

Section 5. Conduct of Meetings; Remote Participation.

(a) A meeting of the Board, or of any committee designated by the Board, may be held by means of audio or video conference call or other remote electronic communications system, if (i) each person entitled to participate in the meeting consents to the meeting being held by means of that system; and (ii) the system permits each person participating in the meeting to communicate concurrently with each other participant.

(b) Whether or not a physical meeting is being held, members of the Board or committee that the Board appoints may participate in any meeting of the Board or a committee of which they are members, by audio or video conference call or other remote electronic communications system, provided all persons participating in the meeting can hear each other simultaneously.

(c) Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 6. Open Meetings; Executive Session.

(a) At least once per calendar quarter the Board shall provide Members an opportunity to attend a portion of a Board meeting and speak to the Board about their issues and concerns. The Board may place reasonable restrictions on the number of persons who may speak on each side of an issue and reasonable time restrictions on the persons who speak.

(b) In any Board meeting, upon motion and affirmative vote of the Board, the Board may adjourn and reconvene in executive session, restricting attendance to Directors and such other persons as the Board may specifically invite, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, and such other matters as the North Carolina Nonprofit Corporation Act may specifically authorize.

Section 7. Action by Board Without a Meeting.

Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if one or more written or electronic consents setting forth the action so taken are signed by all the Directors then serving and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. . Such consent(s) shall have the same force and effect as a unanimous vote at a meeting and may be described as such in any document. Consents may be in electronic form and delivered by electronic means.

Section 8. Chairman.

A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the President, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

ARTICLE VII
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 the personal conduct of the Members and their guests thereon and establishing penalties for infractions thereof, and adopt and publish rules and regulations interpreting the restrictions and covenants applicable to the Properties and the enforcement thereof;

(b) after notice and an opportunity to be heard, to suspend the voting rights of an Owner and the right of an Owner to use to Common Area and facilities thereon for any period during which any assessment against his Lot remains unpaid for a period of 30 days or longer, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Articles of Incorporation, these Bylaws, the Declaration or the Act, including, without limitation, Section 47F-3-102 thereof, and not reserved to the Members by other provisions of the same;

(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 meetings of the Board of Directors without good cause;

(e) employ a manager and such other employees or independent contractors as it deems necessary and prescribe their duties, and contract with a management company to manage the operation of the Association. In the event that a contract is entered into with a management company, such contract must be terminable by the Board of Directors without cause or penalty on not more than ninety (90) days' notice and any management contract made with the Declarant shall be for a period not to exceed three years;

(f) employ attorneys, accountants and other persons or firms to represent the Association when deemed necessary;

(g) grant easements to any private or public agency, authority or utility for the installation and maintenance of sewage, utility (including CATV) or drainage facilities upon, over, under and across the property owned by the Association without the assent of the Members when such easements are necessary 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 expedient.

The Board of Directors may, in its discretion, delegate any of its powers to a subcommittee of the Board, an officer of the Association, or a manager, agent or attorney

employed by the Association, provided, however, that such delegation shall not relieve the Board of its obligation to ensure that the duties set forth in this Article VII are faithfully carried out or that the powers so delegated are appropriately exercised by such delegate.

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;
- (b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) as more fully provided in the Declaration:
 - (1) at least annually, propose budgets and submit same to the Members for ratification;
 - (2) fix the amount of the annual assessment against each Lot at least twenty (20) days before January 1 of each year;
 - (3) send written notice of such assessment to every Owner subject thereto at least ten (10) days before January 1 of each year; and
 - (4) establish and enforce procedures for collection of assessments and for filing and enforcement of liens for unpaid dues as provided in the Act.
- (d) issue, or cause an appropriate officer of the Association to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be established by the Board of Directors for the issuance of such certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of 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) procure and maintain directors' and officers' liability insurance;
- (g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) cause the Common Area and all facilities erected thereon to be maintained;
- (i) if it deems necessary or if directed by the Members to do so, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the improvements constructed on the Common Area;

(j) provide such notices to and obtain such consents from the owners and holders of first deeds of trust on Lots within the Properties as is required by the Declaration or these Bylaws;

(k) pay all ad valorem taxes and public assessments levied against the real and personal property owned in fee by the Association;

(l) hold annual and special meetings and elections for the Board of Directors; and

(m) prepare annual budgets and financial statements for the Association and make same available for inspection by the Members at all reasonable times.

Section 3. Enforcement Rights.

