

**RESTATED
BYLAWS
OF
BEDFORD PLACE HOMEOWNERS' ASSOCIATION, INC.**

These Restated Bylaws of Bedford Place Homeowners' Association, Inc. (the "HOA") are hereby adopted and shall be effective this ____ day of _____, 20____.

Contents

Contents	1
Article I. Corporate Name & Location:.....	2
Article II. Definitions:	3
Article III. Mandatory Membership:	3
Article IV. Membership Meetings:	3
Section IV.1 Annual Membership Meetings:	3
Section IV.2 Substitute Annual Meeting:	3
Section IV.3 Special Meetings:.....	4
Section IV.4 Notice & Waiver of Notice:.....	4
Section IV.5 Quorum:	4
Section IV.6 Voting:	4
Section IV.7 Proxies:	5
Section IV.8 Order of Business:	5
Section IV.9 Conduct of Membership Meetings:	5
Section IV.10 Adjournments:	5
Section IV.11 Action of Owners without Meeting:	6
Section IV.12 Vote Required for Action:	6
Article V. BOARD OF DIRECTORS, ELECTION & REMOVAL	6
Section V.1 Qualification & Nomination:	6
Section V.2 Election:	6
Section V.3 Number and Term of Office:.....	6
Section V.4 Vacancies:	7
Section V.5 Removal:	7
Section V.6 Compensation:	7
Article VI. BOARD OF DIRECTORS MEETINGS	7
Section VI.1 Place of Board Meetings:.....	7
Section VI.2 Regular Board Meetings:	7
Section VI.3 Special Board Meetings:.....	7
Section VI.4 Notice & Waiver of Notice of Board Meetings:.....	8
Section VI.5 Quorum:	8
Section VI.6 Voting:	8
Section VI.7 Adjournments:	8

Section VI.8 Action by Directors Without Meeting:	8
Section VI.9 Conduct of Meetings:.....	8
Article VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS	9
Section VII.1 Powers of the Board:	9
Section VII.2 Duties of the Board:.....	9
Section VII.3 Committees of the Board of Directors:.....	10
Article VIII. OFFICERS:	10
Section VIII.1 Number:	10
Section VIII.2 Election and Term:.....	10
Section VIII.3 Compensation:.....	11
Section VIII.4 Resignation & Removal:	11
Section VIII.5 President:.....	11
Section VIII.6 Vice Presidents:.....	11
Section VIII.7 Secretary:	11
Section VIII.8 Treasurer:	11
Section VIII.9 Assistant Secretary and Assistant Treasurer:	12
Section VIII.10 Bonds:	12
Section VIII.11 Standard of Conduct:.....	12
Article IX. MISCELLANEOUS:	12
Section IX.1 Fiscal Year:.....	12
Section IX.2 Seal:	12
Section IX.3 Inspection of Books and Records:	12
Section IX.4 Indemnification:.....	12
Section IX.5 Waiver of Notice:.....	13
Section IX.6 Amendment:	13
Section IX.7 Self-Dealing:.....	13
Section IX.8 Conflicts:.....	13
Section IX.9 Severability:.....	13
Section IX.10 Captions:	13
Section IX.11 Usage and Interpretation of Terms:	14
Section IX.12 Statutory References:	14

Article I. Corporate Name & Location:

The name of the Corporation is Bedford Place Homeowners’ Association, Inc. and its principle office shall be located at: PO Box 1681 Brevard, NC 28712, or such other place as shall be selected by the Board of Directors, but meetings of Owners and Directors may be held at such places within the State of North Carolina, County of Transylvania, as shall be selected by the Board of Directors.

Article II. Definitions:

2.01 "Declaration" shall mean the Restated Master Declaration of Covenants, Conditions, & Restrictions for Bedford Place, A Mixed Property Planned Community Development Consisting of Villas, Townhomes, and a Condominium dated _____ and recorded in Book: _____, Page: _____, of the Transylvania County Registry, as the same may be amended.

2.02 The terms defined in Article I of the Declaration shall have the same meanings as set forth therein in these Bylaws.

