

IVY HALL TOWNHOMES ASSOCIATION, INC.

BYLAWS

ARTICLE I – NAME AND LOCATION

The name of the corporation is Ivy Hall Townhomes Association, Inc. (hereinafter the “Association”). The principal office of the Association shall be located in Wake County, North Carolina. The mailing address of the principal office is PO Box 97243, Raleigh, North Carolina 27624. The location of the principal office of the Association may be changed by the Board of Directors. Meetings of Members and Directors may be held in such places within Wake County, North Carolina as may be designated by the Board of Directors.

ARTICLE II – DEFINITIONS

All terms defined in the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Ivy Hall, recorded, or to be recorded in the office of the Register of Deeds of Wake County, North Carolina (as from time to time amended, said documents, together with all amendments thereto, if any, being hereinafter referred to as the “Declaration”), shall have the same meanings when used herein.

ARTICLE III – MEMBERSHIP AND VOTING RIGHTS

Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of the Lot. The foregoing is not intended to include persons or entities who or which hold an interest merely as security for the performance of an obligation.

Members shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, may determine. Fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV – MEETINGS OF MEMBERS

Section 1. Annual Meeting. Annual meetings of the Members shall be held during the month of January of each year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by a majority of the Board of Directors. Special meetings of the Members may be called upon written request sent to the Board of Directors signed by at least ten percent (10%) of the Members entitled to vote as defined in Article III of the Declaration.

Section 3. Notice of Meetings. The Board of Directors shall send meeting notices to all Members specifying the date, time, and location within Wake County, North Carolina of the Annual

Meeting and Special Meetings. Such notice shall include an agenda of matters to be discussed and/or voted upon at the meeting Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, written notice of each meeting of the Member shall be transmitted by hand delivery or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association of supplied by such Member to the Association for the purpose of notice. Meeting notices shall be mailed or delivered not less than ten (10) days no more than thirty (30) days before the meeting date. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. Except as otherwise provided in the Articles of Incorporation, the Declaration (including, specifically, Section 6 of Article V thereof) or these Bylaws, the presence at a meeting of Members or their proxies entitled to cast ten percent (10%) of the votes appurtenant to Class A lot owners shall constitute a quorum for any action. If a quorum is not achieved at the first meeting, the quorum requirement will be reduced by fifty percent (50%). If, however, a quorum is not present or represented at any meeting, the Members or their proxies present and entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 5. Proxies. At all Member meetings, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable by written notice of revocation signed by the person whose proxy is given and delivered to the Secretary of the Association prior to determination of a quorum at the meeting of Members. A proxy shall also automatically terminate on the earlier of the date specified in the proxy for termination or the date that is 11 months after its date. A Member's proxy shall be automatically revoked by and upon conveyance by such Member of his Lot.

ARTICLE V – BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors.

Section 2. Number and Terms. The Association's Board shall consist of five (5) Directors who shall serve staggered terms as follows: one Director shall serve a term of one year, two Directors shall serve a term of two years, and two Directors shall serve a term of three years. Each Director's term of office shall begin at the Annual Meeting of Members at which elected. Each Director shall hold office until the earlier of the end of his term, or his death, resignation, retirement, removal or disqualification.

The number of Directors may be changed by a majority of votes cast at any duly called Annual Meeting or Special Meeting of the Members at which a quorum is present.

The Directors elected at the meeting of members held on July 31, 2014 shall serve as follows. One director shall serve a term which shall expire as of the Annual Meeting held in January 2016. Two directors shall serve a term which shall expire as of the Annual Meeting held in January 2017. Two directors shall serve a term which shall expire as of the Annual Meeting held in January 2018.

Thereafter, all Directors shall be elected and serve for three year terms in accordance with the staggered terms described in these Bylaws.

Section 3. Elections. Election of new directors shall occur by secret written ballot at each Annual Meeting in accordance with the staggered terms described in these Bylaws. In such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled pursuant to Article III herein. The person(s) receiving the highest number of votes shall be elected. Neither cumulative nor fractional voting shall be permitted.

Section 4. Qualifications. Directors need not be Members of the Association. Any person may nominate themselves to serve as Director for a specified term of office by providing written notice to the Board of Directors that they wish to appear on the ballot prior to the Annual Meeting. Any person may nominate themselves to serve as Director for a specified term of office by providing verbal notice to the Members at the Annual Meeting. All such persons shall be included on the secret written ballot for Director election(s).

