

**BYLAWS
OF
SHOPTON RIDGE OWNERS ASSOCIATION INC.**

**ARTICLE 1
IDENTITY AND LOCATION**

These are the Bylaws of Shopton Ridge Owners Association, Inc., a North Carolina nonprofit corporation (the "Association"), organized pursuant to the North Carolina Nonprofit Corporation Act, as set forth in Chapter 55A of the North Carolina General Statutes (as amended from time to time, the "Nonprofit Corporation Act"). The initial principal office of the Association shall be located at c/o AAC, 3700 Arco Corporate Drive, Suite 350, Charlotte, North Carolina 28273 or at such other place as the Executive Board may determine or as the affairs of the Association may require from time to time.

**ARTICLE 2
DEFINITIONS**

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Declaration of Covenants, Conditions and Restrictions for Shopton Ridge recorded in Book 17559 at Page 851 in the Mecklenburg County, North Carolina Public Registry (as the same may be amended from time to time, the "Declaration").

**ARTICLE 3
APPLICABILITY**

The provisions of these Bylaws are applicable to Shopton Ridge Business Park and its operations, occupancy, ownership, maintenance and use, to all present and future Owners and their employees, tenants, guests and invitees and to any other person or persons who may use the Shopton Ridge Business Park or its facilities in any manner. The acceptance of a deed to all or any portion of the Shopton Ridge Business Park, the entering into of a lease of all or any portion of the Shopton Ridge Business Park or the occupancy or use of all or any portion of the Shopton Ridge Business Park shall constitute (i) acceptance and ratification of these Bylaws and the Declaration and (ii) an agreement to be bound by and comply with the provisions of these Bylaws and the Declaration.

**ARTICLE 4
MEMBERS OF ASSOCIATION**

Section 4.1 Membership. Every person or entity who or which is or at any time becomes the Owner of a Lot which is subject to assessment shall become a Member of the Association and shall remain a Member until such person or entity ceases to be an Owner. Membership in the Association shall be appurtenant to and may not be separated from Lot ownership. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Each Member, except as otherwise provided in the Declaration and these Bylaws, shall be subject to and comply with all of the provisions of the Articles of Incorporation, these Bylaws and the Declaration.

Section 4.2 Transfer. An Owner shall not transfer, pledge or alienate in any way its membership in the Association, except upon the sale of the Lot to which the membership is appurtenant, and then only to the purchaser of such Lot. Any attempt to make a prohibited transfer is void and shall not be reflected upon the books and records of the Association. If an Owner fails or refuses to transfer the

membership registered in its name to the purchaser of the Lot to which the membership is appurtenant, the Association shall record the transfer upon the books of the Association and issue a new certificate to the purchaser and thereafter, the prior certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

ARTICLE 5 MEETINGS AND VOTING

Section 5.1 Place of Meetings. Meetings of the Association shall be held at a suitable location at Shopton Ridge Business Park, or such other suitable place convenient to the Members as may be designated by the Executive Board; provided, however, that all meetings shall be held in Mecklenburg County, North Carolina.

Section 5.2 Annual Meetings. The Members shall meet at least once each year. At each annual meeting, the Members shall elect the members of the Executive Board (the "Directors") and may transact any other business properly coming before them.

Section 5.3 Special Meetings. After the first annual meeting of the Members, special meetings of the Members may be called at any time by the President of the Association, by a majority vote of the Executive Board, or upon written request to the Secretary of the Association by Members entitled to at least fifty percent (50%) of the votes of the membership describing the purpose or purposes for which the special meeting is to be held. Business to be acted upon at any special meeting shall be confined to the subjects stated in the notice of such meeting.

Section 5.4 Notice of Meetings. Notice of all meetings of the Members, stating the time and place and accompanied by a complete agenda, shall be given by the President or Secretary of the Association to each Member. The notice shall be in writing, and shall be hand delivered or sent by United States mail to each Member at its respective address and to any other address the Member may have designated in writing to the Secretary of the Association not less than ten (10) days in advance of the meeting. If applicable, the notice also shall state the general nature of any proposed amendment to the Declaration, these Bylaws or the Articles of Incorporation, any budget changes and any proposal to remove a Director, officer or manager.

