

NORTH CAROLINA  
NORTHAMPTON COUNTY

**BYLAWS  
OF  
INDIAN ROCK ASSOCIATION, INC.**

**ARTICLE I  
OFFICERS**

Section 1 - The name of the Corporation shall be Indian Rock Association, Inc. A Non-Profit Association organized and existing under the laws of the State of North Carolina.

Section 2 – The legal mailing address shall be P.O. Box 59, Henrico, North Carolina, 27842..

Section 3 – All business shall be conducted at such places as the Board of Directors determines.

**ARTICLE II  
MEMBERSHIP AND MEETINGS OF MEMBERS**

Section 1 – NO SHAREHOLDERS OR CERTIFICATE HOLDERS

- a) The Corporation shall have no certificate holders or shareholders. The Corporation shall only have members, and the membership of this corporation shall be governed in the manner hereinafter provided in this Article.

Section 2 – MEMBERSHIP

- a) Subject to the further provisions of these Bylaws hereinafter set forth, every person or entity who is record owner of an interest in any lot in Indian Rock subdivision in Northampton County, North Carolina, as shown by recorded plats thereof in the Gaston Township, Northampton County Public Registry, or who is record owner of property declared by recorded Declaration to be subject to the Declaration applicable to lots in Indian Rock subdivision, shall be a member of the Corporation upon the payment of assessments of the Corporation as levied from time to time, EXCEPT that a person or entity who holds an interest in any property located in Indian Rock subdivision merely as a security for the performance of an obligation may not be a member of the Corporation.
- b) The record date for determining the membership for notice of or voting at any annual and regular membership meeting of the Corporation shall be fixed by these Bylaws as being thirty (30) days prior to any annual and regular membership meeting of the Corporation. A determination of the members of the Corporation entitled to notice of or to vote at any annual and regular membership meeting of the Corporation is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.
- c) The record date for determining the membership for a notice of or voting at any special membership meeting of the Corporation shall be fixed by these Bylaws as being on the date that the first (1<sup>st</sup>) member signs the written demand to the Secretary of the Corporation for the holding of a special membership meeting of the Corporation. A determination of the members of the Corporation entitled to notice of or to vote at any special membership meeting of the Corporation is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

- d) The record date for determining the membership for notice of or voting at a court-ordered meeting of the Corporation called pursuant to the provisions of N. C. Gen. Stat. 55A-7-03 shall be fixed and determined by the Court if so determined and fixed by the Court. Otherwise, the record date for determining the membership for notice of or voting at a court-ordered meeting of the Corporation shall be determined pursuant to the provisions of paragraph b of this Section.
- e) The record date for determining the membership for any action without a meeting by written consent, pursuant to the provisions of N. C. Gen. Stat. 55A-7-04, shall be fixed by these Bylaws as the date the first member signs the consent to take action without a meeting.
- f) The foregoing provisions for the determining of fixing a record date for notice to and voting by the membership of the Corporation shall apply equally for the purposes of determining the identity of any members of the Corporation being entitled to any and all rights in respect of any other lawful action.

### Section 3 – VOTING RIGHTS OF MEMBERS

- a) The Corporation shall have only one (1) class of voting membership.
- b) Notwithstanding the number of lots owned in Indian Rock subdivision, no member may cast more than one (1) vote.
- c) When more than one (1) person or entity, including, but not limited to, tenants by the entirety, holds an interest or interests in any lot in Indian Rock subdivision, all such persons or entities shall cast one (1) vote for such lot as they among themselves determine; provided further, that a written voting agreement prepared and executed in the form and manner required by N. C. Gen. Stat. 55A-7-30 and signed by all of the then owners of an interest in the applicable lot has been filed with the Secretary of the Corporation at least twenty-four (24) hours prior to any meeting of the Corporation. Should a voting agreement concerning said lot not have been filed in the manner hereinabove set forth, then no vote shall be cast concerning said lot at any meeting of the Corporation.
- d) Except as otherwise provided either in these Bylaws or in the Articles of Incorporation of the Corporation, voting by member of the Corporation at all meetings of the Corporation shall be governed by the provisions of Article 7 of Chapter 55A of the North Carolina General Statutes.
- e) Each member of the Corporation is entitled to one (1) vote on each separate matter submitted to a vote of members.

### Section 4 – MEETINGS OF THE MEMBERSHIP OF THE CORPORATION.

- a) General Membership Meetings.
  - 1) The Corporation shall hold one (1) annual and regular membership meeting of the Corporation annually. Said annual and regular membership meeting is to be held on the first (1<sup>st</sup>) Saturday during the month of May of each year.
  - 2) Unless otherwise fixed by the Board of Directors of the Corporation, the annual and regular membership meeting of the Corporation shall be held at a site selected by the Board of Directors.
  - 3) At any annual and regular membership meeting, the members shall consider and act upon such matters as may be raised consistent with the notice requirements of these Bylaws.
  - 4) The failure to hold an annual and regular meeting at a time stated in or fixed in accordance with these Bylaws shall not affect the validity of any corporate actions.
- b) Special Membership Meetings.
  - 1) The Corporation shall hold a special membership meeting of the Corporation if any one (1) or more of the following conditions are satisfied:
    - i) Pursuant to any call by the Board of Directors of the Corporation; or
    - ii) Pursuant to any person or persons so authorized to call special membership meetings of the Corporation; or

- iii) Within thirty (30) days after the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered sign, date and deliver to the Secretary of the Corporation one (1) or more written demands for the special membership meeting describing the purpose or purposes for which it is to be held.
  - iv) Unless otherwise fixed by the Board of Directors, special membership meetings shall be held at a location determined by the Board of Directors..
  - v) Only those matters that are within the purpose or purposes described in the meeting notice for special membership meetings of the Corporation hereinafter set forth shall be acted upon at any special membership meeting.
- c) Court-ordered Meetings.  
All court-ordered meetings of the Corporation shall be conducted in accordance with the directions and orders of the Court issued pursuant to the provisions of N. C. Gen. Stat. 55A-7-03.
- d) Action By Written Consent.
- 1) Action required or permitted by these Bylaws or by the Articles of Incorporation of the Corporation at any meeting of the members may be taken without a meeting if the action is taken by all members entitled to vote on the action. The action shall be evidenced by one (1) or more written consents describing the action taken, signed before or after such action by all members entitled to vote thereon, and delivered to the Corporation for inclusion in the minutes or filing with the records of the Corporation.
  - 2) A consent signed under this paragraph has the effect of a meeting vote and may be described as such in any document.
- e) Action by Written Ballot.
- 1) Notwithstanding the provisions of Section 4, paragraph d of this Article, and unless otherwise expressly prohibited either by these Bylaws or by the Articles of Incorporation of the Corporation, any action of the Corporation that may be taken at any annual, regular or special meeting of the members of the Corporation may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter.
  - 2) A written ballot shall:
    - (i) set forth each proposed action; and
    - (ii) provide an opportunity to vote for or against each proposed action.
  - 3) Approval by written ballot pursuant to this paragraph e 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 written ballot approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast.
  - 4) All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the Corporation in order to be counted.
  - 5) A written ballot, once the same has been delivered to the Corporation by the member, is irrevocable.