Section 5. Director Removal/Resignation. Any director may be removed from the Board, with or without cause, by a majority vote of the Members present and entitled to vote at any meeting of the Members called for that purpose. An officer may resign at any time by giving written notice to the Board. 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. Director Vacancies. A vacancy occurring in the Board of Directors shall be filled by the selection by the remaining directors of a successor, who shall serve for the unexpired term of the Director he replaces.

Section 7. Officers. The Board of Directors shall designate amongst themselves a President, Vice-President, Secretary, and Treasurer to serve for a term of one year beginning and ending as of the date of the Association's Annual Meeting in successive years.

Section 8. Officer Removal/Resignation. Any officer may be removed from office, with or without cause, by the Board. An officer may resign at any time by giving written notice to the Board. 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 9. Officer Vacancies. A vacancy occurring amongst the Officers of the Board of Directors shall be filled by the selection by the remaining directors of a successor, who shall serve for the unexpired term of the Officer he replaces.

Section 10. Compensation. No director shall receive compensation for any service he may render to the Association in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 11. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, without notice, and at such place and hour as determined by a majority of the Board. The President shall preside at all such meetings.

Section 12. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two directors, after not less than three (3) days' notice to each director. The President shall preside at all such meetings.

Section 13. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 14. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the action so taken is signed by all the directors whether done before or after the action so taken.

Section 15. Powers. The Board of Directors shall have power to:

- a. Adopt and publish rules and regulations governing the use of the Common Areas, personal conduct of Members and their guests thereon, and enforcement thereof;
- b. Adopt and publish rules and regulations interpreting the restrictions and covenants applicable to the Common Areas and Lots and enforcement thereof;
- c. After notice and an opportunity to be heard, suspend the voting rights of an Owner and the right of an Owner to use the Common Area and facilities thereon for any period during which:
 - i. Assessment against his Lot remains unpaid for thirty (30) days or longer or;
 - ii. For any infraction of published rules and regulations of the Association.

Provided, however that the Association may not suspend an Owner's right to use any Common Area providing access, stormwater drainage or utilities to his Lot.

- d. 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, N.C.G.S. §47F-3-102 thereof, and not reserved to the Members by other provisions of the same;
- e. Declare the office of a member of the Board of Directors to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board of Directors without good cause.
- f. 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 Association shall be for a period not to exceed three (3) years.

g. Employ attorneys, accountants and other persons or firms to represent the Association when deemed necessary.

h. Grant easements to any private or public agency, authority or utility for the installation and maintenance of sewage, utility 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.

i. Appoint and remove 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.

j. 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 herein are faithfully carried out or that the powers so delegated are appropriately exercised by such delegate.

k. Appoint committees as it deems necessary to carry out the affairs of the Association.

Section 16. Duties. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all acts and corporate affairs and present a statement thereof to Members at the Annual Meeting of Members or at any Special Meeting when such statement is requested in writing by twenty-five percent (25%) of Members at least five (5) working days prior to the meeting.

b. Supervise all officers, agent and employees of the Association and see that their duties are properly performed.

c. Adopt budgets for the Association and submit such budgets to the Members for ratification in whole.

d. Send written notice of assessments to every Lot owner subject thereto.

e. Establish and enforce procedures for collection of assessments and for filing and enforcement of liens for unpaid dues as provided in NCGS Chapter 47F, the North Carolina Planned Community Act.

f. Issue, or cause an appropriate agent or employee 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.

g. Procure and maintain liability insurance in an amount of at least one million dollars (\$1,000,000.00) covering the real and personal property owned by the Association.

h. Procure and maintain directors' and officers' liability insurance.

i. Cause all officers, agents, or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

j. Cause the Common Area and all facilities erected thereon to be maintained.

k. Establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the improvements constructed on the Common Areas and Lots as described in the Declaration Article V Covenant for Maintenance Assessments, and Article VI. Maintenance of Lots and Common Areas.

l. Pay all ad valorem taxes and public assessments levied against the real and personal property owned by the Association.

m. Hold annual and special meetings and elections for the Board of Directors.

n. Prepare annual budgets and financial statements for the Association and make same available for inspection by the Members at all reasonable times.