Article III. Mandatory Membership:

Every Owner of any Lot (including any Unit, Townhome or Villa) within the Development of Bedford Place shall automatically become and/or be deemed a member of the HOA upon taking or owning title to any Lot, and shall remain a member thereof, for the entire period of any such ownership. If title to a Lot is held by more than one person, the membership shall be shared in the same proportion as the title interest owned therein, but there shall be only one membership per each Lot. Membership does not include a Mortgagee, and the giving of a Mortgage shall not terminate a Lot Owner's membership. Membership shall be appurtenant to the Lot to which it appertains, shall be transferred automatically by conveyance of that Lot, and may be transferred only in connection with the conveyance of title of that Lot. The membership of the HOA at all times shall consist exclusively of all the Lot Owners or, following termination of the planned community, of all persons entitled to distributions of proceeds under G.S. 47F-2-118.¹

Article IV. Membership Meetings:

Section IV.1 Annual Membership Meetings:

The annual meeting of the Owners shall be held in December at such date and time as shall be established by the Board of Directors, for the purpose of transacting any business authorized to be transacted by the Owners; provided however, if that day is a legal holiday, this meeting shall be held at the same hour on the next succeeding day.

Section IV.2 Substitute Annual Meeting:

If the annual meeting of the Owners is not held as provided in Section 4.01, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent Owners meeting held pursuant to these Bylaws or to a court order requiring a substitute annual meeting.

Section IV.3 Special Meetings:

Special meetings of the Owners may be called at any time by the president, a majority of the Board or by Owners having ten percent (10%) of the votes in the HOA.² Only those matters that

¹ 47F-3-101 Organization of owners' association

² 47F-3-108(a) Meetings

are within the purpose or purposes described in such meeting's notice may be acted upon at a special meeting of members.³

Section IV.4 Notice & Waiver of Notice:

Not less than 10 nor more than 60 days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.⁴ Proof of such mailings shall be given by the affidavit of the person giving the notice. Notice may be waived in the manner provided for in the "Waiver of Notice" provision set forth in the "Miscellaneous" Article of these Bylaws.⁵

Section IV.5 Quorum:

The presence at the beginning of any meeting of Owners, entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the Votes in the HOA shall constitute a quorum for any action except as otherwise provided in the Instruments. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the declaration or the bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.⁶

Section IV.6 Voting:

If only one of the multiple owners of a lot is present at a meeting of the HOA, the owner who is present is entitled to cast all the votes allocated to that lot. If more than one of the multiple owners are present, the votes allocated to that lot may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Majority agreement is conclusively presumed if any one of the multiple owners casts the votes allocated to that lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot.⁷ If such a protest is made, unless it is voluntarily withdrawn by the protester, or unless the protestor otherwise concedes that the protest is outweighed by a majority in interest of the multiple owners of the lot with respect to which the vote is case, before the final counting of votes cast on any particular matter, the vote with respect to which the protest is made shall not be

³ 55A-7-02(d) Special meeting

⁴ 47F-3-108(a) Meetings

⁵ 55A-7-06 Waiver of Notice

⁶ 47F-3-109 Quorums

⁷ 47F-3-110(a) Voting; proxies

counted for purposes of constituting a quorum or voting for or against any matter. No votes allocated to a lot owned by the HOA may be cast.⁸

Section IV.7 Proxies:

Votes allocated to a lot may be cast pursuant to a proxy duly executed by a lot owner. If a lot is owned by more than one person, each owner of the lot may vote or register protest to the casting of votes by the other owners of the lot through a duly executed proxy. A lot owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the HOA. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term.⁹ All proxies shall be in writing and filed with the HOA Secretary prior to or at the commencement of any meeting. Every proxy shall be revocable and shall be deemed to automatically cease upon any conveyance of a lot by its Owner(s).