## Section 5 – NOTICE OF MEETINGS.

- a) Annual and Regular Membership Meetings.
  - 1) All members shall be entitled to notice of the date, place and time of any annual and regular membership meeting no fewer than thirty (30) nor more than sixty (60) days before the meeting date if notice of said meeting is mailed either by first class, registered or certified mail; provided, however that if the notice of said meeting is mailed by other than by either first class, registered or certified mail, all members shall be entitled to notice of the date, place

and time of said meeting no fewer than thirty (30) nor more than sixty (60) days before the meeting date.

- 2) Notice of an annual and regular meeting includes a description of any matter or matters that shall be approved by members under the provisions of N. C. Gen. Stats. 55A-8-31, 55A-8-55, 55A-10-03, 55A-10-21, 55A-11-04, 55A-12-02 or 55A-14-02.
  - 3) Except as otherwise provided herein, if an annual and regular membership meeting is adjourned to a different date, time or place, any further notice shall not be given of the new date, time and place of the resumption of said meeting if the new date, time and place of the resumption of said meeting is announced at said original meeting. However, if a new record date for the adjourned meeting is required by the provisions of Section 2, paragraph b of this Article, then notice of the adjourned meeting shall be given to members entitled to vote at such adjourned meeting as of the new record date.
  - 4) When giving notice of an annual and regular meeting of the Corporation, the Corporation shall give notice of a matter which a member intends to raise at such meeting if: 1) persons entitled to call a special meeting hereinabove set forth in Section 4, paragraph b of this Article; and 2) the request is received by either the Secretary or the President/Chief Executive Officer of the Corporation at least ten (10) days before the Corporation gives notice of the meeting.
- b) Special Membership Meetings.
- 1) All members shall be entitled to notice of the date, place and time of any special membership meeting no fewer than ten (10) nor more than sixty (60) days before the meeting date if notice of said meeting is mailed either by first class, registered or certified mail; provided, however, that if the notice of said meeting is mailed other than by first class, registered or certified mail, all members shall be entitled to notice of the date, place and time of said meeting no fewer than thirty (30) nor more than sixty (60) days before the meeting date.
  - 2) The notice of any special membership meeting shall contain a description of the matter or matters for which said meeting is called.
  - 3) Except as otherwise provided herein, if a special membership meeting is adjourned to a different date, time or place, any further notice shall not be given of the new date, time and place of the resumption of said meeting if the new date, time and place of the resumption said meeting is announced at said meeting. However, if a new record date for the adjourned meeting is required by the provisions of Section 2, paragraph c of this Article, then notice of the adjourned meeting shall be given to members entitled to vote at such adjourned meeting as of the new record date.
  - 4) When giving notice of a special membership meeting of the Corporation, the Corporation shall give notice of a matter which a member intends to raise at said meeting if: 1) persons entitled to call a special membership meeting hereinabove set forth in Section 4, paragraph b of this Article; and 2) the request is received by either the Secretary or the President of the Corporation within ten (10) days before the Corporation gives notice of the meeting.

#### Section 6 – WAIVER OF NOTICE OF MEETING

- a) Any member may waive any notice required either by these Bylaws, the Articles of Incorporation or by the provisions of Chapter 55A of the North Carolina General Statutes before or after the date and time stated in the notice. The waiver shall be in writing, be signed by the member entitled to the notice, and be delivered to be Corporation for inclusions in the minutes or filing with the records of the corporation.
- b) A member's attendance at a meeting:
  - 1) 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 conducting business of the Corporation at the meeting; and

- 2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter before it is voted upon.

#### Section 7 – MEMBERS’ LIST FOR VOTING

- a) After a record date has been fixed for the purposes of notice of and voting at any meeting of the corporation pursuant to the provisions of Section 2 of this Article, the Corporation shall prepare an alphabetical list of the names of all of its then existing members who are entitled to notice of and to voting at such meeting. The list shall show the name and address of each member who is entitled to cast his vote at each such meeting. The Corporation shall prepare on a current basis through the time of the membership meeting a list of members, if any, who are members of the Corporation but are not entitled to notice of or voting at the meeting. This list prepared shall on the same basis as and be a part of the list of members.
- b) Beginning two (2) business days after notice is given of the meeting for which the list was prepared and continuing through the meeting, the list of members shall be available at the Corporation’s principal office or at a reasonable place identified in the meeting notice in the place where the meeting will be held for inspection by any member of the Corporation for the purpose of communication with other members concerning the meeting. A member, personally or by or with his representatives, is entitled on written demand to inspect and, subject to the limitations of N. C. Gen. Stat. 55A-16-02(c) and 55A-16-05, at his expense, to copy the list at a reasonable time during the period it is available for inspection.
- c) The Corporation shall make the list of members available at any meeting, and any member, personally or by or with his representatives, is entitled to inspect the list at any time during the meeting or any adjournment.
- d) Refusal or failure to prepare or make available the members’ list shall not affect the validity of action taken at the meeting.

#### Section 8 – QUORUM REQUIREMENTS

- a) Unless otherwise provided either in these Bylaws or in the Articles of Incorporation, twenty-five percent (25%) of the votes entitled to be cast on a matter shall be represented at any meeting of the members to constitute a quorum on that matter. Once a member is represented for any purpose at a meeting, the member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that meeting in accordance with the provisions of Section 2 of this Article.
- b) Any proposed amendment to these Bylaws which proposes to decrease the quorum for any member action shall be approved by the Board of Directors.
- c) Any proposed amendment to these Bylaws which proposes to increase the quorum for any member action shall be approved by the members entitled to vote on that action.
- d) Unless one-third (1/3<sup>rd</sup>) or more of the votes entitled to be cast in the election of directors are represented in person or by proxy, the only matters which may be voted upon at an annual or regular meeting of the membership of the Corporation are those matters which are described in the meeting notice.