Section 17. Duties of Officers. The duties of the officers are as follows:

a. President: 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, perform such other duties as may be required by the Board, and if directed by resolution of the Board of Directors, sign checks.

b. Vice President: Act in the place and stead of the President in the event of his absence, inability or refusal to act, and perform such other duties as may be required by the Board.

c. Secretary: Record the votes and keep the minutes of all Annual and Special Meetings and proceedings of the Board and of the Members, and service notice of meetings of the Board and Members, and perform such other duties as may be required by the Board.

d. Treasurer: Review monthly all financial matters related to the Association that may be handled directly by the Association or delegated otherwise, perform such other duties as may be required by the Board, and if directed by resolution of the Board of Directors, sign checks.

ARTICLE VI – BOOKS AND RECORDS

The books and records of the Association shall, at all times during reasonable business hour, be subject to inspection by any Member or his agent. The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VII – 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.

Monthly assessments are due on the 1st day of each month. There shall be a ten percent (10%) late payment penalty assessed on any payment made on or after the 16th day of each month and another ten percent (10%) penalty assessed each thirty (30) days thereafter.

ARTICLE VIII – ENFORCEMENT RIGHTS

Section 1. In addition to such other rights as granted in NCGS Chapter 47F, the North Carolina Planned Community Act, the 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, architectural guidelines, rules and regulations adopted by the 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, attorneys’ fees, or, for an Owner’s first violation, \$50.00 per day, or part thereof, in which the violation continues to exist for more than five (5) days after the date on which a decision is made to impose a fine, \$75.00 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.

Section 2. Notice. Before the 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 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 to the address of the Owner shown in the records of the Association. 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 mail

shall be deemed received on the third business day after same is deposited in the United States Mail 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 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.

Section 3. Hearing. If a hearing is timely requested, the hearing shall be held by the Board in executive session. The Owner shall be afforded a reasonable opportunity to be heard. A written statement of the results of the hearing and sanctions, if any, imposed, shall be placed in the minutes of the Board and a copy of each statement shall be provided to the Owner in the same manner as the notice required by Section 2 of this Article.

Section 4. 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 remedy methods (specifically including, but not limited to, the removal of a non-conforming or unapproved improvement on the Lot and 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.

Section 5. An Owner is responsible for providing any occupant or tenant of his residence with a copy of the Ivy Hall Homeowners Association, Inc. Bylaws. An Owner's failure to provide any occupant or tenant of his residence a copy of the Bylaws shall not be a defense to any sanctions that may be imposed for occupant or tenant conduct in violation of the Bylaws.

ARTICLE IX – FISCAL YEAR

The fiscal year of the Association shall begin on January 1st and end on December 31st of every year.

ARTICLE X – COMMUNITY RULES

These rules shall apply to the owners, leasees, tenants, guest, invitees, or licensees of any Lot Owner. Violations may be reported in writing to the Association management company and not to the Board of Directors or officers of the Association. The Association management company shall give notice of the violations to the violating Lot Owner. All disagreement will be present to the Board of Directors for appropriate action in their discretion.

Section 1. Nothing shall be done or maintained on any Lot or upon any common elements, which would be in violation of any law.

Section 2. Any noxious or offensive activity shall not be carried on within or outside any Lot nor shall anything be done or be permitted to remain on any Lot or the common areas which may be or become a nuisance or annoyance to the other Lot Owners.

Section 3. Lot owners shall make or permit to be made any disturbing noises, which will unreasonably interfere with the rights, comforts or conveniences of any other Lot owner. All Lot owners shall keep the volume of any radio, amplifier, stereo, television or musical instrument on their Lot sufficiently reduced at all times so as not to disturb other Lot owners in any building.

Section 4. Lot owners shall not permit any act or thing deemed extra-hazardous on account of fire or that will increase the insurance cost of the premises. Lot owners shall not keep any gasoline or other explosives or highly flammable material in said premises or storage area.

Section 5. Lot owners shall not burn trash. Lot owners shall not accumulate an unreasonable, unsightly or offensive smelling accumulation or storage of litter, new or used building materials, garbage or trash of any kind on their Lot or common areas. Trash and garbage containers shall be properly stored in or around individual Lots in a manner not visible from the street when not awaiting pick up on scheduled pick up days.

Section 6. Lot owners shall not permit items to be thrown out of windows onto the premises or grounds of their Lot or common areas. Lot owners shall not permit anything to be placed in or hung from the outside of windows on their Lot with the exception of temporary, holiday decorations displayed in a manner that does not cause permanent damage to the windows or window frames.

Section 7. There shall be no obstruction of any common areas. Only items owned by the Association shall be stored in any common area.

Section 8. No structure of any temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time.

Section 9. No clothing, laundry, rugs, wash, or any other items shall be hung from or spread upon any window, patio area or exterior portion of a Lot or in or upon a common area.

Section 10. All personal property placed in any portion of a Lot or any place appurtenant thereto shall be at the sole risk of the Lot owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

Section 11. Maintenance, keeping, breeding, boarding and raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Lot or upon any common elements, except that this shall not prohibit the keep of a dog, cat, or caged bird as a domestic pet provided that they are not kept or maintained for commercial purposes or for breeding. Common areas may be designated by the Board of Directors as the sole areas for the curbing of animals. Each Lot

owner shall be responsible for cleaning up and removing animal feces from any area of their Lot, the designated curbing area, or any other Common Area. A fine of ten dollars (\$10.00) per incident shall be assessed an offending Lot owner. In no event shall any animal be permitted in any common area unless carried or on a leash. The owner of an animal shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal in Ivy Hall. If an animal becomes obnoxious to other Lot owners by barking, by elimination in undesignated areas (designated areas may be set by the Board of Directors) or otherwise, the owner thereof must cause the problem to be corrected. If the problem is not corrected, the Lot owner, upon written notice by the Board, shall be required to remove the animal from Ivy Hall.

Section 12. All persons shall be properly attired when present on any of the common areas.

Section 13. Solicitors shall not be permitted in Ivy Hall without consent of the Board of Directors.

Section 14. Common areas designated as parking areas are for automobiles including fully maintained conversion vans only. Automobiles parked in common areas must have current license plates and be in operating condition. Automobiles may not be repaired on common areas.

Section 15. Lot owners shall abide by all parking and traffic regulations as adopted by the Board of Directors or local authorities. Vehicles parked in violation of any parking rules or regulations shall be towed away at the owner's sole risk and expense with the cost of moving or towing being added as part of the responsible Lot owner's monthly assessment.

Section 16. Any vehicle may be stored in the Lot owner's garage or driveway. No automobiles, boats, buses, trucks, campers, motor homes, motorcycles, trailers, or commercial vehicles shall be parked in the common area parking lots for more than seven (7) consecutive days during any thirty (30) days period.

Section 17. Parking of vehicles that blocks sidewalks or driveways shall not be permitted. Each Lot owner expressly agrees that he if illegally parks or abandons any vehicle, he will hold the Association harmless for any and all damages or losses that may ensue.

Section 18. The water closets and other water and sewer apparatus including stormwater drains and drainage culverts shall not be used for purposes other than those for which they were designed; and no sweepings, matches, rags, ashes, oil, grease, paint, or other solid or liquid foreign materials shall be thrown therein. The cost of repairing any damage resulting from misuse of any of the same shall be borne by the Lot owner causing such damage.

Section 19. The planting of plants, flowers, trees, shrubbery, and crops or landscaping of any other type in the general common areas immediately adjacent to all Lots shall be the ongoing maintenance responsibility of the Lot owner who installed such plantings.

Section 20. The planting of plants, flowers, trees, shrubbery, and crops or landscaping of any type that may attach to the exterior of a home or hinder ingress or egress from a Lot to a common area is prohibited.

Section 21. Any damage to the equipment, facilities, or grounds of the Common Areas caused by a Lot owner or his pets shall be repaired at the expense of the Lot owner.

Section 22. No personal property shall be left unattended on the grounds of the common areas.

Section 23. A Lot owner's patio/lawn furniture shall be kept either in the Lot owner's building, garage, patio fence area, or porch.

Section 24. A Lot owner's or tenant's cooking grill(s), bicycle(s), recreation equipment, or other similar item(s) shall not be stored on a porch or driveway visible from the street. All such items shall be immediately removed from the porch or driveway so that it is not visible from the street immediately following each use.

Section 25. To maintain a uniform and pleasing appearance of Building exteriors, no awnings, canopies, shutters, screens, glass enclosures or projections shall be attached to the outside walls, doors, windows, roofs or other portion of the buildings or on the Common Areas. Any energy conservation devices must be approved by the Board of Directors

Section 26. The exercise facilities located in the common areas are for the exclusive use of Lot owners. Persons must be fourteen (14) years to utilize these exercise facilities.

Section 27. The Board of Directors shall establish a process for Lot owner reservation of common areas and associated fees for private events.

Section 28. Vehicles may park in common areas directly in front of or within fifty (50) feet of either side of community mailboxes only when a person is retrieving mail or when there is no available space on the unit driveway or adjacent streets where the person resides or is visiting.

Section 29. All exterior holiday/seasonal decorations shall be removed from the building or grounds of all units no later than January 31st of each year.

The following dates shall be reserved for community wide events: New Years Day, Super Bowl Sunday, Memorial Day, July fourth of each year, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and New Years Eve.

Section 30. Chewing tobacco, pipe smoking, electronic or non-electronic cigarette/cigar smoking, or use of any other tobacco product is not allowed anywhere within the Ivy Hall Clubhouse and immediately surrounding grounds, swimming pool, or pool area.

ARTICLE XI – MISCELLANEOUS

Section 1. 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.

Section 2. Amendments. 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, provided, however, that the Board may not amend the Bylaws in any manner that would limit or eliminate the Association's obligations with regard to the storm water requirements set forth in Section C of Article XI of the Declaration, unless such amendment is approved by the City Attorney of Raleigh, North Carolina.

These bylaws may be amended or repealed and new bylaws adopted at any Annual Meeting 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, provided, however, that the Members may not amend the Bylaws in any manner that would limit or eliminate the Association's obligations with regard to the storm water requirements set forth in Section C of Article XI of the Declaration, unless such amendment is approved by the City Attorney of Raleigh, North Carolina. 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 Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 4. Indemnification.

(a) Any person who at any time is serving or has served as a Director, officer, employee or agent of the Association, or who is serving or has served in any such capacity at the request of the Association in any other entity or, at the request of the Association, as a trustee or administrator under any employee benefit plan, shall be indemnified by the Association to the fullest extent permitted by law, including specifically the indemnification provided by the provisions of the North Carolina Nonprofit Corporation Act, including but not limited to indemnification against (i) reasonable expenses, including attorneys' fees actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and 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 (ii) reasonable payments made by him in satisfaction of any judgment, money decree, fine penalty or settlement for which he may 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 the provisions of this Section 4(a), including, without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and if required, giving notice to, and obtaining approval by, the Members of the Association.

Any person who at any time serves or has served in any of the aforesaid capacities for, on behalf of, or at the request 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 under this Section 4(a). 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 provisions of this Section.

If the North Carolina Nonprofit Corporation Act is subsequently amended to eliminate or further limit the personal liability of directors or to authorize corporate action to eliminate or further limit such liability, then the liability of the Directors of this Association shall, without any further action of the Board of Directors or the Members of the Association, be eliminated or limited to the fullest extent permitted by the North Carolina Nonprofit Corporation Act as so amended.

(b) The Association shall have the power to purchase and maintain insurance on behalf of any person who is serving or has served as a Director, officer, employee or agent of the Association, or who is serving or has served in any such capacity at the request of the Association in any other entity or, at the request of the Association, as a trustee or administrator under any employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would otherwise have the power to indemnify him against such liability.

(c) In addition to the indemnification authorized under the provisions of Sections 4(a) and 4(b) of this Article and under the provision of the North Carolina Nonprofit Corporation Act, the Association, acting pursuant to a resolution adopted by its Board of Directors, may by contract agree to indemnify any person who at any time is serving or has served as a Director, officer, employee or agent of the Association, or in any such capacity at the request of the Association in any other corporation, partnership, joint venture, trust or other enterprises or, at the request of the Association, as a trustee or administrator under any employee benefit plan, against liability and reasonable litigation expenses, including attorneys' fees, arising out of his status as such or his activities in any of the foregoing capacities before or after the date on which the contract is executed; PROVIDED HOWEVER, that the Association may not agree under any such contract to indemnify any such person against any liability or litigation expense he may incur in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

(d) Any repeal or modification of the foregoing provisions of this Section 4 shall not affect any rights or obligations then existing with respect to any state of facts then or therefore or thereafter brought based in whole or in part on any such state of facts.

(e) This Section is intended to provide indemnification solely for actions taken by a person in his/her capacity as an officer or Director of the Association. Nothing herein shall be deemed to provide indemnification to any person for any liability that may result from that person's ownership of property within the Properties.

Approved this 15th day of October, 2014 by the Ivy Hall Board of Directors.

Dale Garber, President

Connie Conrad, Vice President

Scarlette Gardner, Secretary

Ed Ellison, Treasurer

Randy Barham, Member