Section IV.8 Order of Business:

Unless the members otherwise determine in their sole discretion, the order of business at annual membership meetings, and, as far as practical at other membership meetings, shall be as follows:

- a. Calling of the roll of members and certification of proxies
- b. Proof of notice of meeting or waiver of notice by those present
- c. Reading and approval of any unapproved minutes
- d. Unfinished Business from previous meetings
- e. New Business
- f. Adjournment

Section IV.9 Conduct of Membership Meetings:

The President shall preside over all membership meetings. The Secretary shall keep a minute book with all resolutions adopted by the members, minutes of all meetings, and all written consents to actions taken without a meeting. Robert's Rules of Order Newly Revised (the most recently published edition) shall govern the conduct of the meeting except to the extent inconsistent herewith.¹⁰

Section IV.10 Adjournments:

Any membership meetings, whether or not a quorum is present, may be adjourned by a majority of the votes present in person or by proxy at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is at the reconvened meeting.¹¹

Section IV.11 Action of Owners without Meeting:

Any action which may be taken at a 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

⁸ 47F-3-110(d) Voting; proxies

⁹ 47F-3-110(b) Voting; proxies.

¹⁰ 47F-3-108(c) Meetings

¹¹ 47F-3-109 Quorums; and 55A-7-05(d) Notice of meeting

one 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 corporate records. To the extent the corporation has agreed pursuant to G.S. 55A-1-70, a member's consent to action taken without a meeting may be in electronic form and delivered by electronic means. If not otherwise determined under G.S. 55A-7-03 or G.S. 55A-7-07, the record date for determining members entitled to take action without a meeting is the date the first member signs the consent. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.¹²

Section IV.12 Vote Required for Action:

Except as otherwise provided by the Act, the Nonprofit Corporation Act, in the Instruments or herein, the act of a Majority of the members at a meeting at which a quorum is present shall be the act of the members.

Article V. BOARD OF DIRECTORS, ELECTION & REMOVAL

Section V.1 Qualification & Nomination:

Only HOA members may be Directors. Nomination for election to the Board shall be made by a nominating committee which shall consist of three (3) members appointed by the President. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. Separate nominations shall be made for each seat on the Board for which a Director is to be elected. The nominations and the names of those on the nominating committee shall be included with the notice of the meeting. Nominations shall also be allowed from the floor at any meeting at which Director(s) elections are held prior to such elections.

Section V.2 Election:

Election to the Board of Directors shall be by written ballot. At such election the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The member(s) receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. The HOA shall publish the names and addresses of all board members of the HOA within 30 days of their election.¹³

Section V.3 Number and Term of Office:

The Board shall consist of three (3) Directors with each having a three (3) year term of office. Of the three (3) Directors, one (1) shall be the owner of a Unit, one (1) shall be the owner of a townhome, and one (1) shall be the owner of a Villa as described within the RMD. The Directors will be divided into three classes with the terms of one class expiring each year. Each Director shall serve until his term expires and his successor has been elected and qualified, subject to removal, disqualification, or resignation.

¹² 55A-7-04 Action by written consent

¹³ 47F-3-103(f) Executive board members and officers

Section V.4 Vacancies:

A vacancy occurring on the Board may be filled by a majority of the Directors remaining in office though less than a quorum of the Board. A Director elected by the Board shall serve until the next annual meeting, at which time a Director shall be elected by the members to serve the remaining term, if any.

Section V.5 Removal:

Notwithstanding any provision of the declaration or bylaws to the contrary, the lot owners, by a majority vote of all persons present and entitled to vote at any meeting of the lot owners at which a quorum is present, may remove any member of the executive board with or without cause.¹⁴ Removal action may be taken at any annual or special meeting with respect to which notice of such purpose has been given.¹⁵ A removed Director's successor may be elected at the same meeting to serve the unexpired term thereof.

Section V.6 Compensation:

Directors shall not receive compensation for their services as Directors. A Director may serve the HOA in another capacity and receive compensation in such separate capacity, only if previously disclosed to and approved by the Board in writing.

Article VI. BOARD OF DIRECTORS MEETINGS

Section VI.1 Place of Board Meetings:

Directors may hold their meetings at any place within reasonable proximity to the Development as the Board may from time to time establish.