#### Section 9 – VOTING REQUIREMENTS.

- a) Unless otherwise provided either in these Bylaws, the Articles of Incorporation or by applicable North Carolina law, if a quorum is present, the affirmative vote of a majority of the votes cast is the act of the members.
- b) Any proposed amendment to these Bylaws which proposes to either increase or decrease the vote required on any member action shall be approved by the members entitled to vote on that action.

## Section 10 – PROXIES.

- a) A member shall be entitled to vote on all matters brought by or before the membership of the Corporation at any meeting of the Corporation.
- b) A member shall be entitled to appoint a proxy to vote for such member or otherwise act for said member by signing an appointment form, either personally or by his attorney-in-fact. A photocopy, telegram, cablegram, telex, facsimile transmission, or a writing or a wire or wireless communication appearing to have been transmitted by a member that provides an equivalent reproduction of a writing appointing one (1) or more proxies, shall be deemed a valid appointment form within the meaning of this Section.
- c) A member may appoint one (1) or more proxies (i) by an electronic mail message or other form of electronic, wire or wireless communication that provides a written statement appearing to have been sent by the member; or (ii) by any kind of electronic or telephonic transmission, even if not accompanied by written communication under circumstances or together with information from which the Corporation can reasonably determine that the appointment was made or authorized by the member.
- d) An appointment by proxy is effective when received by the Secretary or other officer or agent of the Corporation who is authorized to tabulate votes. An appointment is valid for eleven (11) months unless a different period is expressly provided in the appointment form.
- e) An appointment of a proxy is revocable by the member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. An appointment made irrevocable by this Section shall be revocable when the interest with which it is coupled is extinguished. A transferee for value of an interest subject to an irrevocable appointment may revoke the appointment if said transferee did not have actual knowledge of its irrevocability.
- f) The death or incapacity of any member appointing a proxy shall not affect the right of the Corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other officer or agent authorized to tabulate votes before the proxy exercises authority under the appointment.
- g) A revocable appointment of a proxy is revoked by the person appointing the proxy:
  - 1) Attending the meeting and voting in person; or
  - 2) Signing and delivering to the Secretary or other officer or agent of the Corporation authorized to tabulate votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.
- h) Subject to either the provisions of these Bylaws, the Articles of Incorporation or the provisions of N. C. Gen. Stat. 55A-7-27, and to any express limitation on the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the member making the appointment.
- i) Subject to any limitations set forth in N.C. Gen. Stat. 55A-7-27, or otherwise contained either in these Bylaws or in the Articles of Incorporation of the Corporation, the Corporation hereby reserves the right, in good faith, to reject any and all proxies.

## Section 11 – ACCEPTANCE OF VOTES BY THE CORPORATION

- a) If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a member, the Corporation if acting in good faith is entitled to accept the vote, consent, waiver or proxy appointment and give it effect as the act of the member.
- b) If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the record name of a member, the Corporation acting in good faith is nevertheless entitled to accept the vote, consent, waiver or proxy appointment and give it effect as the act of the member if:
  - 1) The member is an entity and the name signed purports to be that of an officer or agent of the entity;

- 2) The name signed purports to be that of an attorney-in-fact of the member and, if the Corporation so requests, evidence acceptable to the Corporation of the signatory's authority to sign for the member is presented with respect to the vote, consent, waiver or proxy appointment;
- 3) Two (2) or more persons hold the membership as co-tenants or fiduciaries and the name signed purports to be the name of at least one (1) of the co-holders and the person signing appears to be acting on behalf of the co-holders and not inconsistent with any voting agreement previously filed with the Corporation; and
- 4) In the case of a corporation other than a charitable or religious corporation:
  - (i) The name signed purports to be that of an administrator, executor, guardian or conservator representing the member and, if the Corporation so requests, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment; or
  - (ii) The name signed purports to be that of a receiver or trustee in bankruptcy of the member, and, if the Corporation so requests, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.
- c) The Corporation is entitled to reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt concerning the validity of the signature on it or about the signatory's authority to sign for the member.
- d) The Corporation and its officer or agent who accepts or rejects a vote, consent, waiver or proxy appointment in good faith and in accordance with the standards of this Section are not liable in damages to the member for the consequences of the acceptance or rejection.,
- e) Corporate action based on the acceptance or rejection of a vote, consent, waiver or proxy appointment under this Section is valid unless a court of competent jurisdiction determines otherwise.

#### Section 12 – RESIGNATION AND TERMINATION OF MEMBERSHIP.

- a) A member of the Corporation may resign at any time. However, such resignation shall not affect said resigning member's previous, then currently existing and/or future obligation(s) to pay any and all dues and assessments assessed under the Declaration of Restrictive Covenants affecting the applicable member's lot in Indian Rock subdivision.
- b) Subject to the provisions of N. C. Gen. Stat. 55A-6-31, should a member of the Corporation fail to pay any or all of the dues and assessments which are assessed under the Declaration of Restrictive Covenants affecting the applicable member's lot in Indian Rock subdivision, then such applicable member's voting and any and all related membership rights, including, but not limited to, the right to hold corporate office or hold corporate directorship in the Corporation, shall be suspended unless and until such member shall have fully complied with and paid all obligations in full.

### **ARTICLE III BOARD OF DIRECTORS**

#### Section 1 – NUMBER AND ELECTION OF DIRECTORS; ELECTION OF OFFICERS FROM THE BOARD OF DIRECTORS.

- a) The number of directors of the Corporation shall be nine (9).
- b) The members of the Board of Directors shall be members of the Corporation.
- c) Except in cases of filling any vacancy which may occur from time to time on the Board of Directors, the members of Board of Directors shall be elected by the members of the Corporation. In case of

any vacancy occurring on the Board of Directors, the Board of Directors shall be permitted to elect a director to serve the unexpired term of such vacant position.

- d) The directors of the Corporation shall not be required to be residents of the State of North Carolina.
- e) All directors shall be elected for a term of three (3) years.
- f) Unless otherwise provided either in these Bylaws or in the Articles of Incorporation of the Corporation, voting in the election of directors shall be cumulative.
- g) The Board of Directors shall elect from its board members the following officers: President/Chief Executive Officer, Vice President, Secretary and Treasurer. The foregoing officers so elected shall further serve in the dual capacity as an officer of the Corporation. The election of officers shall be conducted in the manner hereinafter prescribed in Section 8 of this Article.

