

BY-LAWS
OF
ARLINGTON MEADOWS HOMEOWNERS' ASSOCIATION,
INC.

ARTICLE I
OFFICES

- Section 1.** **Principal Office.** The principal office of the association shall be located at such place as the Board of Directors may fix from time to time.
- Section 2.** **Registered Office.** The registered office of the association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
- Section 3.** **Other offices.** The association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the association may require from time to time.

ARTICLE II
MEETINGS OF MEMBERS

- Section 1.** **Place of meetings.** All meetings of members shall be held at the principal office of the association, or at such other place, either within or without the State of North Carolina, as shall in each case be (i) fixed by the President, the Secretary, or the Board of Directors and designated in the notice of the meeting or (ii) agreed upon by a majority of the members entitled to vote at the meeting.
- Section 2.** **Annual meetings.** Each regular annual meeting of the Members shall be held at a date and time set by the Board of Directors for the Association, at such time and place as the Board of the Association may prescribe. Annual meetings may be conducted electronically (i.e., via the Internet, intranet, or teleconference) if, and to the extent, permitted by law. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.
- Section 3.** **Substitute annual meeting.** If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article II. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 4.** **Special meetings.** Special meetings of the members may be called at any time by the President, the Secretary, or the Board of Directors, and shall be called pursuant to the written request of the holders of not less than one-tenth of all the votes entitled to be cast on any issue proposed to be considered at the meeting.
- Section 5.** **Notice of meetings.** Written notice stating the date, time, and place of the meeting shall be given not less than ten nor more than sixty days before the date of any members' meeting, either by personal delivery, or by telegraph, teletype, or other form of wire or wireless communication, or by facsimile transmission or by mail or private carrier, by or at the direction of the Board of Directors, the President, the Secretary, or other person calling the meeting, to each membership interests holder entitled to vote at such meeting; provided that such notice must be given to all members with respect to any meeting at which a merger or membership interests exchange is to be considered and in such other instances as required by law. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the membership interest holder at the membership interest holder's address as it appears on the current record of the members of the association, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall include a description of the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not include a description of the purpose or purposes for which the meeting is called unless such a description is required by the provisions of the North Carolina Business Association Act.

When a meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time, or place is announced at the meeting before the adjournment and if a new record date is not fixed for the adjourned meeting; but if a new record date is fixed for the adjourned meeting (which must be done if the new date is more than 120 days after the date of the original meeting), notice of the adjourned meeting must be given as provided in this section to persons who are members as of the new record date.

Section 6. **Waiver of notice.** Any membership interest holder may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the membership interest holder, and delivered to the association for inclusion in the minutes or filing with the corporate records. A membership interests holder's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the membership interests holder or his proxy at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) 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 membership interest holder or his proxy objects to considering the matter before it is voted upon.

Section 7. **Members' list.** Upon request by any membership interest holder before each meeting of members, the Secretary of the association shall prepare an alphabetical list of the members entitled to notice of such meeting. The list shall be arranged by voting group (and within each voting group by class or series of membership interests) and show the address of and number of membership interests held by each membership interest holder. The list shall be kept on file at the principal office of the association, or at a place identified in the meeting notice in the city where the meeting will be held, for the period beginning two business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any membership interests holder, his agent or attorney, at any time during regular business hours. The list shall also be available at the meeting and shall be subject to inspection by any membership interest holder, his agent or attorney, at any time during the meeting or any adjournment thereof.

Section 8. **Quorum.** A quorum is present throughout any meeting of the association if persons entitled to cast ten percent (10%) of the votes which may be cast for election of the executive board are present in person or by proxy at the beginning of the meeting.

A quorum is deemed present throughout any meeting of the executive board if persons entitled to cast fifty percent (50%) of the votes on that board are present at the beginning of the meeting.

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.

Section 9. **Proxies.** Membership interests may be voted either in person or by one or more proxies authorized by a written appointment of proxy signed by the membership interest holder or by his duly authorized attorney in fact. An appointment of proxy is valid for eleven months from the date of its execution, unless a different period is expressly provided in the appointment form.