Section VI.2 Regular Board Meetings:

Regular meetings of the Board shall be held at least once every three (3) months on a regular schedule established by the Board. At regular intervals, the Board meeting shall provide lot owners an opportunity to attend a portion of a Board meeting and to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.¹⁶

Section VI.3 Special Board Meetings:

Special meetings of the Board may be called by the President, the Secretary, or by any two (2) Directors.

Section VI.4 Notice & Waiver of Notice of Board Meetings:

No notice shall be required for regularly scheduled Board meetings. Notice of each special meeting shall be given to each Director stating the time, place, and the purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by

¹⁴ 47F-3-103(b) Executive board members and officers

¹⁵ 55A-8-08(e) Removal of directors elected by members or directors

¹⁶ 47F-3-108(b) Meetings

telephone, telegram, cablegram or personal delivery at least three (3) days before the meeting. Notice by telegram or cablegram shall be deemed delivered at the time the notice is filed with the transmitting agency. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director. Notice may be waived in the manner provided for in the "Waiver of Notice" provision set forth in the "Miscellaneous" Article of these Bylaws.¹⁷

Section VI.5 Quorum:

A quorum shall be deemed present throughout any meeting of the Board when Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

Section VI.6 Voting:

Except as otherwise provided by law, or in the Instruments, the act of a majority of the Directors present at any meeting at which a quorum is present at the time shall be the act of the Board. Each Director shall have one (1) single vote on the Board, regardless of the membership votes attributable to his or her lot(s).

Section VI.7 Adjournments:

Any meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or other business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section VI.8 Action by Directors Without Meeting:

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if the action is taken by all members of the board. The action shall be evidenced by one 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 corporate records reflecting the action taken. To the extent the corporation has agreed pursuant to G.S. 55A-1-70, a director's consent to action taken without meeting may be in electronic form and delivered by electronic means. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.¹⁸

Section VI.9 Conduct of Meetings:

The President shall preside over all meetings of the Board. The Secretary shall keep a minute book with all resolutions adopted by the Board, minutes of all meetings, and all written consents to actions taken without a meeting and proceedings occurring at such meetings. Robert's Rules of Order Newly Revised (the most recently published edition) shall govern the conduct of the meeting except to the extent inconsistent herewith.¹⁹

¹⁷ 55A-8-23 Waiver of Notice

¹⁸ 55A-8-21 Action without meeting

¹⁹ 47F-3-108(c) Meetings

Article VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section VII.1 Powers of the Board:

The business and affairs of the HOA shall be managed by the Board acting as its executive board and in accordance with G.S. 47F-3-103:

- a. The executive board may act in all instances on behalf of the association except as otherwise provided in the declaration, these bylaws, subsection (b) of this section, or by other applicable law. In the performance of their duties, members of the Board shall discharge their duties in good faith, and shall act according to the standards for directors of a nonprofit corporation set forth in G.S. 55A-8-30.
- b. The Board may not act unilaterally on behalf of the HOA to amend the declaration (G.S. 47F-2-117), to terminate the planned community (G.S. 47F-2-118), or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Board members (G.S. 47F-3-103(e)), but the Board may unilaterally fill vacancies in its membership for the unexpired portion of any term.
- c. To the extent not prohibited by the Instruments or by applicable law, the Board shall have the non-exclusive power to exercise for the HOA all powers, duties and authority vested in or delegated to the HOA and not reserved to the membership, including but not limited to those powers of the HOA described within G.S. 47F-3-102;
- d. The Board shall have the power to declare the seat of any Director to be vacant in the event such Director is absent from three (3) consecutive regular meetings of the Board;

Section VII.2 Duties of the Board:

By way of illustration and not by way of limitation, the following shall be non-exclusive duties of the Board:

- a. Supervise all officers, agents and employees of the HOA and to see that their duties are properly performed, and to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- b. Issue, or cause an appropriate officer to issue, upon written request, shall furnish to a lot owner or the lot owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a lot. The statement shall be furnished within 10 business days after receipt of the request and is binding on the association, the executive board, and every lot owner.²⁰ The Board may impose reasonable charges in connection with the preparation of any such statements.²¹;
- c. Within 30 days after adoption of any proposed budget for the planned community, the executive board shall provide to all the lot owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The executive board shall set a date for a meeting of the lot owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that