#### Section 2 – RESIGNATION OF DIRECTORS.

- a) A director may resign at any time by communicating his resignation in writing either to the Board of Directors, the presiding officer of the Board of Directors, or to the Corporation.
- b) A resignation is effective when it is communicated unless the notice specifies a later effective date or subsequent event upon which it will become effective.

#### Section 3 – REMOVAL OF DIRECTORS

- a) Unless the Articles of Incorporation of the Corporation provide otherwise, the members of the Corporation may remove (1) or more directors elected by the membership of Corporation with or without cause. In addition to the foregoing, a director may be removed by the Board of Directors for failing to attend three (3) consecutive meetings of the Board of Directors.
- b) Except as hereinafter provided by paragraph g of this section, a director may be removed under paragraph a of this section only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors..
- c) A director elected by the members may be removed by the members of the Corporation only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one (1) of the purposes, of the meeting is the removal of the director.
- d) A director shall not be removed if the number of votes sufficient to elect the director under cumulative voting, if an election were then being held, is voted against the director's removal.
- e) An entire Board of Directors may be removed under paragraphs a through d, both and all inclusive, of this section.
- f) A director which is elected by the Board of Directors may only be removed thereafter by a vote of the members of the Corporation.
- g) Notwithstanding any other provision of this Section, if, at the beginning of the director's term, these Bylaws or the Articles of Incorporation provide that the director may be removed by the Board of Directors for missing a specified number of meetings of the Board of Directors, the Board may remove the director for failing to attend the specified number of meetings. The director may be removed only if a majority of the directors then in office vote for the removal.
- h) The superior court of the county where the Corporation's principal office is located, or if the Corporation's principal office is not located in North Carolina, then in the county where the Corporation's registered office is located, may remove any director of the Corporation from office in a proceeding commenced either by the Corporation or by the members of the Corporation holding at least ten percent (10%) of the votes entitled to be cast if the court finds that:
  - 1) The director engaged in fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the Corporation, or a final judgment has been entered finding that the director has violated a duty set forth in N. C. Gen. Stat. 55A-8-30 through 55A-8-33, both and all inclusive; and
  - 2) Removal is in the best interest of the Corporation. The court that removes a director may bar the director from serving on the Board of Directors for a period prescribed by the court.

#### Section 4 – PROCEDURE FOR FILLING VACANCY ON BOARD OF DIRECTORS

- a) Unless otherwise provided either by these Bylaws or by the Articles of Incorporation of the Corporation, and except as provided otherwise in this Section, if a vacancy occurs on the Board of Directors, including, without limitation, a vacancy resulting from an increase in the number of directors or from the failure of the members of the Corporation to elect the full authorized number of directors, the vacancy may be filled:
  - 1) By the Board of Directors; or
  - 2) If the directors remaining in office constitute fewer than a quorum of the Board of Directors, by the affirmative vote of a majority of all of the directors, or by the sole director, remaining in office.
- b) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under the provisions of Section 2, paragraph b of this Article or otherwise, may be filled before the vacancy occurs, but the new director shall not take office until the vacancy occurs.

#### Section 5 – MEETING OF THE BOARD OF DIRECTORS

- a) The Board of Directors may hold regular or special board meetings inside or outside of the State of North Carolina.
- b) Unless otherwise provided either by these Bylaws or by the Articles of Incorporation of the Corporation, the Board of Directors may permit any or all directors to participate in a regular or special board meeting by, or conduct the board meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the board meeting. A director participating in a board meeting by this means is deemed to be present in person at the board meeting.
- c) Unless otherwise provided either by these Bylaws or by the Articles of Incorporation, any action required or permitted to be taken by the Board of Directors at a board meeting may be taken without a meeting of the Board of Directors if the action is taken by two-thirds ( $2/3^{\text{rds}}$ ) members of the Board of Directors. The action so taken shall be evidenced by one (1) or more written consents signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the records of the Corporation reflecting the action taken. Action taken under this paragraph shall be effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under the provisions of this paragraph shall have the effect of a board meeting vote and may be described as such in any document.

#### Section 6 – NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS.

- a) Unless otherwise provided either by these Bylaws or by the Articles of Incorporation of the Corporation, regular meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the regular board meeting.
- b) Special board meetings shall be held upon such notice as is otherwise provided either in these Bylaws or in the Articles of Incorporation of the Corporation, or if not so provided, then upon notice sent by any usual means of communication not less than five (5) days before the special board meeting. The notice need not describe the purpose of the special meeting unless otherwise required either by applicable law, the provisions of these Bylaws or by the provisions of the Articles of Incorporation of the Corporation.
- c) Unless otherwise provided by these Bylaws or by the Articles of Incorporation, the presiding officer of the Board of Directors, the President/Chief Executive Officer or twenty percent (20%) of the directors then in office may call and give notice of any board meeting.

#### Section 7 – WAIVER OF NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS.

- a) A director may waive any notice required either by applicable law, the provisions of these Bylaws or by the provisions of the Articles of Incorporation of the Corporation before or after the date and time stated in the notice. Except as hereinafter provided in paragraph b of this Section, the waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or records of the Corporation.
- b) A director's attendance at or participation in a meeting waives any required notice of him of the board meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the board meeting or transacting business at the board meeting and does not thereafter vote for or assent to action taken at the board meeting.

#### Section 8 – QUORUM AND VOTING.

- a) Except as otherwise provided either by applicable law, the provisions of these Bylaws or the provisions of the Articles of Incorporation of the Corporation, a quorum of the Board of Directors consists of two-thirds ( $2/3^{\text{rds}}$ ) of the directors in office immediately before a meeting begins. In no event shall either these Bylaws or the Articles of Incorporation of the Corporation provide or otherwise authorize a quorum of fewer than two-thirds ( $2/3^{\text{rds}}$ ) of the directors in office.
- b) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the provisions of either applicable law, these Bylaws or the Articles of Incorporation of the Corporation require the vote of a greater number of directors.
- c) A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:
  - 1) He objects at the beginning of the board meeting, or promptly upon his arrival, to holding the board meeting or transacting business at the board meeting;
  - 2) His assent or abstention from the action taken at the board meeting is entered into the minutes of the board meeting; or
  - 3) He files written notice of his dissent or abstention with the presiding officer of the board meeting before its adjournment or with the Corporation immediately after adjournment of the board meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken at a board meeting.

