reports to be furnished to the Members as required in the Declaration. He or she shall perform all duties incident to the office of Treasurer of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section 6.10 Assistant Secretaries and Treasurers . The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 6.11 Initial Officers. The initial officers of the Board of Directors shall be as follows:

President: Jason LaBonte
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Secretary: Michael Tubridy
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Treasurer: Katie Maloomian
c/o CC Ballantyne, LLC
601 South Tryon Street, Suite 800
Charlotte, NC 28202

Section 6.12 Compensation. Officers shall not be compensated for the usual and ordinary services rendered to the Association incident to the offices held by such officers. The Board of Directors may, however, upon unanimous approval, compensate any officer or officers who render unusual and extraordinary services to the Association beyond that called for to be rendered by such person or persons on a regular basis. Each officer, by assuming office, waives his or her right to institute suit against or make claim upon the Association for compensation based upon *quantum meruit*.

Section 6.13 Liability of Officers. To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable times, each officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his or her activities as an officer, unless such officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws. Such indemnity shall be subject to approval by the Board of Directors only when such approval is required by the North Carolina Nonprofit Corporation Act. The Association shall reimburse all fees and expenses incurred by any officer in connection with the investigation, defense, settlement or appeal of any proceeding to which the officer is a party or is threatened to be made a party by reason of the fact that the officer is or was an agent of the Association or by reason of anything done or not done by him or her in any such capacity; provided, however, as a precondition to such reimbursement, such officer shall be required to: (i) give the Association adequate notice of the claim, assertion or imposition of liability to permit the Association and/or its insurer reasonable opportunity to defend against the same, (ii) cooperate with the Association in its defense against such liability, and (iii) provide adequate supporting documentation of any such fees and expenses. The officer shall repay such amounts reimbursed only if, and to the extent that, it shall ultimately be determined that the officer is not entitled to be indemnified by the Association as provided for herein. The reimbursements to be made hereunder shall be paid by the Association to the officer within twenty (20) days following delivery of a written request therefor by the officer to the Association, along with reasonable supporting documentation of the fees and expenses. The expense of indemnifying or defending such officer as provided herein shall be a Special Assessment (provided, unless otherwise required by the North Carolina Nonprofit Corporation Act, the necessary affirmative vote required to levy and impose such Special Assessment under Section 4.6

of the Declaration shall conclusively be deemed to have been made, without taking a vote under said Section 4.6, if the requirements for reimbursing such officer under this Section 6.13 are satisfied) and shall be borne by all Members as provided in accordance with the Declaration.

Section 6.14 Officer's and Director's Insurance. The Association shall obtain officer's and director's liability insurance in such amounts as the Board of Directors shall determine.

ARTICLE VII

Amendments

These Bylaws may be amended at any time by an instrument in writing signed and acknowledged by all Members of the Association. Amendments shall be effective on the date of passage by the Members, and no amendment need be recorded in the Office of the Register of Deeds of Mecklenburg County. All persons or entities who own or hereafter acquire any interest in the Property shall be bound to and abide by any amendment to these Bylaws which is duly passed, signed, acknowledged and recorded as provided herein.

ARTICLE VIII

Miscellaneous

Section 8.1 Severability. Invalidation of any covenant, condition, restriction or other provisions of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

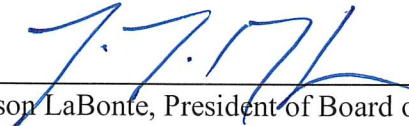
Section 8.2 Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any ownership interest in the Property.

Section 8.3 Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 8.4 Nonprofit Corporation. No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or any other private individual either during its existence or upon dissolution except as reasonable compensation paid or distributions made in carrying out its declared nonprofit purposes as set forth in the Articles of Incorporation and these Bylaws.

Section 8.5 Inconsistencies. In the event of any inconsistency between the provisions of these Bylaws and the Declaration or the Articles of Incorporation, the provisions of the Declaration and the Articles of Incorporation shall control.

Adopted by the Board of Directors
of Ballantyne Residential Association, Inc.,
a North Carolina nonprofit corporation,
effective November __, 2021

By: 

Jason LaBonte, President of Board of Directors