Section 5.5 Voting. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights:

a. Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote for each acre owned in the Properties, plus a fractional (hundredths) vote for each fractional (hundredths) acre owned. When more than one person owns an interest (other than a leasehold or a security interest) in any Lot all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine by majority vote based on ownership interest, but in no event shall the vote or votes be cast separately with respect to any jointly owned Lot.

b. Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in (i) or (ii), below. The Declarant shall be entitled to five (5) votes for each acre of the Properties owned by it, plus fractional (hundredths) votes for each fractional (hundredths) acre owned. The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the latter of the following:

(i) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots, provided, that all Lots owned by Declarant shall revert to Class B Lots and thereby shall be reinstated with all rights, privileges and responsibilities of such Class, if, after the above provided conversion of Class B Lots to Class A Lots, additional lands are annexed to the Properties (with or without the assent of Class A members), thus making the Declarant the owner, by virtue of newly created Lots and of other Lots owned by Declarant, of a sufficient number of acres within Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion or reconversion shall occur automatically as often as the foregoing facts shall occur); or

(ii) On January 1, 2020.

Section 5.6 Majority. Notwithstanding the above provisions, the Declarant shall be entitled to fifty-one (51%) of the total votes (the "Total Votes") of the Association Members until January 1, 2020.

Section 5.7 Effect of Voting. The votes of Members representing sixty-five percent (65%) of the total number of votes at any special or annual meeting at which a quorum is present shall decide any question brought before any such special or annual meeting unless the question is one upon which, by express provision of statute, the Articles of Incorporation, the Declaration or these Bylaws, a different vote is required, in which case such express provisions shall govern and control such vote. Notwithstanding the foregoing, a vote of Members representing at least eighty percent (80%) of the total number of votes shall be required for the use of funds of the Association (including any reserve) for the cost of any litigation instituted by the Association or any Owner that makes a claim for or alleges damages in excess of \$50,000.00, other than to enforce any Owner's obligation to pay assessments due with respect to its Lot.

Section 5.8 Disqualification. Notwithstanding anything to the contrary contained herein, no Member shall be entitled or eligible to vote during any period in which, such Member is in default under the terms and provisions of the Declaration.

Section 5.9 Quorum. Unless otherwise provided by statute, the Articles of Incorporation, the Declaration or these Bylaws, the presence, in person or by proxy, of Members representing a majority of the total number of votes shall constitute a quorum for the transaction of business at all meetings of the Members. If at any meeting of the Association a quorum is not present, a majority of the Members present and entitled to vote, either in person or by proxy, may, unless otherwise provided by law, adjourn the meeting from time to time until a quorum is obtained.

Section 5.10 Withdrawal of Quorum. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 5.11 Proxies. Each Member may vote either in person or by an agent duly authorized by a written proxy executed by the Member. A proxy is not valid after the earlier of (i) the term stated therein or (ii) the expiration of one (1) year after the date of its execution. In order to be effective, all proxies must be filed with the Secretary of the Association either during or prior to the meeting in question. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of its Lot. A Member may not revoke a proxy given pursuant to this Section except by written notice of revocation delivered to the person presiding over a meeting of the Association.

Section 5.12 Consent of Absentees. The transaction of business at any annual or special meeting of the Members shall be as valid as though such business had been conducted at a meeting duly

held after regular call and notice thereof with a quorum present if either before or after such meeting each Member not present at the meeting signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 5.13 Adjourned Meetings and Notice Thereof. Any annual or special membership meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Members present in person or by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting. When any annual or special membership meeting is adjourned for thirty (30) days or more, notice of the time and place of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement thereof at the meeting from which such adjournment is taken.

Section 5.14 Action Without Meeting. Any action required by law to be taken at a meeting of the Members, or any action that may be taken at a meeting of the Members, may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all of the Members with respect to the subject matter thereof.

Section 5.15 Liability of Members. No Member shall be personally liable for any debts, liabilities and/or obligations of the Association.

Section 5.16 Cumulative Voting. There shall be cumulative voting for the Executive Board.

ARTICLE 6 EXECUTIVE BOARD

Section 6.1 Initial Executive Board. The initial Directors shall be the three (3) persons named in the Articles of Incorporation and each initial Director shall hold his or her office until a replacement Executive Board is elected in accordance with these Bylaws.

Section 6.2 Number of Directors. The Executive Board shall consist of three (3) Directors. It is not necessary for any Director to also be an Owner.