Section 10. **Voting of membership interests.** Subject to the provisions of the Articles of Incorporation, each outstanding membership interests shall be entitled to one vote on each matter voted on at a meeting of members.

Except in the election of directors as governed by the provisions of Section 3 of Article III, if a quorum exists, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless a greater vote is required by law or the Articles of Incorporation or these By-Laws.

Section 11. **Informal action by members.** Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting if one or more written consents, describing the action so taken, shall be signed by all of the members who would be entitled to vote upon such action at a meeting, and delivered to the association for inclusion in the minutes or filing with the corporate records.

ARTICLE III BOARD OF DIRECTORS

Section 1. **General powers.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the association shall be managed under the direction of, the Board of Directors.

Section 2. **Number and qualifications.** The number of directors constituting the initial Board of Directors shall be a minimum of three (3) and maximum of five (5). The members or Board of Directors may from time to time change the number of directors by amendment of these By-Laws. Directors must be residents of the Arlington Meadows Subdivision.

Section 3. **Election.** Except as provided in Section 6 of this Article III, the directors shall be elected at the annual meeting of members. Those persons who receive the highest number of votes at a meeting at which quorum is present shall be deemed to have been elected.

Section 4. **Term of directors.** Each initial director shall hold office until the first members' meeting at which directors are elected or until such director's death, resignation, or removal. The term of every other director shall expire at the next annual members' meeting following the director's election or upon such director's death, resignation, or removal. The term of a director elected to fill a vacancy expires at the next members' meeting at which directors are elected. A decrease in the number of directors does not shorten an incumbent director's term. Despite the expiration of a director's term, such director shall continue to serve until a successor shall be elected and qualifies or until there is a decrease in the number of directors.

Section 5. **Removal.** Any director may be removed at any time with or without cause by a vote of the members if the number of votes cast to remove such director exceeds the number of votes cast not to remove him, provided that a director shall not be removed when the number of votes sufficient to elect him under cumulative voting is voted against his removal. If a director is elected by a voting group of members, only the members of that voting group may participate in the vote to remove him. A director may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the director. If any directors are so removed, new directors may be elected at the same meeting.

Section 6. **Vacancies.** Any vacancy occurring in the Board of Directors, including without limitation a vacancy resulting from an increase in the number of directors or from the failure by the members to elect the full authorized number of directors, may be filled by the members or by the Board of Directors, whichever group shall act first. If the directors remaining in office do not constitute a quorum, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors. If the vacant office was held by a director elected by a voting group, only the

remaining directors or directors elected by that voting group or the holders of membership interests of that voting group are entitled to fill the vacancy.

- Section 7.** **Chairman of Board.** There may be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.
- Section 8.** **Compensation.** The Board of Directors may provide for the reimbursement of directors for any or all expenses incurred by them in connection with such services. The members of the Board of Directors shall serve without compensation for services rendered.
- Section 9.** **Directors During Declarant Control.** The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant so long as the Class B membership exists, as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by the Declarant need not be owners of lots or residents in the Arlington Meadows Subdivision. After the period of Declarant appointment, all Directors must be members of the Association.

ARTICLE IV MEETINGS OF DIRECTORS

- Section 1.** **Regular meetings.** A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.
- Section 2.** **Special meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, if any, by the President or by a majority of the directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.
- Section 3.** **Notice of meetings.** Regular meetings of the Board of Directors may be held with notice. The person or persons calling a special meeting of the Board of Directors shall, at least five (5) days before the meeting, give or cause to be given notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.
- Section 4.** **Waiver of notice.** Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the association for inclusion in the minutes or filing with the corporate records. A director's attendance at or participation in a meeting waives any required notice of such meeting unless the director at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or to transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.
- Section 5.** **Quorum.** Unless the Articles of Incorporation of these By-Laws provide otherwise, a majority of the number of directors fixed by or pursuant to these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, or if no number is so fixed, the number of directors in office immediately before the meeting begins shall constitute a quorum.
- Section 6.** **Manner of acting.** Except as otherwise provided in the articles of incorporation of these By-Laws, including Section 8 of this Article IV, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

