

**ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS OF
INONA PLACE HOMEOWNERS ASSOCIATION, INC.**

The undersigned directors of Inona Place Homeowners Association, Inc., a North Carolina non-profit corporation (“Association”), take the following actions as evidenced by this signed written consent made pursuant to the North Carolina Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes (“Act”).

WHEREAS, the Articles of Incorporation of the Association were filed with the Secretary of State of North Carolina on October 15, 2018; and

WHEREAS, the undersigned were named in the Articles of Incorporation as initial directors;

WHEREAS, the Act requires the initial directors to complete the organization of the Association by appointing officers, adopting bylaws, and conducting any other business; and

WHEREAS, the Act provides that action required to be taken by the board of directors may be taken without a meeting if the action is taken by all members of the board and evidenced by written consent signed by each director describing the action taken;

NOW, THEREFORE, BE IT RESOLVED that the following persons are appointed to the offices set forth opposite their respective names:

Thomas Quackenbush	President
Mitchell Murphy	Vice-President
Carla Sevilla	Secretary/Treasurer

RESOLVED FURTHER that the bylaws attached to this written consent are approved and adopted; and

RESOLVED FURTHER that actions taken by the incorporator for the organization and incorporation of the Association are ratified.

The undersigned directors consent to the actions set forth above and direct that this document be filed with the corporate records reflecting the action taken.

This document is effective on the last signature date set forth below.

<u>Thomas Quackenbush</u>	<u>Oct 7, 2021</u>	<u>Carla Sevilla</u>	<u>Oct 7, 2021</u>
Thomas Quackenbush	Date	Carla Sevilla	Date
<u>Mitchell Murphy</u>	<u>Oct 7, 2021</u>		
Mitchell Murphy	Date		

BYLAWS

INONA PLACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. DEFINITIONS

Unless the context requires otherwise, the capitalized terms defined in the Declaration of Covenants, Covenants, Restrictions, and Easements for Inona Place (“Declaration”) shall have the same meanings for purposes of these Bylaws.

ARTICLE II. MEMBERS

Section 2.1. Membership. The Association shall have two classes of membership, Class A and Class B, which classes of membership shall have the rights conferred upon them by the Declaration, the Articles of Incorporation, and these Bylaws. Persons who hold an interest merely as security for the performance of an obligation are not Members, and the giving of a security interest shall not terminate a Member’s membership. In no event shall there be more than one membership per Unit owned. If there are multiple Owners of a Unit, rights of use and enjoyment shall be as provided in the Declaration and in the Bylaws, but in no event shall more than one vote be cast nor office held for each Unit owned.

If a Member is a corporation, partnership, trust, or other legal entity not being a natural person, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person’s relationship with the Association shall terminate automatically upon the termination of such person’s relationship with the entity which is the Member. The Board shall fill any vacancy in any elected or appointed position within the Association in which such person may have been serving.

Section 2.2. Annual Meeting. A meeting of the Members of the Association shall be held annually at such time and place on such date as the Board of Directors shall determine from time to time.

Section 2.3. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association. Additionally, it shall be the duty of the President to call a special meeting of the Members upon being presented with a written request to do so signed (i) by a majority of the members of the Board of Directors or, after the termination of the Class B membership, (ii) by the Members of the Association entitled to cast at least 20% of the total vote of the Association.

Section 2.4. Notice of Meetings. The Secretary of the Association shall give notice to each Member of each meeting of the Members at least 21 days in advance of any annual or regularly scheduled meeting and at least 7 days in advance of any other meeting. Each notice of a meeting shall state the purpose, the time and place where it is to be held, and shall be delivered personally, sent by U.S. mail, or email, to all Owners of record at the addresses designated by

such Owners or, if no other addresses have been designated, at the addresses of their respective Units.

Section 2.5. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by a Member, whether in person or represented by proxy, shall also be deemed a waiver by such Member of notice of the time, date, and place unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business is put to a vote.

Section 2.6. Quorum. A quorum is composed of those Members attending a meeting or voting on a matter in person or by proxy, provided that, unless 20% or more of the voting power is present in person or by proxy, 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.