Section 6.3 Election of Directors. At the first annual meeting of the Members, and at each subsequent annual meeting, the Members shall elect the Directors by a majority of the votes cast, subject, however, to the Members' right to cumulate their votes for Directors.

Section 6.4 Term. The term of each Director shall be for one (1) year, so that the entire Executive Board shall be voted on at each annual meeting.

Section 6.5 Powers. The affairs of the Association shall be managed and administered by the Executive Board and all of the powers and duties of the Association shall be exercised by the Executive Board, including, but not limited to, all those powers and duties existing under common law and statutes, the Articles of Incorporation, these Bylaws, the Declaration and all of the other instruments and bodies of law that govern the use of Shopton Ridge Business Park; and, without limiting or impairing the generality of the foregoing powers and duties, said powers and duties shall include, but shall not be limited to, the following:

(a) To pay all costs of power, heat, sewer and all other utility services provided to the Association Landscape and Roadway Easement Areas and Stormwater Facilities in accordance with the Declaration.

(b) To purchase or cause to be purchased insurance for the protection of Shopton Ridge Business Park, the Association and all Owners against casualty, public liability and such other risks as are set forth in the Declaration or as may be deemed reasonably necessary by the Executive Board.

(c) To purchase all supplies and materials necessary or proper for the daily management, operation and maintenance of Shopton Ridge Business Park.

(d) Subject to the provisions of the Declaration, to make arrangements for cleaning, painting, maintenance, repairs, reconstruction and replacement of and to all or any portion of the Association Landscape and Roadway Easement Areas and Stormwater Facilities that may be deemed reasonably necessary by the Executive Board. All costs incurred in performance of any such work by the Association must be reasonable and may not exceed the cost of such work determined on an arm's-length basis (whether or not such work is performed by a person or entity that is affiliated with the manager or an Owner).

(e) Subject to the provisions of the Declaration, to perform any service or work that the Association is obligated to perform under the terms of the Declaration.

(f) Subject to the provisions of the Declaration, to perform any service or work that any Owner is obligated to perform under the terms of the Declaration but fails to so perform.

(g) If the Executive Board so elects, to have an annual audit undertaken by an independent certified public accountant of the accounts and operating statements of the Association, the Executive Board, the officers of the Association, the manager (if any) and the Association's staff.

(h) To contract for and incur legal and accounting services and fees for the Association, the Executive Board, the officers of the Association, the manager (if any) and the Association's staff, provided that said services and fees are incurred solely in connection with (i) the management, operation and maintenance of Shopton Ridge Business Park, (ii) the performance or enforcement (including the collection of Assessments) of the provisions of the Declaration, the Articles of Incorporation or these Bylaws, (iii) a protest or litigation to contest local real estate taxes levied against Shopton Ridge Business Park as a whole (not individual Lots) or any of the Association Landscape and Roadway Easement Areas and Stormwater Facilities, (iv) litigation arising out of the condemnation of all or any portion of the Association Landscape and Roadway Easement Areas and Stormwater Facilities or (v) the contesting of any newly enacted or proposed or initially applied ordinance, law or restriction deemed by the Executive Board to be both adverse to Shopton Ridge Business Park and unlawful.

(i) To obtain suitable fidelity bond or bonds naming the Association's Executive Board, officers, Members, manager (if any), staff and such other Person or Persons as may be designated by the Executive Board to be principals of the Association (as trustee) as the obligee. The amount of such fidelity bonds shall be determined by the Executive Board.

(j) To pay all taxes and assessments that are liens against any portion of Shopton Ridge Business Park, other than taxes and assessments that are individually assessed against or

are liens on individual Lots, and to assess, levy and collect Assessments against the Owners to defray such taxes and assessments as provided in the Declaration.

(k) To take whatever actions are deemed appropriate to avoid the acquisition of prescriptive easements or the acquisition of other prescriptive rights by the public or private parties. In addition, the Executive Board may take such steps as are considered necessary to prevent the Association Landscape and Roadway Easement Areas and Stormwater Facilities or any portions thereof from being deemed to be public spaces or public malls where free speech or First Amendment claims may be asserted.

(l) To contract for such other services for the Owners' use, enjoyment and protection of Shopton Ridge Business Park as the Executive Board may determine from time to time are reasonable, proper or desirable, including, but not limited to, valet and garage parking, security guards and security facilities.