²⁰ 47F-3-118(b) Association Records

²¹ 47F-3-102(13) Powers of owners' association

meeting a majority of all the lot owners in the HOA or any larger vote specified in the declaration rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the executive board;²²

- d. Cause to be kept complete records of all its acts and corporate affairs in accordance with G.S. 47F-3-118 (Association Records) and in addition thereto, to present a statement of the corporations acts and affairs to the Owners at the annual meeting of the Owners and at any special meeting when such a statement is requested by one-fourth (1/4th) of the Owners entitled to vote thereat;
- e. To perform all other duties imposed upon the Board by the Instruments to the extent not prohibited by law;
- f. To procure and maintain all insurance coverage(s) as required pursuant to the Instruments and otherwise as required by law²³, for the benefit of the HOA.

Section VII.3 Committees of the Board of Directors:

The Board may designate from among its members an executive committee and one or more other committees, each consisting of at least two (2) Directors. Each committee shall have the authority set forth in the resolution establishing the committee.

Article VIII. OFFICERS:

Section VIII.1 Number:

The Officers of the Association shall consist of a President, one or more Vice President, as designated by the Board, a Secretary, a Treasurer, and one or more Assistant Secretaries, or Treasurers as designated by the Board. The Association shall not be required to have at any time any Officers other than a President, a Secretary and a Treasurer. The same person may hold more than one office, except for the offices of President and Secretary, but not person may act in more than one capacity where action of two or more officers is required.²⁴

Section VIII.2 Election and Term:

All Officers shall be elected by the Board and shall serve at the pleasure of the Board. Only Directors shall qualify to hold the offices of President, Secretary and Treasurer.

Section VIII.3 Compensation:

Any compensation of Officers shall be fixed by the Board, subject to the approval of Owners having a Majority of Votes in the Association.

Section VIII.4 Resignation & Removal:

An officer may resign at any time by communicating his resignation to the corporation. A resignation is effective when it is communicated unless it specifies in writing a later

²² 47F-3-103© Executive board members and officers

²³ 47F-3-113 Insurance

²⁴ 55A-8-40(d)

effective date. If a resignation is made effective at a later date and the corporation accepts the future effective date, its 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. A board of directors may remove any officer at any time with or without cause.

Section VIII.5 President:

The President shall be the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. He/She shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board. He/She shall have all the general powers and duties which are incident to the office of the President of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section VIII.6 Vice Presidents:

The Vice President shall, in the absence or disability of the President, or at the direction of the President, have the duties and powers of the President. If the Association has more than one Vice President, the Board shall designate one of them to act for the President. Vice Presidents shall have whatever duties and powers the Board may from time to time assign.

Section VIII.7 Secretary:

The Secretary shall keep accurate and complete records of all meetings of Owners, Directors and committees of Directors, including minutes of the meetings all resolutions adopted and all consents to actions without a meeting. He/She shall have authority to give all notices required by law, the Instruments or these Bylaws. He/She shall be the custodian of the corporate books,, records, contracts and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature. The Secretary shall have whatever additional duties and powers the Board may from time to time assign him or may be incident to the office of secretary of a corporation organized under the North Carolina Nonprofit Corporation Act.

Section VIII.8 Treasurer:

The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse the m under the direct of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board and President upon request.. He shall perform all duties as may be assigned to him from time to time by the Board. The Treasurer shall prepare or cause to be prepared all required financial statements, tax returns and budgets. If the Association employs a property manager, accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent.

Section VIII.9 Assistant Secretary and Assistant Treasurer:

The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any Officer.

Section VIII.10 Bonds:

The Board may require any or all of the Officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the duties of their respective Officers or positions. In such event , the reasonable cost of some shall be borne by the Association.