Section 2.7. Voting. On all matters upon which the Members are entitled to vote, each Member shall be entitled to cast one vote for each Unit in which he shall own of record a fee interest or an undivided fee interest. When more than one Person owns a Unit, the vote for such Unit shall be exercised as they determine between themselves, but in no event shall more than one vote be cast with respect to any Unit. If only one co-owner attempts to cast the vote for a Unit, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Unit. In the event of disagreement among co-owners and two or more of them attempt to cast a vote, such Persons shall not be recognized and such votes shall not be counted.

No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board, if that Member is shown on the books or management accounts of the Association to be more than 30 days delinquent in any payment due to the Association or if the Member has had voting rights suspended for the violation of any provision of the Declaration, these Bylaws, or any rule of the Association. If the voting rights of a Member have been suspended, that Member shall not be counted as an eligible vote for purposes of establishing a majority or a quorum or for purposes of amending these Bylaws or the Declaration.

Section 2.8. Adjournments. Any meeting of the Members may be adjourned by the holders of a majority of the votes represented at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting, any business may be transacted which could have been transacted at the meeting which was adjourned.

Section 2.9. Proxy. Any Member entitled to vote may do so by written proxy duly executed by such Member setting forth the meeting at which the proxy is valid. Only Members and their spouses or co-habitants may hold proxies. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. mail, or email to any Board

member. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the proxy giver at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 2.10. Consents. In the Board's discretion, any action that may be taken by the Association Members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every Member entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Association in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents received equals or exceeds the requisite majority of the voting power for such action. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the Members is approved by written consent, the Board shall issue written notice of such approval to all Members who did not sign written consents. Membership approval shall be effective 10 days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 2.11. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, the Articles of Incorporation, or these Bylaws.

ARTICLE III. DIRECTORS

Section 3.1. Number. The initial number of directors on the Board of Directors shall be three. After the election of the first Board of Directors to be elected by the Class A Members, the Board of Directors shall consist of five directors who shall be Members or spouses or cohabitants of Members, provided, however, that no Member and his or her spouse or cohabitant or co-owner may serve on the Board at the same time. The two directors receiving the most votes shall be elected for a term of two years and the remaining three directors elected shall have a term of one year. At the expiration of the term of office of each Board member, and at each annual meeting thereafter, a successor shall be elected to serve for a term of two years. The

Board members shall hold office until their respective successors shall have been elected by the Association.

Section 3.2. Appointment and Election. Until the termination of the Class B membership, as provided in the Declaration, the Board of Directors shall be appointed by the Class B member. After the termination of the Class B membership, the members of the Board of Directors (except for the members of the first Board of Directors to be elected after the termination of the Class B membership) shall be elected at each annual meeting of the Members. Each Member entitled to vote shall be entitled to cast one vote for each Unit owned by such member for each directorship to be filled on the Board of Directors. Cumulative voting shall not be permitted. The candidates receiving the most votes shall be elected. Voting for election of Board member shall be by secret written ballot unless dispensed with by unanimous consent at such meeting at which such voting is conducted.

Section 3.3. Removal of Members of the Board of Directors. At any annual or special meeting, any one or more Board members may be removed with or without cause by a majority of the Members and a successor may then and there be elected to fill the vacancy created. Moreover, any director who has had two consecutive unexcused absences from regularly scheduled Board meetings or missed more than one-third of the meetings of the Board during his or her term, or who is more than 60 days past due in the payment of any assessment may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed shall be given at least 10 days' notice of the meeting to consider his or her removal and shall be given an opportunity to be heard at the meeting.

Section 3.4. Vacancies. Vacancies in the Board caused by any reason, except the removal of a director by vote of the membership, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any Board meeting. The successor selected shall hold office for the remainder of the term of the director being replaced.

Section 3.5. Compensation. No fee or compensation shall be paid by the Association to directors for their services in that capacity unless such fee or compensation is approved by a majority of the votes of the Members cast at a duly convened meeting, and in no event shall any director receive any compensation from the Association for serving as a director before the termination of the Class B membership. The directors shall, however, be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties upon Board approval of such expenses.

Section 3.6. Regular Meetings. Until the Class B membership terminates, the Board of Directors shall not be required to hold regular meetings and the Board of Directors shall meet as often as the President of the Association shall determine. Thereafter, the Board of Directors shall meet no less frequently than once every six months, and, in all events, within 30 days after the election or appointment of new directors.