(m) To estimate, make, budget, charge, assess and collect all Annual Assessments, Special Assessments and other assessments in accordance with the Declaration.

(n) To use any and all sums received or collected from the Assessments in the exercise of its powers and duties.

(o) To establish and publish reasonable Rules and Regulations in connection with the use, occupancy and maintenance of Shopton Ridge Business Park, and to reasonably alter, amend or modify such Rules and Regulations from time to time; provided that such Rules and Regulations shall be enforced uniformly against all Owners.

(p) To enforce by equitable and legal means any or all of the provisions of the these Bylaws and the Declaration.

(q) To contract for services of a manager and to delegate to such manager all powers and duties of the Association, except such duties as are specifically required by the Declaration to be exercised or discharged by the Executive Board, officers of the Association or Members.

(r) To employ and compensate personnel to perform services required for the proper management and administration of the Association.

(s) To delegate its powers according to these Bylaws and the Declaration and as otherwise authorized by law.

(t) To select the officers, agents or employees of the Association, to remove them at will, either with or without cause, to prescribe for them duties consistent with the Articles of Incorporation, these Bylaws and the Declaration and to fix their compensation, if any.

(u) To borrow money and to incur indebtedness for the benefit of the Association and to cause to be executed and delivered therefor, in the Association's name, promissory notes to evidence such debt.

(v) To designate, from time to time, the person or persons authorized to sign or endorse checks, drafts or other orders for the payment of money issued in the name of or payable to the Association.

(w) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, these Bylaws or the Rules and Regulations in accordance with the Act.

(x) To generally exercise such powers and duties as are permitted by the Act and as are usually vested in directors of corporations or authorized by the Nonprofit Corporation Act.

(y) To grant easements as provided for in the Declaration.

Notwithstanding the foregoing, the Executive Board shall exercise the foregoing powers and rights in accordance with and subject to the terms, provisions, limitations and restrictions of the Declaration.

Section 6.6 Vacancies. Any vacancy in the Executive Board arising by death or resignation of a Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and a Director so elected shall serve for the unexpired term of his or her predecessor in office.

Section 6.7 Removal of Directors. Any Director may be removed, with or without cause, by a vote of the Members entitled to cast at least sixty-five percent (65%) of the votes of the Members present (in person or by proxy) at any meeting of the Owners at which a quorum is present, and a successor may then be elected by the Members to serve for the balance of the removed Director's term; provided, however, that a Director may not be removed if the number of votes against removal would be sufficient to elect the Director by cumulative voting.

Section 6.8 Compensation. No compensation shall be paid to Directors for their services as Directors and no remuneration shall be paid to a Director for services performed by him or her for the Association in any other capacity unless a resolution authorizing such remuneration is unanimously adopted by the Executive Board, excluding the Director to be so compensated, before the services are undertaken. The provisions of this Section shall not apply to any Affiliate of a Director (including, without limitation, the manager), it being intended that this Section cover only compensation to Directors.

Section 6.9 Liability of Directors. The Directors shall not be liable to the Members for any tort, mistake of judgment, negligence or otherwise, except in the event of willful misconduct or bad faith. Each Member agrees to indemnify the Directors for such expenses and liabilities, in such manner, under such circumstances and to such extent as permitted by the Nonprofit Corporation Act. Every contract or agreement made by the Executive Board or manager shall be executed in such a manner as to clearly demonstrate that the Directors and/or manager, as the case may be, are acting only as agents for the Association and neither the Executive Board nor any Director nor the manager shall have any personal liability thereunder. Any liability of any Member arising out of any such contract or agreement made by the Executive Board or manager, or arising out of the indemnity in favor of any or all of the Directors, shall be limited to that Member's share of the Association Landscape and Roadway Easement Areas and Stormwater Facilities maintenance costs. The Association shall purchase liability insurance for each Director covering the Director's personal liability for its acts and omissions occurring while acting in the capacity of a Director, the cost of which shall be paid by the Association as part of the Association Landscape and Roadway Easement Areas and Stormwater Facilities maintenance costs.

Section 6.10 Fidelity Bonds. The Executive Board may require that all officers and employees of the Association handling or responsible for any or all funds received or collected by the Association furnish adequate fidelity bonds. The premiums on said bonds shall be paid by the Association and charged to Members in assessments.