- Section 7.** **Presumption of assent.** 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 (a) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or to transacting business at the meeting, or (b) his dissent or abstention from the action taken is entered in the minutes of the meeting, or (c) he files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the association immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a director who votes in favor of the action taken.
- Section 8.** **Action without meeting.** Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must 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.
- Section 9.** **Committees of the Board.** The Board of Directors may create an Executive Committee and other committees of the board and appoint members of the Board of Directors to serve on them. The creation of a committee of the board and appointment of members to it must be approved by the greater of (a) a majority of the number of directors in office when the action is taken or (b) the number of directors required to take action pursuant to Section 6 of this Article IV. Each committee of the board must have two or more members and, to the extent authorized by law and specified by the Board of Directors, shall have and may exercise all of the authority of the Board of Directors in the management of the association. Each committee member serves at the pleasure of the Board of Directors. The provisions in these By-Laws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees of the board established under this section.

ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- Section 1.** **Powers.** The Board of Directors shall have power to:
- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
 - (b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association pursuant to the provisions of the Declaration. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
 - (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
 - (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meets of the Board of Directors without good cause;
 - (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and contract with a management company to manage the operation of the Association, and in the event a contract is entered into with a management company such contract must be terminable by the Board of Directors without cause or penalty on thirty (30) days or less notice and any Management contract made with the Declarant shall be for a period not to exceed three years;
 - (f) employ attorneys to represent Association when deemed necessary;

- (g) grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Properties; and
- (h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem appropriate.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or to any special meeting when such statement is requested in writing by members entitled to at least one-fourth (1/4) of the votes appurtenant to Class A lots.
- (b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each lot prior to December 1 of each year;
 - (2) send written notice of each assessment to each owner subject thereto at least fifteen (15) days and before January 1 of each year;
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment.
- (e) procure and maintain adequate liability insurance covering the Association in an amount not less than \$1,000,000.00 and adequate hazard insurance on the real and personal property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (g) cause the Common Area and all improvements erected thereon to be maintained; and
- (h) cause individual lots to be maintained if required by the Declaration.

**ARTICLE VI
OFFICERS**

Section 1. Officers of the association. The officers of the association shall consist of a President, a Secretary, Treasurer, and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as may from time to time be appointed by or under the authority of the Board of Directors. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required

Section 2. Appointment and term. The officers of the association shall be appointed by the Board of Directors or by a duly appointed officer authorized by the Board of Directors to appoint one or more officers or assistant officers. The officers of this Association shall be elected annually by

the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 3. **Compensation of officers.** There shall be no direct compensation for officers of the association. The Board of Directors may provide for reimbursement of officers for any and all expenses incurred by them in connection with such services.

Section 4. **Removal.** Any officer may be removed by majority vote of the Board of Directors at any time, with or without cause, but such removal shall not itself affect the officer's contract rights, if any, with the association.

Section 5. **Resignation.** An officer may resign at any time by communicating his resignation to the association, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the association, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date. An officer's resignation does not affect the association's contract rights, if any, with the officer.

Section 6. **Bonds.** The Board of Directors may by resolution require any officer, agent, or employee of the association to give bond to the association, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 7. **President.** The President shall be the principal executive officer of the association and, subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the association. He shall, when present, preside at all meetings of the members. He shall sign, with the Secretary, an assistant Secretary, or any other proper officer of the association thereunto authorized by the Board of Directors, certificates for membership interests of the association, any deeds, mortgages, bonds, contracts, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the association, or shall be required by law to be otherwise signed or executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. **Vice-Presidents.** In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President, if such position exists, in the order of his length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President may sign, with the Secretary or an Assistant Secretary, certificates for membership interests of the association; shall perform such other duties as from time to time may be prescribed by the President of Board of Directors.