Section 3.7. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President, or by any two directors, on three days' notice to each director, which notice shall specify the time and place of the meeting. Notice of any such meeting may be

waived by a written instrument executed before or after the meeting. Attendance in person at any meeting shall constitute a waiver of notice.

Section 3.8. Waiver of Notice. Any director at any time, in writing, may waive notice of any Board meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any Board meeting shall also constitute a waiver of notice. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 3.9. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book recording all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The presence of directors entitled to cast one-half of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 3.10. Open Meetings. All Board meetings shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, contract negotiations, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 3.11. Action Without a Meeting. Any Board action required or permitted to be taken at any meeting may be taken without a meeting if a majority of the directors consent in writing to such action. The written consents must describe the action taken and be signed by no fewer than a majority of the directors. The written consents shall be filed with the minutes of the Board.

Section 3.12. Duties and Powers. Except as specifically provided otherwise in the North Carolina Nonprofit Corporation Act, the Declaration, the Articles of Incorporation, or these Bylaws, all powers inherent in or expressly granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Members. The Board of Directors shall also have the responsibility of discharging all of the duties imposed on it by the Declaration, the Articles of Incorporation, and these Bylaws. By way of explanation, and not limitation, the Board of Directors shall have the power to and shall be responsible for the following:

- (i) preparation and adoption of an annual budget, in which there shall be established the contribution of each class of Members to the Annual Expenses;
- (ii) making assessments to cover the Annual Expenses, establishing the means and methods of collecting assessments, and establishing the due dates and period of the payments of assessment;

- (iii) providing for the operation, care, upkeep, and maintenance of the Areas of Common Responsibility;
- (iv) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Areas of Common Responsibility, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (v) collecting the assessments and other fees or charges, depositing the proceeds in a financial depository or institution, or otherwise investing the proceeds in accordance with the North Carolina Planned Community Act, and using the proceeds to administer the Association;
- (vi) making and amending rules and regulations and imposing sanctions for violations, including reasonable monetary fines;
- (vii) suspending the membership rights of any Member of the Association, including the right to vote and use of the Common Areas and the facilities, during the period of time such Member is delinquent in the payment of any assessment, assessment installment, or any other amount due, or the Member fails to abide by any rule or regulation with regard to the Common Areas;
- (viii) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- (ix) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Areas of Common Responsibility in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;
- (x) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the Board of Directors, and bringing any proceedings that may be instituted on behalf of or against the Members concerning the Association;
- (xi) obtaining and carrying insurance as provided in the North Carolina Planned Community Act and the Declaration, and paying the premium cost;
- (xii) paying the costs of all services rendered to the Association or its Members and not directly chargeable to specific Members;
- (xiii) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

- (xiv) contracting with any Person for the performance of the Board's duties and functions, including entering into management agreements; and
- (xv) establishing an office and/or post office box as may be necessary for conducting the business of the Association.

Section 3.13. Management Agent. The Board may hire a management agent, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent which might arise between meetings of the Board.

Section 3.14. Borrowing. The Board of Directors shall have the power to borrow money for any legal purpose subject to the approval of two-thirds of the Members present and voting in person or by proxy at a duly called meeting or by ballot.

Section 3.15. Committees. The Board shall have the authority to establish such committees as the Board may determine with such powers and duties that the Board shall authorize. The members of all committees shall be appointed by the Board of Directors and serve at the pleasure of the Board. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Each committee shall make recommendations to the Board of Directors with respect to the matters within the jurisdiction of such committee. The Board of Directors shall consider the recommendations of the committees in managing the affairs of the Association. The committees shall have no authority to transact business on behalf of the Association or to bind the Association, which authority is vested exclusively in the Board of Directors.

Section 3.16. Enforcement Rights. In addition to such other rights as are granted in the North Carolina Planned Community Act, the Articles of Incorporation, the Declaration, or these Bylaws, the Board of Directors shall have the power to:

- (i) recover from any Owner the cost of repairing damage to any Common Area or other property of the Association caused by such Owner, Owner's household, or any guest, invitee, tenant, occupant, employee, or agent of Owner; and
- (ii) impose sanctions for violations of the Declaration, these Bylaws, the Association's rules and regulations (individually and collectively referred to as the "Rules") by an Owner, Owner's household, or any guest, invitee, tenant, occupant, employee, or agent of Owner.

Sanctions may include, but are not limited to, reasonable monetary fines and suspension of the right to vote and the right to use any recreational amenities located in the Common Area. Monetary fines shall not exceed the greater of the costs actually incurred by the Association in remedying such violation (including attorneys' fees) or \$100.00 per day for each day more than five days after the Board decides that the violation occurred. Fines imposed shall constitute a lien upon the Unit of the Owner. In addition, the Board may suspend any services provided by

the Association to an Owner or the Owner's Unit if the Owner is delinquent in paying any assessment or other charges owed to the Association. The failure of the Board to enforce any of the Rules shall not be deemed a waiver of the right to do so thereafter.

(a) Notice. Before imposing any sanction, the Board or its delegate shall give the Owner written notice describing: (i) the nature of the alleged violation or damage; (ii) the proposed sanction to be imposed; and (iii) the date, time, and place of the hearing. Such notice may hand delivered by any person or sent by certified mail, return receipt requested. Any notice hand delivered shall be deemed received when received by the Owner or by any person more than 18-years old who is present at the address of the Owner as shown in the records of the Association. Notice sent by certified mail shall be deemed received on the third business day after the notice is deposited in the U.S. Mail. The Board shall include in its minutes evidence of the giving of such notice, including a copy of the notice and a statement of the date and manner of delivery signed by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or his or her representative appears at the meeting and does not challenge the sufficiency of the notice.

(b) Hearing. The hearing shall be held by the Board of Directors in executive session or by a committee of at least three members (who may or may not be directors of the Association) appointed by the Board of Directors for the purpose of hearing such appeals. The Owner shall be afforded a reasonable opportunity to be heard and to present evidence. A written statement of the results of the hearing and the sanctions, if any, imposed, shall be placed in the minutes of the Board of Directors and a copy of such statement shall be provided to the Owner in the same manner as the notice required by paragraph (a) of this section.

If the hearing was held before a subcommittee appointed by the Board, the Owner shall have the right to appeal the decision to the Board of Directors by giving a written notice of appeal to the President or Secretary of the Association within 15 days after receiving a copy of the written statement of the results of the hearing. If such notice of appeal is given, the Board shall schedule and notify the Owner of the date of the appeal hearing, which shall be not less than five nor more than 15 days after notice of appeal is given, and which must be attended by no fewer than three members of the Board. The Owner shall have a reasonable opportunity to be heard. The Board of Directors may, by majority vote of the directors present at such appeal hearing, affirm, modify, or vacate the decision of the subcommittee. A written statement of the results of the appeal hearing and the sanctions, if any, imposed, shall be placed in the minutes of the Board of Directors and a copy of same shall be provided to the Owner in the same manner as the notice required by paragraph (a) of this section.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board of Directors may elect to enforce any provision of the Rules, without the necessity of compliance with the notice and hearing procedures set forth in this section, by self-help methods (specifically including, but not limited to, the towing of Owner and tenant vehicles parked in violation of parking rules, the maintenance of lawns or landscaping an Owner fails to maintain in accordance with applicable maintenance obligations, or the removal of structures erected in violation of rules related to architectural control) or by action at law or in equity to enjoin any violation, to recover monetary damages, or both. In any such action, to the maximum extent allowed by law, the Association shall be entitled to recover all costs of such action,

including reasonable attorneys' fees incurred. Any entry onto any Unit for purposes of exercising this power of self-help shall not be deemed as trespass.

ARTICLE IV. OFFICERS

Section 4.1. General Provisions. The officers of the Association shall consist of a President, a Secretary, and a Treasurer. In addition, the Association shall have such other officers as the Board of Directors shall deem to be desirable in connection with the administration of the affairs of the Association. Any two or more offices may be held by the same persons, except the offices of President and Secretary.

Section 4.2. Appointment. All of the officers of the Association shall be appointed by, and shall serve at the pleasure of, a majority of the members of the Board of Directors.

Section 4.3. President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Members and of the Board of Directors. The President shall manage, supervise, and control all of the business and affairs of the Association.

Section 4.4. Secretary. The Secretary shall (i) attend all meetings of the Members and of the Board of Directors and shall keep the minutes, (ii) be responsible for the preparation and giving of all notices that are required to be given by the Declaration and these Bylaws, (iii) perform the responsibilities of the Secretary under Section 2.4 of these Bylaws, (iv) serve as the custodian of the books and records of the Association, (v) keep a register of the mailing and email addresses of each Member of the Association, and (iv) perform such other tasks as the Association may reasonably require.

Section 4.5. Treasurer. The Treasurer shall (i) be charged with the management of the financial affairs of the Association, (ii) keep full and accurate financial records and books of account showing all receipts and disbursements and of the Association, (iii) prepare all required financial data, and (iv) perform such other tasks as the Association may reasonably require.

Section 4.6. Compensation of Officers. The officers of the Association shall be entitled to the payment of such compensation as shall be approved by two-thirds of the total members of the Board of Directors; provided, however, that before the termination of the Class B membership, no officer shall receive any compensation from the Association for serving in such capacity. The officers shall, however, be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties upon Board approval of such expenses.

ARTICLE V. MISCELLANEOUS

Section 5.1. Fiscal Year. Unless otherwise selected by the Board, the fiscal year shall be the calendar year.

Section 5.2. Notice of Purchaser or Lessee. Any Member who shall sell or lease any Unit in which the Member has a fee or undivided fee interest shall promptly give the Secretary written notice of such sale or lease, which notice shall also set forth the name, address, and email address

of such purchaser or lessee. The addresses provided for such purchaser or lessee shall be the addresses to which the Secretary shall send any notices to be sent to such purchaser or lessee, until such purchaser or lessee provides the Secretary with different addresses for such purpose.

ARTICLE VI. AMENDMENTS

These Bylaws may be amended only in accordance with the following procedure. The Board of Directors shall first adopt a resolution proposing the amendment and recommending its adoption by the Members. Such proposed amendment shall then be presented to the Members at a meeting duly called and held for the purpose of considering such proposed amendment. If such proposed amendment is approved by at least two-thirds of the votes cast at such meeting, such amendment shall become effective; provided, however that the U.S. Department of Veterans Affairs (if it is then guaranteeing any Mortgage secured by any Unit) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage secured by any Unit) shall have the right to veto material amendments to these Bylaws for as long as the Class B membership remains active.

ARTICLE VII. INDEMNIFICATION

Each person who is or was a director or officer of the Association, shall be indemnified by the Association against those expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement that are allowed to be paid or reimbursed by the Association under North Carolina law, and that are actually and reasonably incurred in connection with any pending or threatened action, suit, or proceeding, whether civil, criminal, administrative or investigative, in which such person may be involved because of having been a director or officer of the Association. Such indemnification shall be made only in accordance with North Carolina law.

When North Carolina law permits indemnification only after a determination that certain standards of conduct have been met, the Association shall, upon request for indemnification, the Board shall promptly make such determination (i) by majority vote of a quorum of the Board consisting of directors not at the time parties to the proceeding; (ii) if a quorum cannot be obtained, by majority vote of a committee duly designated by the Board (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; (iii) by special legal counsel selected by the Board or its committee in the manner prescribed in item (i) or (ii), or if a quorum of the Board cannot be obtained under item (i), and a committee cannot be designated under item (ii), selected by majority vote of the full Board (in which selection directors who are parties may participate); or (iv) by the Members, but Members who are also directors and are at the time parties to the proceeding may not vote on the determination.

As a condition of any such right of indemnification, the Association may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Association and at the Association's expense.

The Association may purchase and maintain insurance on behalf of any such persons whether or not the Association would have the power to indemnify such officers and directors against any liability under North Carolina law. The Association shall provide notice to the Members of amounts paid for indemnification, except when such payments are made pursuant to court order, action by the Members, or by an insurance carrier.

SECRETARY'S CERTIFICATE

I certify that the foregoing Bylaws are a true and correct copy of the bylaws duly adopted by the Board of Directors.

Carla Sevilla

Carla Sevilla, Secretary

Oct 7, 2021

Date

Signature: Thomas D Quackenbush
Thomas D Quackenbush (Oct 7, 2021 09:48 EDT)

Email: tom@glenwoodhomes.com

Signature: Mitch Murphy
Mitch Murphy (Oct 7, 2021 19:57 EDT)

Email: mitch.t.murphy@gmail.com

Signature: Carla Sevilla
Carla Sevilla (Oct 7, 2021 20:18 EDT)

Email: carla@cptriangle.com