ARTICLE 7

EXECUTIVE BOARD MEETINGS

Section 7.1 Place of Meetings. All meetings of the Executive Board shall be held at the principal office of the Association or at any other place within Mecklenburg County, North Carolina designated by resolution of the Executive Board or by unanimous written consent of the Members.

Section 7.2 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or other appropriate means at least seventy-two (72) hours prior to the meeting.

Section 7.3 Special Meetings. Special meetings of the Executive Board may be called by the President or Secretary of the Association and held within ten (10) days after a written request therefor signed by a Director is delivered to any other Director or the President or Secretary of the Association. Not less than seventy-two (72) hours' notice of such special meeting shall be given personally or by mail, telephone or other appropriate means to each Director; provided that in the event the President of the Association or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

Section 7.4 Waiver of Notice. The transaction of business at any meeting of the Executive Board shall be as valid as though such business had been conducted at a meeting duly held after regular call and notice thereof with a quorum present if either before or after such meeting each of the Directors not present executes a written waiver of a notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records of the Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

Section 7.5 Quorum. A majority of the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Executive Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall be conclusive proof of his or her attendance at that meeting for the purpose of determining a quorum.

Section 7.6 Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Executive Board unless the act of a greater number is required by the provisions of applicable law, the Declaration or these Bylaws.

Section 7.7 Executive Board Action Without Meeting. Any action that may be taken at a meeting of the Executive Board may be taken without a meeting if such action is authorized in a writing, setting forth the action taken, signed by all Directors.

Section 7.8 Appointment and Removal of Directors. Notwithstanding any provisions to the contrary contained in these Bylaws, the Declarant shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events to occur:

- a. Declarant no longer owns any portion of the Properties;
- b. Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to the Declaration executed and recorded by the Declarant; or
- c. December 31, 2020.

ARTICLE 8 OFFICERS

Section 8.1 Enumeration. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other officers, if any, as are elected by the Executive Board. Any two (2) or more offices, except those of President and Secretary, may be held by the same person.

Section 8.2 Election and Tenure. Except with respect to the officers elected by the initial Executive Board hereof, the officers of the Association shall be elected annually by the Executive Board at the annual meeting of the Executive Board, provided that new offices may be created and filled at any meeting of the Executive Board. Each officer shall hold office until a successor is elected.

Section 8.3 Removal and Resignation. Any officer elected or appointed by the Executive Board may be removed by a majority of the Directors whenever, in the Directors' judgment, the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Any officer may resign at any time by giving written notice to the Executive Board or to the President or Secretary of the Association. Any such resignation shall take effect on the date of receipt of such notice or at any later date specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Executive Board for the unexpired term of the officer replaced.

Section 8.5 President. The President shall be the principal executive officer of the Association and shall, subject to the control of the Executive Board, supervise, direct and control all of the business and affairs of the Association and the officers thereof. The President must also be a Director. The President shall preside at all meetings of the Members and of the Executive Board. The President may sign any deeds, contract, agreements or other instruments which the Executive Board has authorized to be executed, except in such case where the signing and execution thereof is expressly delegated by the Executive Board, these Bylaws, the Declaration or statute to some other officer or agent of the Association, and shall have all the general powers and perform all of the duties usually vested in the office of president of a corporation, including all the powers and duties as may, from time to time, be prescribed by the Executive Board or these Bylaws.

Section 8.6 Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice

President shall have such other powers and perform such other duties as, from time to time, may be assigned to him by the President or Executive Board.

Section 8.7 Secretary.

(a) The Secretary shall keep the minutes of all meetings of the Executive Board and the minutes of all meetings of the Association in one or more books provided for that purpose, and shall have charge of the corporate seal of the Association, if any. The Secretary shall have charge of such books and papers as the Executive Board may direct; and shall, in general, perform all the duties incident to the office of the Secretary and such other duties as may be required by the provisions of these Bylaws, the Declaration or as from time to time may be assigned by the President or Executive Board, including, but not limited to, the filing and issuance of any notice, document, certificate or other instrument described in the Declaration or these Bylaws.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members, Mortgagees and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The Secretary shall cause all notices to be duly given to the Members and Directors in accordance with the provisions of these Bylaws.

(c) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of mortgagees for each Lot that have notified the Association in writing of their identity and address.

Section 8.8 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse the same as directed by resolution of the Executive Board; provided, however, that a resolution of the Executive Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Executive Board. The Treasurer shall have the authority to sign all checks and promissory notes of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its annual meeting and deliver a copy of each to the Members; and perform all other duties assigned by the Executive Board. If required by the Executive Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Executive Board shall determine.

Section 8.9 Assistant Treasurers and Assistant Secretaries. If required by the Executive Board, the Assistant Treasurer, if any, shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Executive Board shall determine. The Assistant Treasurer and Assistant Secretary, if any, shall, in general, perform such duties as are assigned to them by the Treasurer, Secretary, President or Executive Board.

Section 8.10 Compensation. No compensation shall be paid to officers for their services as officers of the Association and no remuneration shall be paid to an officer for services performed by him or her for the Association in any other capacity unless a resolution authorizing such remuneration is unanimously adopted by the Executive Board before the services are undertaken. The provisions of this Section do not apply to any contract with any Affiliates of any officer of the Association (including, without limitation, the Manager), it being intended that this Section cover only compensation to officers of the Association.

ARTICLE 9
BOOKS, RECORDS AND FUNDS

Section 9.1 Place of Keeping. The books, records and papers of the Association shall be kept at the principal place of business of the Association and shall at all times during reasonable business hours be available for inspection by any Member or such Member's attorney or accountant.

Section 9.2 Annual Reports. The Executive Board shall cause annual independent audits to be made and copies thereof delivered to the Members within ninety (90) days after the close of the fiscal year of the Association.

Section 9.3 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise determined by the unanimous vote of the Executive Board.

Section 9.4 Assessment Rolls. The Assessment rolls shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and street address of the Lot, its Owner, the amounts of any and all Assessments and delinquencies with respect to said Owner and Lot, the dates and amounts in which the Assessments come due, the amounts paid upon account thereof and the balance due on any Assessment.

Section 9.5 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons and in such manner as determined from time to time by resolution of the Executive Board.

Section 9.6 Contracts. The Executive Board, except as otherwise provided in these Bylaws and the Declaration, may authorize any officer, manager, agent or employee to enter into any contract or execute any instrument in the name or on behalf of the Association and such authority may be general or confined to specific instances.

Section 9.7 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in a national bank to be designated by the Executive Board.

Section 9.8 Gifts. The Executive Board may accept on behalf of the Association any contribution, gift, bequest or devise for any general or special purpose of the Association.

ARTICLE 10
MISCELLANEOUS

Section 10.1 Conflicts. If there are any conflicts or inconsistencies between the provisions of the Declaration and these Bylaws, the terms and provisions of the Declaration shall control. If there are any conflicts or inconsistencies between the provisions of the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. If there are any conflicts or inconsistencies between the provisions of the Articles of Incorporation and the Declaration, the Articles of Incorporation shall control.

Section 10.2 Amendments to Bylaws. These Bylaws may be amended only by the unanimous vote of the Members at a meeting duly held for such purpose.

Section 10.3 Use of Pronouns. 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 either gender.

Section 10.4 Inspection of Bylaws. The Association shall keep in its principal office a true and correct copy of these Bylaws, as the same may, from time to time, be amended, and which shall be open to inspection by the Members at all reasonable times during office hours.

Section 10.5 Parliamentary Rules. *Robert's Rules of Order* (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, these Bylaws, the Declaration or the statutes of the State of North Carolina.

Section 10.6 Conflict; Severability. These Bylaws are established in compliance with the Act. Should any of the terms, conditions, provisions, paragraphs or clauses of these Bylaws conflict with any of the provisions of the Act, the provisions of the Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. If any term, provision, limitation, paragraph or clause of these Bylaws or the application thereof to any person or circumstance is judicially held to be invalid, such determination shall not affect the enforceability, validity or effect of the remainder of these Bylaws or the application thereof to any other person or circumstance.

Section 10.7 Turnover. At such a time that the Declarant no longer is the owner of any of the Properties, the Declarant may take such steps that are necessary to have the Board that it appointed and the officers appointed by such Board give notice of their resignation and require that the Members of the Association take the following actions: (i) change the registered agent for the Association, (ii) provide notice of the new registered agent and its address to the North Carolina Secretary of State and the relevant tax authorities, (iii) elect a new Board for the Association, and (iv) appoint new officers for the Association.

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