Section 9. **Secretary.** The Secretary shall: (a) keep the minutes of the meetings of members, of the Board of Directors, and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) maintain and authenticate the records of the association and be custodian of the seal of the association and see that the seal of the association is affixed to all documents the execution of which on behalf of the association under its seal is duly authorized; (d) sign with the President, or a Vice-President, certificates for membership interests of the association, the issuance of which shall have been authorized by resolution of the Board of Directors; (e) maintain and have general charge of the stock transfer books of the association; (f) prepare or cause to be prepared membership interests holder lists prior to each meeting of members as required by law; (g) attest the signature or certify the incumbency or signature of any officer of the association; and (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

- Section 10.** **Assistant Secretaries.** In the absence of the secretary or in the event of his death, inability or refusal to act, the assistant Secretaries in order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be prescribed by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary may sign, with the President or a Vice-President, certificates for membership interests of the association.
- Section 11.** **Treasurer.** The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the association; receive and give receipts for monies due and payable to the association from any source whatsoever, and deposit all such monies in the name of the association in such depositories as shall be selected in accordance with the provisions of Section 4 of Article VI of these By-Laws; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the association that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each membership interest holder within 120 days after the end of such fiscal year; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the President or the Board of Directors.
- Section 12.** **Assistant Treasurers.** In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be prescribed by the Treasurer, by the President, or by the Board of Directors.

ARTICLE VII

CONTRACTS, LOANS, CHECKS, AND DEPOSITS

- Section 1.** **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the association, and such authority may be general or confined to specific instances.
- Section 2.** **Loans.** No loans shall be contracted on behalf of the association and no evidence of indebtedness shall be issued in its name without unanimous vote of the Board of Directors.
- Section 3.** **Prohibition on Loans to Officers and Directors.** The Board of Directors shall not propose or authorize any loans to officers or directors of the Association.
- Section 4.** **Checks and drafts.** All checks, drafts, or other orders for the payment of money, issued in the name of the association, shall be signed by such officer or officers, agent or agents of the association and in such manner as shall from time to time be determined by the Board of Directors.
- Section 5.** **Deposits.** All funds of the association not otherwise employed shall be deposited from time to time to the credit of the association in such depositories as may be selected by or under the authority of the Board of Directors.

ARTICLE VIII

MEMBERSHIP INTERESTS AND THEIR TRANSFER

- Section 1.** **Certificates for membership interests.** Membership interests in the association shall be evidenced by a deed in the Wake County Register of Deeds Office for fee simple ownership of a lot or lots in the Arlington Meadows Subdivision.

- Section 2.** **Membership and Voting Rights.** Article III of the recorded "Declaration of Covenants, Conditions and Restrictions" for the Arlington Meadows Subdivision is incorporated herein by reference.
- Section 3.** **Fixing record date.** The Board of Directors may fix a future date as the record date for one or more voting groups in order to determine the members entitled to notice of a members' meeting, to demand a special meeting, to vote, or to take any other action. Such record date may not be more than seventy days before the meeting or action requiring a determination of members. A determination of members entitled to notice of or to vote at a members meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.
- If no record date is fixed by the Board of Directors for the determination of members entitled to notice of or to vote at a meeting of members, the close of business on the day before the first notice of the meeting is delivered to members shall be the record date for such determination of members.
- Section 4.** **Holder of record.** Except as otherwise required by law, the association may treat the person in whose name the membership interest stand of record on its books as the absolute owner of the membership interests and the person exclusively entitled to receive notification and distributions, to vote, and to otherwise exercise the rights, powers, and privileges of ownership of such membership interests.
- Section 5.** **Distribution upon dissolution.** Upon dissolution of the corporation, the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefore, be distributed to any association or associations organized for purposes similar to those of other non-profit organizations.

ARTICLE IX. INDEMNIFICATION

Any person who at any time serves or has served as a director of the association, or who, while serving as a director of the association, serves or has served, at the request of the association, as a director, officer, executive, trustee, or employee shall have a right to be indemnified by the association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitral action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he may have become liable in any such action, suit or proceeding.

The Board of Directors of the association shall take all such action as may be necessary and appropriate to authorize the association to pay the indemnification required by this By-Law, including, without limitation, making a determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him. The Board of Directors may appoint a committee or special counsel to make such determination and evaluation. To the extent needed, the Board shall give notice to, and obtain approval by, the members of the association for any decision to indemnify.

Any person who at any time after the adoption of this By-Law serves or has served in the aforesaid capacity for or on behalf of the association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this By-Law.

ARTICLE X GENERAL PROVISIONS

- Section 1.** **Seal.** The corporate seal of the association shall consist of two concentric circles between which is the name of the association and in the center of which is inscribed SEAL; and such seal, as impressed or affixed on the margin hereof, is hereby adopted as the corporate seal of the association.
- Section 2.** **Fiscal year.** The fiscal year of the association shall be fixed by the Board of Directors.
- Section 3.** **Amendments.** These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of Members present at a meeting duly called for such purpose in person or by proxy. Except as otherwise provided in the Articles of Incorporation or By-Laws, these By-Laws may be amended or repealed and new By-Laws may be adopted by the Board of Directors.
- No By-Law adopted, amended, or repealed by the members shall be readopted, amended, or repealed by the Board of Directors, unless the Articles of Incorporation or a By-Law adopted by the members authorizes the Board of Directors to adopt, amend, or repeal that particular By-Law or the By-Laws generally.
- Section 4.** **Definitions.** Unless the context otherwise requires, terms used in these By-Laws shall have the meanings assigned to them in the North Carolina Business Association Act to the extent defined therein.

ARTICLE XI COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose and consistent with the Declaration and these By-Laws. The Board of Directors making the appointment of a committee shall designate a chairman of said committee.

ARTICLE XII ASSESSMENTS

As more fully provided in Article VI of the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquents. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate set forth in the declaration, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney fees of any action shall be added to the amount of such assessment. Any payments made to the Association shall be first applied to costs and attorneys' fees related to collection efforts, then to late charges, then to interest, and only then to such assessments. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his lot.

ARTICLE XIII AMENDMENTS

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control, and in the case of conflict between the Declaration and the Articles, the Articles shall control.

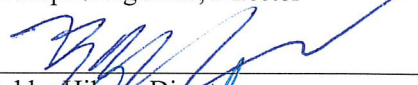
ARTICLE XIV
VIOLATION OF RULES AND REGULATIONS

Failure to abide by any Rules or Regulations published by the Association shall be grounds for an action, brought by the Association or any aggrieved Owner, to recover damages, or obtain injunctive and equitable relief, or both. In addition to these remedies, in the event of violation by an owner of any rules or regulations, such owner's voting rights and rights to use the recreational facilities may be suspended by the Board after a hearing at which the general requirements of due process shall be observed. The duration of such suspension shall be set by the Board and shall not exceed sixty (60) days for each violation. Such hearing shall only be held by the Board after giving the owner ten (10) days prior written notice which specifies each alleged violation and sets the time, place and date of the hearing. A determination of the violation and the time of suspension or other sanction shall be made by a majority vote of the Board. The owner shall have the right to appeal any adverse ruling of the Board and shall be entitled to a hearing de novo before the membership of the Association, at which the general requirements of due process shall be observed. Upon an appeal by an Owner of a decision by the Board, said appeal shall be heard within 90 days of the date of the appeal, and the decision of the Board shall remain in effect unless overruled by a majority vote of the members present at the special meeting.

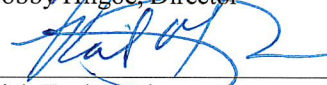
These By-Laws are hereby certified to be the By-Laws of ARLINGTON MEADOWS HOMEOWNERS' ASSOCIATION, INC., to be effective as of the 13th day of January, 2020.



D. Hope Bergamini, Director



Bobby Hilgoe, Director



Rich Taylor, Director