#### Section 9 – COMMITTEES OF THE BOARD OF DIRECTORS.

- a) Unless otherwise provided by these Bylaws or the Articles of Incorporation of the Corporation, the Board of Directors may create one (1) or more committees of the Board of Directors and appoint members of the Board of Directors to serve on such committee or committees. Each committee shall have two (2) or more members, who serve at the pleasure of the Board of Directors.
- b) The creation of a committee and appointment of members to a committee shall be approved by the greater of;
  - 1) A majority of all of the directors in office when the action is taken; or
  - 2) The number of directors required by the provisions of Section 8 of this Article.
- c) The provisions of Sections 5 through 8, both and all inclusive, of this Article shall apply to all committees of the Board of Directors and their members as well.
- d) To the extent specified by the Board of Directors, each committee of the Board of Directors may exercise the authority of the Board of Directors as stated either in these Bylaws, the Articles of Incorporation or under the provisions of N. C. Gen. Stat. 55A-8-01.
- e) A committee of the Board of Directors shall not, however:
  - 1) Authorize distributions;
  - 2) Recommend to members of the Corporation or approve dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets;
  - 3) Elect, appoint or remove directors, or fill vacancies on the Board of Directors or on any of its committees; or

- 4) Adopt, amend, or repeal the Articles of Incorporation of the Corporation or these Bylaws.
- 5) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in N. C. Gen. Stat. 55A-8-30.

#### Section 10 – STANDARDS OF CONDUCT FOR DIRECTORS.

- a) General Standards of Conduct for Directors. All directors shall conduct themselves in the manner required by the provisions of N. C. Gen. Stat. 55A-8-30. Additionally, the provisions of N. C. Gen. Stat. 55A-8-30 are incorporated herein by reference fully and made a part hereof.
- b) Director Conflict of Interest. All directors shall be bound by the provision of N. C. Gen. Stat. 55A-8-31 concerning their conduct with the Board of Directors and the Corporation when a transaction may involve any interest of such director or directors. Additionally, the provisions of N. C. Gen. Stat. 55A-8-31 are incorporated herein by reference fully and made a part hereof.
- c) No loan, guaranty or other form of security shall be made or provided by the Corporation to or for the benefit of its directors or officers, except that loans, guarantees, or other forms of security may be made to full-time employees of the Corporation who are also directors or officers by action of the Board of Directors conducted in compliance with the provisions of paragraph b of this Section and N. C. Gen. Stat. 55A-8-31(a) (1).
- d) The liability of any director concerning any unlawful loans or distributions shall be governed by the provisions of N. C. Gen. Stat. 55A-8-33, which provisions thereof are incorporated herein by reference fully and made a part hereof.

#### Section 11 – AUTHORITY AND POWERS OF THE BOARD OF DIRECTORS.

- a) All authority and powers of the Board of Directors shall be governed by the provisions of this Article, the Articles of Incorporation of the Corporation, the provisions of N. C. Gen. Stat. 55A-8-01 and the further provisions of Article IV of these Bylaws.

#### Section 12 – OFFICERS OF THE CORPORATION.

- a) The Corporation shall have the officers described in these Bylaws.
- b) A duly elected officer shall have the right to appoint any one (1) or more assistant officers.
- c) The Secretary or any Assistant Secretary shall have the responsibility and authority to maintain and authenticate the records of the Corporation.
- d) The same individual may simultaneously hold more than one (1) office in the Corporation, but no individual may act in more than one (1) capacity where action of two (2) or more officers is required.
- e) Whenever a specific office is referred to in these Bylaws, it shall be deemed to include any person who, individually or collectively with one (1) or more other persons, holds or occupies such office.

#### Section 13 – DUTIES OF OFFICERS OF THE CORPORATION.

- a) The following officers of the Corporation shall have the following duties:

**President/Chief Executive Officer shall:**

- (1) Preside at all meetings of the Board of Directors;
- (2) Preside at all meetings of the membership of the Corporation; and
- (3) Shall have general charge of and control over the affairs of the Corporation, but subject to such regulations and restrictions as either the membership and/or the Board of Directors shall from time to time determine in the form of amendments either to these Bylaws or the Articles of Incorporation of the Corporation.

**Vice President**

The Vice President shall perform such duties as may, from time to time, be assigned to him/her by the Board of Directors. In the case of death, disability, or absence of the President/Chief Executive

Officer he/she shall be vested with all powers and perform all duties of the President/Chief Executive Officer.

### **Secretary**

The Secretary shall:

- (1) Countersign all certificates of membership;
- (2) Keep a record of the minutes of all meetings of the members and the Board of Directors;
- (3) Give notice of all membership meetings and board meetings as provided by these Bylaws;
- (4) Have custody of all books, records and papers of the Corporation, except such as shall be in charge of the Treasurer or some other person authorized to have charge thereof by the Board of Directors; and
- (5) Perform such other duties as may from time to time be assigned to him by the Directors.

### **Treasurer**

The Treasurer shall:

- (1) Receive and disburse all the Corporation's funds;
- (2) Keep accurate and detailed records of all receipts and disbursements of the Corporation, and which records shall at all times be subject to inspection by any member of the Board of Directors;
- (3) Deposit all funds of the Corporation coming into his hands in such bank or banks as may be designated by the Board of Directors; and
- (4) Disburse such funds of the Corporation which may from time to time be authorized by order or resolution of the Board of Directors.

### **Parliamentarian**

The Parliamentarian is an appointed office. The duties of the Parliamentarian are to see that the annual meeting or any other meetings are conducted according to the Roberts Rules of Order (Revised).

- b) All officers of the Corporation shall conduct themselves in accordance with the standards of conduct for officers as set forth in the provisions of N. C. Gen. Stat. 55A-8-42, and which provisions thereof are hereby incorporated herein by reference fully and made a part hereof.

## **Section 14 – RESIGNATION AND REMOVAL OF OFFICERS OF THE CORPORATION.**

- a) An officer may resign at any time by communicating his resignation in writing to the Corporation. A resignation is effective when it is communicated unless it specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.
- b) The Board of Directors may remove any officer at any time with or without cause.

## **Section 15 – CONTRACT RIGHTS OF OFFICERS OF THE CORPORATION.**

- a) The appointment of an officer does not itself create contract rights.
- b) An officer's removal shall not effect the officer's contract rights, if any, with the Corporation. An officer's resignation shall not affect the Corporation's contract rights.

## **Section 16 – INDEMNIFICATION OF DIRECTORS AND OFFICERS.**

- a) Except as otherwise provided by the Articles of Incorporation of the Corporation, any indemnification of officers and directors of the Corporation shall be governed by the provisions of N. C. Gen. Stat 55A-8-51 through 55A-8-58, both and all inclusive, which provisions are incorporated herein by reference fully and made a part hereof.

Section 17 - IMMUNITY OF DIRECTORS AND OFFICERS.

- a) Except as otherwise provided in the Articles of Incorporation of the Corporation, the provisions of N. C. Gen. Stats. 55A-2-02(b) (4) and 55A-8-60, both and all inclusive, shall govern the immunity of all directors and officers of the Corporation, which provisions are incorporated herein by reference fully and made a part hereof.

**ARTICLE IV  
ADDITIONAL AUTHORITY AND POWERS OF THE BOARD OF DIRECTORS**

Section 1 – ADDITIONAL AUTHORITY AND POWERS GRANTED TO THE BOARD OF DIRECTORS; RESTRICTIONS.

- a) Unless otherwise restricted either by the provisions of applicable law, the provisions of these Bylaws or the provisions of the Articles of Incorporation, the Board of Directors shall have the following authority:
  - 1) To carry on the affairs of the Corporation;
  - 2) To engage such independent contractors as may be necessary from time to time;
  - 3) To make, establish and enforce rules and regulations concerning the use of the Corporation's properties;
  - 4) To engage other independent contractors or entities to assist the Corporation in providing the materials and services for carrying out the objects and purposes of the Corporation;
  - 5) To enforce by any and all measures legally available, including, but not limited to, any and all restrictive and protective covenants which govern properties located in Indian Rock subdivision; and
  - 6) To exercise such other powers in the general management and control of the business of the Corporation as may be permitted by law and not expressly reserved to the members of the Corporation.

Section 2 – AUTHORITY OF THE BOARD OF DIRECTORS CONCERNING TRANSACTIONS.

- a) The Corporation, by and through its Board of Directors, may sell, lease, exchange or otherwise dispose of all, or substantially all, of its property in the usual and regular course of its activities.
- b) The Corporation, by and through its Board of Directors, may mortgage, pledge, dedicate to the repayment of indebtedness, with or without recourse, or otherwise encumber any or all of its property only by prior approval of the members of the Corporation in the manner hereinafter set forth in paragraph c of this Section.
- c) Notwithstanding any other provisions contained in these Bylaws, and to the extent that this provision is consistent with the Articles of Incorporation of the Corporation, no common properties or facilities belonging to the Corporation shall be sold, transferred, offered as security or leased by the Corporation unless the same has been first approved by the action of at least two-thirds (2/3<sup>rd</sup>) affirmative vote of the members of the Corporation at any meeting called to consider the same. Additionally, no real property shall be purchased by the Corporation unless the same has been first approved by the action of at least two-thirds (2/3<sup>rd</sup>) affirmative vote of the members of the Corporation at any meeting called to consider the same.

**ARTICLE V  
DISTRIBUTIONS**

Section 1 PROHIBITED DISTRIBUTIONS.

- a) Except as provided either by N. C. Gen. Stat. 55A-13-02 or Article 14 of Chapter 55A of the North Carolina General Statutes, the successive provisions of this Article, or by the Articles of Incorporation of the Corporation, the Corporation shall not make any distributions.

#### Section 2 – AUTHORIZED DISTRIBUTIONS.

- a) The Corporation may pay reasonable amounts to its members, directors or officers for services rendered or other value received and may confer benefits upon its members in conformity with its purposes.
- b) Subject to the provisions of paragraph d of this Section:
  - 1) The Corporation may make distributions to any entity that is exempt under Section 501 (c) (3) of the Internal Revenue Code of 1986 or any successor section, or that is organized exclusively for one (1) or more of the purposes specified in Section 501 (c) (3) of the Internal Revenue Code of 1986 or any successor section and that upon dissolution shall distribute its assets to a charitable or religious corporation, the United States, a state or entity that is exempt under Section 501 (c) (3) of the Internal Revenue Code of 1986 or any successor section; and
  - 2) The Corporation may make distributions to any domestic or foreign corporation.
  - 3) Subject to the provisions of paragraph d of this Section, the Corporation may make distributions to purchase its memberships.
  - 4) The Corporation shall not make any distribution under paragraphs b or c of this Section if at the time of or as a result of such distribution:
    - (i) The Corporation would not be able to pay its debts as they become due in the usual course of business; or
    - (ii) The Corporation's total assets would be less than the sum of its total liabilities.

### **ARTICLE VI DISSOLUTION**

#### Section 1 – IN GENERAL

- a) Unless otherwise provided either by applicable law, the provisions of these Bylaws or by the Articles of Incorporation of the Corporation, any voluntary dissolution of the Corporation shall be approved by a plan of dissolution, meeting the requirements of N. C. Gen. Stat. 55A-14-03, and which is approved by a two-thirds (2/3<sup>rd</sup>) affirmative vote of all of the members of the Corporation who are entitled to vote thereon.
- b) If the Board of Directors seeks to have any dissolution approved by the members of the Corporation, the Corporation shall give notice of the membership meeting of the Corporation in accordance with the provisions of N. C. Gen. Stat 55A-7-05 and the further provisions of Article II of these Bylaws. The notice shall state that the purpose, or one (1) of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy or summary of the plan of dissolution.
- c) If the Board of Directors seeks to have dissolution approved by the members of the Corporation by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or a summary of the plan of dissolution.

#### Section 2 – PLAN OF DISSOLUTION.

- a) Any plan of dissolution approved by the Corporation pursuant to the provisions of N. C. Gen. Stat. 55A-14-02 and further provisions of Section 1 of this Article shall provide that all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provisions be made therefor, and that the remainder of the Corporation's assets be distributed as follows:

- 1) Assets held by the Corporation, upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned transferred or conveyed in accordance with such requirements; and
  - 2) Other assets, if any. Of the Corporation shall, subject either to the provisions of these Bylaws or the Articles of Incorporation of the Corporation, be distributed as provided in the plan of dissolution.
- b) The plan of dissolution may set forth other provisions relating to the dissolution.
  - c) Notwithstanding any other provisions of this Article, and to the extent not inconsistent with either the provisions of applicable law or the provisions of the Articles of Incorporation of the Corporation, the following provision shall be included in any plan of dissolution which is approved by the Corporation:
    - 1) Should the Corporation be dissolved, any non-real property assets of the Corporation then on hand, after deduction of outstanding expenses, shall be divided equally on a per lot basis among the members of the Corporation; and
    - 2) Should the Corporation be dissolved, but subject to the right of use and access to such real property of the then property owners within Indian Rock subdivision, the Corporation's real property shall be dedicated by the Board of Directors to an appropriate public agency or charitable organization to be used and devoted to purposes as nearly as practicable to those to which they were devoted by the Corporation.

### Section 3 – REVOCATION OF DISSOLUTION.

- a) The Corporation may revoke its dissolution authorized under the provisions of N. C. Gen. Stat. 55A-14-02 and the further provisions of Sections 1 and 2, both and all inclusive, of this Article.
- b) Revocation of dissolution shall be authorized in the same manner as the dissolution was authorized in Sections 1 and 2, both and all inclusive, of this Article.
- c) Except as otherwise provided in this Section, the procedures set forth in N. C. Gen. Stat. 55A-14-05 concerning revocation of dissolution are incorporated herein by reference fully and made a part hereof.

## **ARTICLE VII CORPORATE RECORDS AND REPORTS**

### Section 1 – IN GENERAL.

- a) The Corporation shall keep as permanent records minutes of all meetings of the membership and all meetings of the Board of Directors, a record of all actions taken by the members or the Board of Directors without a meeting pursuant to the provisions of these Bylaws and N. C. Gen. Stats. 55A-7-04, 55A-7-08 and 55A-8-21, and a record of all actions taken by any committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation.
- b) The Corporation shall maintain appropriate accounting records.
- c) The Corporation or its agent shall maintain a record of its members, in a form that permits preparation of a list of the names and addresses of all members of the Corporation, in alphabetical order.
- d) The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- e) The Corporation shall keep a copy of the following records at its principal office/current secretary:
  - 1) The Articles of Incorporation or restated articles and all amendments to them currently in effect;
  - 2) These Bylaws or restated bylaws and all amendments to them currently in effect;
  - 3) Resolutions adopted by the members of the Corporation or the Board of Directors relating to the number of directors or to the rights, qualifications, characteristics, limitations and obligations of members of the Corporation;

- 4) The minutes of all membership meetings, and records of all actions taken by the members without a meeting pursuant to the provisions of N. C. Gen. Stat. 55A-7-04 or 55A-7-08 for the past three (3) years;
- 5) All written communications to members generally within the past three (3) years and the financial statements, if any, that have been furnished to a member upon demand under N. C. Gen. Stat. 55A-16-20 during the past three (3) years;
- 6) A list of the names and business or home addresses of the current directors and officers of the Corporation; and
- 7) The most recent annual report delivered to the Secretary of State pursuant to the provisions of N. C. Gen. Stat. 55A-16-22.

#### Section 2 – INSPECTION OF RECORDS BY MEMBERS.

- a) A member of the Corporation is entitled to inspect and copy, at a reasonable time and location specified by the Corporation, any of the records of the Corporation described in the provisions of Section 1 of this Article if the member gives the Corporation written notice of his demand at least five (5) business days before the date on which the member desires to inspect and copy.
- b) A member of the Corporation is entitled to inspect and copy, at a reasonable time and location specified by the Corporation, any of the following records of the Corporation if the member meets the requirements of paragraph c of this Section and gives the Corporation written notice of his demand at least five (5) business days before the date on which the member desires to inspect and copy:
  - 1) Excerpts from any records required to be maintained under the provisions of paragraph a of Section 1 of this Article, to the extent not subject to inspection under the provisions of paragraph b of this Section;
  - 2) Accounting records of the Corporation; and
  - 3) Subject to the provisions of N. C. Gen. Stat. 55A-16-05, the membership list.
- c) A member may inspect and copy the records identified in paragraph b of this Section only if:
  - 1) The member's demand is made in good faith and for a proper purpose;
  - 2) The member describes with reasonable particularity the purpose and the records the member desires to inspect; and
  - 3) The records are directly connected with this purpose.
- d) This Section does not affect:
  - 1) The right of a member to inspect records under N. C. Gen. Stat. 55A-7-20 or, if the member is in litigation with the Corporation, to inspect the records to the same extent as any other litigant; or
  - 2) The power of a court, independently of the provisions of Chapter 55A of the North Carolina General Statutes, to compel the production of corporate records for examination.

#### Section 3 – SCOPE OF INSPECTION RIGHTS.

- a) An agent or attorney of a member of the Corporation has the same inspection and copying rights as the member which the agent or attorney represents.
- b) The right to copy records under the provisions of Section 2 of this Article includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, magnetic or other means.
- c) The Corporation may impose a reasonable charge, covering the costs of labor and material, for producing for inspection or copying any records provided to the member or his agent or attorney. The charge shall not exceed the estimated cost of production or reproduction of the records.
- d) The Corporation may comply with a member's demand to inspect the record of members under the provisions of Section 2 of this Article by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.

#### Section 4 – LIMITATIONS ON USE OF MEMBERSHIP LISTS.

- a) Without the prior written consent of the Board of Directors, a membership list or any part thereof shall not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, and without the prior written consent of the Board of Directors, a membership list or any part thereof shall not be:
  - 1) Used to solicit money or property unless such money or property shall be used solely to solicit the votes of the members of the Corporation in an election to be held by the Corporation;
  - 2) Used for any commercial purpose; or
  - 3) Sold to or purchased by any person.

**Section 5 – FINANCIAL STATEMENTS FOR MEMBERS.**

- a) Upon prior written demand from a member of the Corporation, the Corporation shall provide a member of the Corporation the latest annual financial statements, if any, which may be consolidated or combined statements of the Corporation and one (1) or more of its subsidiaries or affiliates, as appropriate, that include a balance sheet as of the end of the fiscal year and statement of operations for that year. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the annual financial statements shall also be prepared on that basis.
- b) If annual financial statements are reported upon by a public accountant, the accountant's report shall accompany them. If not, the statements shall be accompanied by the statement of the President/Chief Executive Officer or the person responsible for the Corporation's financial accounting records:
  - 1) Stating the President/Chief Executive Officer's or other person's reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principals and, if not, describing the basis of preparation; and
  - 2) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

**Section 6 – NOTICE OF INDEMNIFICATION TO MEMBERS.**

- a) If the Corporation indemnifies or advances expenses to a director under the provisions of N. C. Gen. Stat. 55A-8-51, 55A-8-52, 55A-8-53, 55A-8-54 or 55A-8-57 in connection with a proceeding by or in the right of the Corporation, the Corporation shall give notice of the indemnification or advance in writing to the members of the Corporation with or before the notice of the next membership meeting of the Corporation.

**ARTICLE VIII  
CORPORATE SEAL**

**Section 1 – IN GENERAL**

- a) The Board of Directors shall provide a suitable corporate seal showing the name of the Corporation and the word "SEAL" and NORTH CAROLINA" or such other words indicative of the state of the Corporation. The corporate seal, when obtained, shall be impressed at the margin of the minute book containing this Article of these Bylaws.

**ARTICLE IX  
ASSESSMENTS AND COVENANT ENFORCEMENT**

**Section 1 – ANNUAL ASSESSMENTS.**

- a) An annual assessment shall be set each year at the annual regular business meeting of the membership by the Board of Directors and which assessment is based upon a proposed budget submitted to and approved by the membership of the Corporation. Should the proposed budget not be approved by the membership of the Corporation, the annual assessment shall be set by the Board

of Directors in an amount not to exceed the annual assessment for the preceding year or the sum of one-hundred and 00/100 dollars (\$100.00) per lot, which ever sum is greater. Unless otherwise approved by the Board of Directors, the initial year assessment shall be set at the same amount set forth in the restrictive covenants concerning Indian Rock subdivision.

#### Section 2 – SPECIAL ASSESSMENTS.

- a) Special assessments may be levied for a special purpose or special purposes when the assessment including the amount thereof is proposed by the Board of Directors and thereafter approved by a majority of the members of the Corporation constituting a quorum which is required for a special membership meeting. In the event of a proposed special assessment, notice to members of the meeting for such purpose and notice of the amount of the proposed assessment shall be given in the form and manner set forth in Article II of these Bylaws.

#### Section 3 – DUE DATE FOR ASSESSMENTS.

- a) Annual and special assessments shall be due on the first (1<sup>st</sup>) day of January of each year.

#### Section 4 – BASIS FOR ASSESSMENTS.

- a) The finances of this corporation shall consist of basic dues of \$75.00 per lot per year for the first lot, and \$50.00 per lot for all other lots owned by members except lots 60, 107, 108, 111, and 145 which have been exempted from dues and voting. Dues may be increased or assessments be levied on the recommendations of the Board and approved at the annual or special meeting by a two-thirds (2/3rds) vote.

#### Section 5 – LIEN FOR ASSESSMENTS

- a) At the due date hereinabove set forth in Section 3 of this Article, the annual assessment becomes a lien upon the parcel of land against which the assessment is charged. If the assessment is not paid within thirty (30) days after the due date, a delinquency fee at the rate of sixteen percent (16%) per annum with the period beginning with the initial due date for the assessment, but in no event to be less than Twenty and no/100 dollars (\$20.00), shall be added thereto. The Corporation is authorized to bring an action at law against the owner or owners personally obligated to pay the same. There shall be added to such assessment the following costs and fees:
  - 1) the delinquency fee hereinabove set forth;
  - 2) the costs of preparing and filing a complaint in such action;
  - 3) the costs of serving notice of process in such action;
  - 4) postjudgment interest accruing at the rate of sixteen percent (16%) per annum until paid and satisfied on the total amount as above provided; and
  - 5) a reasonable attorney's fee, not to exceed fifteen percent (15%) to be fixed by the Court. The Corporation shall have the power to do any and all acts to collect such assessment by any legal process necessary.

#### Section 6 – ATTORNEYS' FEES FOR COVENANT ENFORCEMENT.

- a) Should the Corporation file an action against any property owner for violating any restrictive covenants, and should the Corporation obtain any judgment or decree in its favor allowing the enforcement of any restrictive covenant, then the Corporation shall be entitled to a reasonable attorneys' fee to be determined by the Court.

#### Section 7 – APPLICABILITY OF THE NORTH CAROLINA PLANNED COMMUNITY ACT.

- a) Notwithstanding any other provisions contained in these Bylaws, the Articles of Incorporation and/or any restrictive covenants governing the properties which are located in the Indian Rock subdivision, and further provided that the covenants and restrictions for the Indian Rock subdivision have been

duly and properly amended in accordance with the requirements of the provisions of N. C. Gen. Stat. 47F-1-102(d), the provisions of Chapter 47F of the North Carolina General Statutes shall apply to the governance of the Corporation and shall extend to its members and the enforcement of the restrictive covenants.

## **ARTICLE X RULES OF ORDER**

### Section 1 – IN GENERAL.

- a) Except in instances where applicable law, the Articles of Incorporation or these Bylaws otherwise require, all meetings of the membership and meetings of the Board of Directors shall be conducted in accordance with Robert’s Rules of Order as interpreted by the President/Chief Executive Officer of the Corporation.

## **ARTICLE XI AUDIT**

### Section 1 – IN GENERAL.

- a) An annual audit of the books and records of the Corporation shall be made by three (3) members of the Corporation elected by the membership at the annual meeting of members.

## **ARTICLE XII AMENDMENT OF BYLAWS**

### Section 1 – IN GENERAL

- a) These Bylaws may be amended only by the members of the Corporation at any meeting of the membership of the Corporation by a two-thirds (2/3rds) affirmative vote of the required quorum; provided further, that the amendment has been submitted in writing for the consideration of and voting by the members in accordance with the provisions of Article II of these Bylaws and the provisions of N. C. Gen. Stat. 55A-7-05.
- b) If an amendment to these Bylaws is sought by attempting to have the proposed amendment approved by written ballot or written consent, the material soliciting the approval shall contain or be accompanied by a copy or summary of the proposed amendment.

## **ARTICLE XIII INVALIDITY OF BYLAW**

### Section 1 – IN GENERAL

- a) The invalidity of any one (1) or more of these Bylaws or of any portion or portions of any of these Bylaws shall not affect the remaining Bylaws which shall remain in full force and effect intact and survive the severance thereof.

These Bylaws were accepted by the membership, as certified by the undersigned Officers of the Corporation on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_ PROPERTY OWNERS ASSOCIATION, INC.

By: \_\_\_\_\_  
PRESIDENT/CHIEF EXECUTIVE OFFICER

ATTEST: \_\_\_\_\_ (CORPORATE SEAL)  
SECRETARY