In addition to such other rights as are granted in the Act, the Association's Articles of Incorporation, the Declaration or these Bylaws, the Board of Directors shall have the power, pursuant to the procedures set forth in this Section, to impose sanctions for violations by an Owner, a member of his family, or any occupant, tenant, employee, guest or invitee of the Owner, of the Declaration, these Bylaws, rules and regulations adopted Association or the Restrictive Covenants applicable to the Properties (hereinafter individually and collectively referred to as the "Rules"), which sanctions may include, but are not limited to, reasonable monetary fines, not to exceed the greater of the costs actually incurred by the Association in abating such violation including, without limitation, attorney's fees, or \$25.00 per day, or part thereof, in which the violation continues to exist for a first violation, \$50.00 per day for a second violation of the same rules or regulations, and \$100.00 per day for a third or subsequent violation, and which fines shall constitute a lien upon the Lot of the Owner, and suspension of the right to vote and the right to use the Recreational Amenities. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Lot if the Owner is delinquent in paying any assessment or other charges owed to the Association. The failure of the Board to enforce any of the Rules shall not be deemed a waiver of the right to do so thereafter.

(a) Notice. Before imposition of any sanction, the Board or its delegate shall give the Owner written notice describing: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than 10 days within which the Owner may present a written request for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received by the Board before the end of the period set forth in such notice (the "Notice Period"). Such notice may be hand delivered by any person or sent by first class mail. Any notice hand delivered shall be deemed received when received by the Owner or by any person more than 18-years old who is present at the address of the Owner as shown on the records of the Association. Notice sent by first class mail shall be deemed received on the third business day after same is deposited in the United States Mail, addressed the address of the Owner on the Association's records, and with proper postage thereon. The Board shall include in its minutes evidence of the giving of such notice, including a copy of the notice and a statement of the date and manner of delivery signed by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting, unless the appearance is made to protest the lack of notice.

If a request for a hearing is not received before the end of the Notice Period, the sanction stated in the notice shall be imposed; provided, however, that the Board may waive any proposed sanction if the violation is cured before the end of the Notice Period. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

(b) Hearing. If a hearing is timely requested, the hearing shall be held by the Board in executive session or by a committee of not less than three (3) Members (who may or may not be Directors of the Association) appointed by the Board for the purpose of hearing such appeals. The Owner shall be afforded a reasonable opportunity to be heard. A written statement of the results of the hearing and the sanctions, if any, imposed, shall be placed in the minutes of the Board and a copy of such statement shall be provided to the Owner in the same manner as the notice required by subsection (a) of this Section 3.

If the hearing was held before a subcommittee appointed by the Board, the Owner shall have the right to appeal the decision to the Board by giving a written notice of appeal to the President or Secretary of the Association within ten (10) days after receiving a copy of the written statement of the results of the hearing. If such notice of appeal is given, the Board shall schedule and notify the Owner of the date of the appeal hearing, which shall be not less than five (5) nor more than fifteen (15) days after notice of appeal is given, and which must be attended by not less than 75% of the members of the Board. The Owner shall be afforded a reasonable opportunity to be heard. The Board may, by majority vote of the Directors present at such appeal hearing, affirm, modify or reverse the decision of the subcommittee. A written statement of the results of the appeal hearing and the sanctions, if any, imposed, shall be placed in the minutes of the Board and a copy of same shall be provided to the Owner in the same manner as the notice required by subsection (a) of this Section 3.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Rules, without the necessity of compliance with the notice and hearing procedures set forth herein, by self-help methods (specifically including, but not limited to, the towing of Owner and tenant vehicles parked in violation of parking rules) or by action at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Association shall be entitled to recover all costs of such action, including reasonable attorney's fees incurred. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices.

The officers of the Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, a Treasurer, and such Vice President(s) and other officers as the Board may from time to time by resolution appoint.

Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term.

The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments.

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal.

Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies.

A vacancy in any office may be filled by the Board. The person appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices.

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties.

The duties of the officers are as follows:

(a) President. The President shall: preside at all meetings of the Board of Directors and of the Members; see that orders and resolutions of the Board are carried out; sign all leases, promissory notes, mortgages, deeds and other written instruments; and, if so authorized by the Board, sign checks.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring a seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association and their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall: receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; issue, or cause to be issued, all requested certificates setting forth whether the assessments applicable to a specific Lot have been paid; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and, if directed by resolution of the Board of Directors, sign checks of the Association.

ARTICLE IX COMMITTEES

The Board of Directors of the Association may appoint a Nominating Committee as provided in Section 3 of Article V of these Bylaws. The Board of Directors may appoint such other committees as it deems necessary to carry out the affairs of the Association.

ARTICLE X BOOKS AND RECORDS

(a) Maintenance of Books and Records. The Association shall maintain the following books and records, either in written form or in a form capable of conversion into written form within a reasonable time:

(i) financial records which are sufficiently detailed to allow the Association to comply with the Act and N.C.G.S. 47F-1-101, *et seq.*, including records of all cash receipts and expenditures and all assets and liabilities;

(ii) minutes of meetings of the Members and the Board and a record of all actions taken by the Members and the Board without a meeting;

(iii) a record of all actions taken by any committees appointed by the Board;
and

(iv) a membership roster in a form that permits preparation of a list of the names and mailing addresses of all Members, in alphabetical order, along with the address of each Lot owned by the Member.

(b) Records to be Located at Principal Office. The Association shall keep a copy of the following documents at its principal office:

(i) the Declaration, its Articles and By-laws, and all amendments to any of them currently in effect;

(ii) resolutions of the Board and the membership relating to the rights, limitations, and obligations of Members;

(iii) the minutes of all meetings of the Members and records of all actions taken by the Members without a meeting, for the three most recent years;

(iv) all written communications directed to the Members generally during the preceding three years;

(v) copies of the financial statements for the three most recent years; and

(vi) a list of the names and business or home addresses of its current directors and officers.

(c) Inspection of Records. Within five business days after receipt of a written request to inspect the Association's books and records, the Board shall make available for inspection and copying by any Director, any Member, any holder, insurer or guarantor of a first deed of trust on a Lot, or the duly appointed representative of any of the foregoing, at such reasonable time and location as the Board may specify:

(i) any of the books and records listed in clauses (i) through (vi) of subsection (a) of this Section as may be specified in such written request; and

(ii) excerpts from any other records to be maintained pursuant to subsection (a), but only if the Member's demand is made in good faith and for a proper purpose, the Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and the records are directly connected with such purpose.

(d) Rules for Inspection. The Board shall establish rules with respect to:

(i) notice to be given to the custodian of the records; and

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing documents requested, except that a Director's .

(e) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. A director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

ARTICLE XI
ASSESSMENTS

As more fully provided in Article V 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 Lot against which the assessment is made.

ARTICLE XII
MISCELLANEOUS

Section 1. Corporate Seal.

The Association shall have a seal in a circular form having within its circumference the words: Twelve Oaks Master Association, Inc.; and such seal is hereby adopted as the corporate seal of the Association.

Section 2. Amendments.

Except as otherwise provided herein, these Bylaws may be amended or repealed and new bylaws adopted at any regular or special meeting of the Board of Directors by the affirmative vote of a majority of the directors then holding office.

These Bylaws may also be amended or repealed and new Bylaws adopted at any regular or special meeting of the Members, by the affirmative vote of two-thirds (2/3) of the votes cast at such meeting, subject to normal quorum requirements.

No bylaw adopted or amended by the Members shall be amended or repealed by the Board of Directors, except to such extent that such bylaw expressly authorizes its amendment or repeal by the Board of Directors.

Section 3. Conflicts.

In the case of any conflict between the Association's Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 4. Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in the Declaration or these Bylaws or by law, all notices, demands, bills, statements, or other communications to be given under the Declaration or these Bylaws shall be in writing and may be delivered in person, by United States mail, by private carrier, or by electronic means if the intended recipient has given its prior written authorization to use such method of delivery, by telephone facsimile or electronic mail with written confirmation of transmission.

(b) Delivery Address. Notices shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, telephone facsimile number, or e-mail address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Member's Lot or the mailing address of the owner of the Lot shown in the records maintained by Wake County, North Carolina for purposes of real property tax assessment;

(ii) if to the Association, the Board, or a committee of either, at the address, telephone facsimile number, or e-mail address of the principal office of the Association or its managing agent, or at such other address as the Association shall designate by notice in writing to the Members pursuant to this Section; or

(iii) if to the Declarant, at the principal address of the Declarant as it appears on the Secretary of State's records, or at such other address as the Declarant shall designate by notice in writing to the Association pursuant to this Section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery;

(iii) if sent by telephone facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission, but subject to North Carolina General Statutes §66-325.

Section 5. Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 6. Gender.

Any use of the masculine gender in these Bylaws shall be construed to include the feminine gender. Any use of the singular shall be construed, as appropriate, to include the plural.

CERTIFICATION

The undersigned hereby certifies that he/she is the Secretary of the Twelve Oaks Master Association, Inc. (the "Association"), and that the foregoing Amended Bylaws Of Twelve Oaks Master Association, Inc., have been duly adopted by its Board of Directors as the Bylaws of the Association as of the 30th day of December, 2020.



Secretary