Section VIII.11 Standard of Conduct:

In the performance of their duties, officers shall discharge their duties in good faith and shall act according to the standards for officers of a nonprofit corporation set forth in G.S. 55A-8-42.²⁵

Article IX. MISCELLANEOUS:

Section IX.1 Fiscal Year:

The fiscal year of the HOA shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the HOA.

Section IX.2 Seal:

The corporate seal of the Association shall be in circular form having within its circumference the words: Bedford Place Homeowners' Association, Inc. – Corporate seal.

Section IX.3 Inspection of Books and Records:

All accounts, books and records of the Association, including the Instruments, shall be open to inspection by the Owners, Mortgagees and prospective purchasers during normal business hours, subject to such reasonable rules as the Board may establish.²⁶

Section IX.4 Indemnification:

Each Director or Officer shall be indemnified by the HOA against those expenses which are allowed by the laws of North Carolina and which are reasonably incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or have been a Director or Officer. Indemnification shall be made only in accordance with the laws of North Carolina. The Association may purchase and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against them whether or not the Association would have the power to indemnify the Officers and Directors against the liability under the laws of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action of Owners or by an insurance carrier, the Association shall provide notice of such payment to the Owners in accordance with the laws of North Carolina.²⁷

²⁵ 47F-3-103(a) Executive Board Members and Officers

²⁶ 47F-3-118 Association Records; 55A Article-16, Records and Reports

²⁷ 47F-3-102(14) Powers of owners' association; 55A Article 8, Part 5 Indemnification; and 55A-16-21 Notice of indemnification to members

Section IX.5 Waiver of Notice:

Whenever any notice is required to be given to any Owner or Director, a waiver signed by the Director or Owner entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted, unless specific objection is made before the objectionable business is put to a vote.²⁸

Section IX.6 Amendment:

These Bylaws may be amended at a regular or special meeting of the Owners, by the vote, in person, or by proxy, of a majority of the votes entitled to be cast on the amendment, provided notice to such amendment has been given in accordance with G.S. 55A-10-21.

Section IX.7 Self-Dealing:

Each Director and Officer and any property manager shall disclose in the written minutes of the Board any contract or agreement of any kind between the HOA and any person or entity to which is related by blood or marriage or in which he has an interest, whether direct or indirect.

Section IX.8 Conflicts:

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between these Bylaws and any Rules and Regulations, these Bylaws shall control.

Section IX.9 Severability:

Any and all portions of any provisions of these Bylaws which are prohibited, unenforceable, or otherwise not authorized in any jurisdiction shall, as to such portion(s) and jurisdiction(s) only, be deemed ineffective to the extent of such prohibition or unenforceability only, without invalidating or affecting the continuing validity and enforceability of the remaining portion(s) of any such provision(s).

Section IX.10 Captions:

The titles/captions/headings of any and all portions of these Bylaws are intended for convenience of reference purposes only, and shall not in any event whatsoever be deemed to affect the meaning or interpretation of these Bylaws.

Section IX.11 Usage and Interpretation of Terms:

The words or terms used in these Bylaws which are used in the present tense include the future as well as the present; words used in the masculine gender include the feminine and neuter, and vice versa; words used in the singular number includes the plural, and the plural the singular; and the word "Person" without limiting the specific definition thereof provided herein, includes a corporation or other entity as well as a natural person.

²⁸ 55A-7-06 Waiver of notice (members); 55A-8-23 Waiver of notice (Directors)

Section IX.12 Statutory References:

All references herein to any statutory provision(s) shall be construed to include any subsequent amendments thereto or replacements thereof as may be validly enacted from time to time by the North Carolina General Assembly. All such statutes referred to herein shall be incorporated herein by specific reference thereto.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the _____
HOMEOWNERS' ASSOCIATION, INC., a non-profit, North Carolina Corporation, and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly
adopted at a meeting of the Board of Directors thereof, held on the
_____ day of _____, 20____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of
said Association this _____ day of _____, 20____.

Secretary

SIGNATURE BLOCKS

VERIFICATION OF ADOPTION: