BYLAWS

OF

2018 MARKET HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

1.1 Name and Location. The name of the corporation is **2018 MARKET HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Property, or at such other place within Wake County, North Carolina ("County") as may be designated by the Association's Board of Directors ("Board").

ARTICLE 2

DEFINITIONS

2.1 Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles." The terms used in these Bylaws shall have the same definitions as those set forth in the **Declaration of Covenants, Restrictions, and Easements for 2018 Market** (the "Declaration"), recorded or to be recorded in the office of the Register of Deeds for the County, unless provided to the contrary in these Bylaws, or unless the context otherwise requires. The term "Governing Documents" means the Declaration, any Supplemental Declaration, the Articles, Bylaws, and the rules and regulations of the Association and all exhibits to any of the foregoing, all as they may be amended from time to time. The North Carolina Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes, as it may be amended from time to time, is referred to in these Bylaws as the "Nonprofit Act." The North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes, as it may be amended from time to time, is referred to in these Bylaws as the "Planned Community Act."

2.2 Applicability. The provisions of these Bylaws apply to the Association which operates the Common Areas of the Property as defined in the Declaration.

ARTICLE 3

MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, by majority vote, shall determine and which meeting shall occur not more than

twelve (12) months following the date of closing of the sale of the first Unit in the Property. Subsequent annual meetings of the Members shall be held on a date and time set by the Board, but not more than thirteen (13) months after the date of the previous annual meeting.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request by the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing ten percent (10%) of the total voting interest of the Association. For purposes of determining the ten percent (10%), the record date shall be the date the first Member signs the demand for a special meeting.

3.3 Notice and Place of Meetings. Unless otherwise provided in the Governing Documents or in the Nonprofit Act, written notice of each meeting of the Members, annual or special shall be given by, or at the direction of, the Secretary or Person authorized to call the meeting at least ten (10) days but not more than sixty (60) days before such meeting to each Member addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice shall be given to a Member by hand delivery, U.S. Mail, or such other means as shall be permitted under North Carolina law, including, but not limited to (if allowed), overnight courier service, electronic transmission or by any other technology or medium, now existing or hereafter devised, provided in every such case the Association retains proof of transmission and receipt.

In the case of written demand of Members representing ten percent (10%) of the total voting interests of the Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. In the event the Association fails to send notice of a special meeting within thirty (30) days following delivery of written demand aforesaid any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Act. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Declaration, Articles, or Bylaws. Meetings shall be held within the Property or at a meeting place within the County.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute a waiver of notice, except when the Member

attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum.

(a) Unless otherwise provided herein, in the Declaration, Articles, or Nonprofit Act a quorum is present throughout any meeting of the Association whenever Persons entitled to cast ten percent (10%) of the total voting interests are present in person or by proxy at the beginning of the meeting. If 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 Governing Documents, the quorum requirements at the next meeting shall be one-half (1/2) 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 will be conducted.

(b) The Members present at a duly called or held meeting at which a quorum of the voting interests is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. Unless otherwise provided, any reference hereafter to "voting interests cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Voting Referendum; Written Ballots. Any vote of the Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to ever Member by the Association. The ballot shall set forth the matter to be voted upon and provide therein a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present.

A solicitation of votes by ballot shall (i) indicate the record date for the Members eligible to vote; (ii) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (iii) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of Directors, which shall be by plurality); and (iv) state the date and time by which a Member's completed ballot must be received by the Association in order to be counted in the vote to be taken. Once a written or electronic ballot is received by the Association, it may not be revoked. A Member's signed ballot shall be delivered to the Association by hand delivery, U.S. mail or such other means as shall be permitted under North Carolina law, including, but not limited to and if allowed, overnight courier service, electronic transmission or any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Within ten (10) days after the deadline for receipt of the completed ballots, notice must be given to all Members whether the matter(s) set forth in the ballot were approved. Ballots cast in accordance with the foregoing have the effect of a meeting vote and may be described as such in any document.

(b) Proxies. At all meetings of Members, each Member may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointment time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy in accordance with the Nonprofit Act, or upon the expiration of the proxy. The proxy shall expire eleven (11) months from the date of the proxy unless a different period is expressly provided in the appointment form; provided, however the duration of a proxy shall not exceed three (3) years from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association and to exercise the voting interests of the Member. Any proxy appointment form distributed by any Person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the Person acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Nonprofit Act. The Member's signed proxy appointment form shall be delivered to the Association by hand delivery, by U.S. mail, and by such other means as shall be permitted under North Carolina law, including, but not limited to and if allowed, overnight courier service, electronic transmission or any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

3.6 Membership and Voting.

(a) Voting. The Association shall have the classes of Members and the weighted voting as provided in the Declaration.

(b) Class B Veto Rights.

(i) During the Declarant Control Period, the Class B Member shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section 3.6(b). This veto power shall be exercisable only by the Class B Member, its successors, and assigns who specifically take this power in a recorded instrument.

(ii) No action authorized by the Board of Directors or any committee shall become effective during the Declarant Control Period, nor shall any action, policy, or program be implemented until and unless:

(A) In the absence of the physical presence of any employee or agent of the Class B Member who waives written notice, the Class B Member shall have been given written notice of each meeting and the actions approved at the meeting of the Board or any committee. Such written notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Class B Member has registered with the Secretary of the Association, as it may change from time to time; and

(B) The Class B Member shall have and is hereby granted veto power over any such action, policy, or program approved by any committee or the Board of Directors and to be taken by any committee or Board of the Association or any member of the Association if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Class B Member at any time within ten (10) days following the meeting held pursuant to the terms and provisions of these Bylaws. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

(iii) This Section 3.6(b) may not be amended during the Declarant Control Period without the express written consent of the Class B Member.

(c) Voting Groups. In order to assure representation on the Board of Directors for the Members owning Detached Homes and Members owning Attached Townhomes, separate voting groups (individually, a "Voting Group" and jointly, the "Voting Groups") shall be established as follows: (1) Members owning Detached Homes shall constitute the "Detached Home Voting Group," and (2) Members owning Attached Townhomes shall constitute the "Attached Townhome Voting Group." At the first election after the expiration of the Declarant Control Period, the Board shall be increased to five (5) Directors chosen as follows: (1) the Detached Home Voting Group shall be entitled to elect one Director (the "Detached Home Director"); (2) the Attached Townhome

Voting Group shall be entitled to elect or appoint one (1) Director ("Attached Townhome Director"); (3) One (1) Director shall be elected at large by all of the voting interests other than the Declarant ("At Large Director"); and (4) the Declarant shall be entitled to appoint or elect two (2) Directors so long as the Declarant owns any portion of the Community. When the Declarant no longer owns any portion of the Community or such earlier date as the Declarant elects not to appoint or elect any Directors to the Board, the five (5) Directors shall be chosen as follows: (1) the Detached Home Voting Group shall be entitled to elect two (2) Detached Home Directors; (2) the Attached Townhome Voting Group shall be entitled to elect or appoint two (2) Attached Townhome Directors; and (3) the fifth Director shall be elected at large by all of the voting interests ("At Large Director").

(d) Majority Vote. Unless the Nonprofit Act, the Planned Community Act, the Declaration, Articles or these Bylaws require a greater percentage vote or voting by class, any action approved by a "majority of the voting interests cast" shall be binding upon all Members for all purposes. An abstention shall be counted as a negative vote in calculating the majority. Unless otherwise provided in a Supplemental Declaration, Owners of Units in all phases shall have the same voting rights.

Any reference to the "majority of the voting interests cast" or "majority of the Owners" in the Governing Documents shall mean a majority of the voting interests eligible to be cast at a duly called meeting of the Members at which a quorum is present in person or by proxy. The terms "majority of the voting interests" or "majority of the Owners" shall not mean a majority of the Members themselves, or the Owners, or the number of Units or the total membership. Similarly, if some greater percentage of the voting interests of the Members is required in any Governing Document, it shall mean such greater percentage of the votes of Members and not of the Members themselves, the Owners, the Units, or the total membership; notwithstanding the foregoing, certain specified actions set forth in the Planned Community Act or Governing Documents require the approval of a percentage of the "total voting interests."

3.7 Eligibility to Vote. Voting rights attributable to a Class A Member shall not vest until the Association has levied Assessments against the Unit owned by a Class A Member. Only Members in good standing are eligible to vote on any issue or matter presented to the Members for approval. In order to be in good standing, as of the record date, no Assessments levied against the Member's Unit(s) can be more than thirty (30) days delinquent and the Member cannot be subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Section 3.9.

3.8 Acceptance of Votes.

(a) Criteria. The Association shall apply the following criteria in accepting the vote, ballot, consent, waiver, or proxy appointment of a Member:

(i) If the name signed on a vote, ballot, consent, waiver, or proxy appointment corresponds to the name of a Member, the Association, if acting in good faith, is entitled to accept the vote, ballot, consent, waiver, or proxy appointment and give it effect as the act of the Member.

(ii) If two or more Persons hold the Membership as co-Owners (including, but not limited to, a husband and wife), the vote, ballot consent, waiver, or proxy appointment shall be cast only in accordance with the agreement of a majority in interest of the co-Owners. If the name signed purports to be the name of at least one of the co-Owners and the Person signing appears to be acting on behalf of all the co-Owners, a majority agreement is conclusively presumed, and the Association, if acting in good faith, is entitled to accept the vote, ballot, consent, waiver, or proxy appointment and give it effect as the act of all the co-Owners, unless any of the other co-Owners protest such co-Owner's vote promptly to the Person presiding at the meeting.

(iii) If the name signed on a vote, ballot, consent, waiver, or proxy appointment does not correspond to the record name of a Member, the Association, if acting in good faith, is nevertheless entitled to accept the vote, ballot, consent, waiver, or proxy appointment and give it effect as the act of the Member if:

(A) the Member is an entity and the name signed purports to be that of a director, officer, manager or managing member, general partner, or agent of the entity;

(B) the name signed purports to be that of an attorney-in-fact of the Member and, if the Association requests, evidence acceptable to the Association of the signatory's authority to sign for the Member has been presented with respect to the vote, ballot, consent, waiver, or proxy appointment;

(C) If the name signed purports to be that of a trustee, administrator, executor, guardian, or conservator representing the Member and, if the Association requests, evidence of fiduciary status acceptable to the Association has been presented with respect to the vote, ballot, consent, waiver, or proxy appointment; and

(D) the name signed purports to be that of a receiver or trustee in bankruptcy of the Member and, if the Association requests, evidence of this status acceptable to the Association has been presented with respect to the vote, ballot, consent, waiver, or proxy appointment.

(b) The Association is entitled to reject a vote, ballot, consent, waiver, or proxy appointment if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member.

(c) The Association and its officer or agent who accepts or rejects a vote, ballot, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the Member for the consequences of the acceptance or rejection.

(d) Corporate action by the Association based on the acceptance or rejection of a vote, ballot, consent, waiver, or proxy appointment under this Section 3.8 is valid unless a court of competent jurisdiction determines otherwise.

3.9 Record Dates.

(a) Record Dates Established by the Board. For the purposes of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles, by agreement, or in the Nonprofit Act. The record dates established by the Board pursuant to this Section shall be as follows:

(i) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than twenty (20) days before the date of the meeting;

(ii) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than thirty (30) days before the date of the meeting;

(iii) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than thirty (30) days before the day on which the first written ballot is mailed or solicited; and

(iv) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than thirty (30) days prior to the date of such other action.

(b) "Record Date" Means as of the Close of Business. For purposes of Section 3.8(a), a Person holding a membership as of the close of business on the record date shall be deemed the Member of record.

(c) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the provisions set forth in the Nonprofit Act shall apply.

3.10 Action Without Meeting. Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting in accordance with the provisions of the Nonprofit Act. Any form of written ballot distributed by any Person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

3.11 Order of Business. The order of business at all meetings of the Members shall (unless waived) be as follows: (a) roll call to determine the Members and their voting interests represented at the meeting in person or by proxy; (b) proof of notice or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports on the financial condition and activities of the Association; (e) reports of committees; (f) election of Directors; (g) unfinished business; and (h) new business. Meetings of Members shall be conducted by the officers of the Association, in order for their priority.

3.12 Conduct of Meetings. Meetings of the Members of the Association shall be conducted in accordance with the latest edition of Roberts Rules of Order or such parliamentary procedures as the Association may adopt. Except as otherwise provide by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Nonprofit Act.

ARTICLE 4

PARTICIPATION BY MEMBERS

4.1 Board Meetings. No Member of the Association shall have any right as a Member to attend any meeting of the Board, except such meetings of the Board as the Board of Directors shall, in the exercise of its sole discretion, open to the membership or any other Person.

4.2 Membership Meetings. Subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board, Members shall have the right to speak at annual and special meetings of the Members. A Member does not have the right to speak with respect to items not specifically designated on the agenda; provided, however, that the Board may permit a Member to speak on such items in its discretion. Every Member who desires to speak at a meeting, may do so, provided that the member had filed a written request with the Secretary of the Association prior to the scheduled time for commencement of the meeting.

4.3 Restrictions. Unless waived by the chairman of the meeting (which may be done in the chairman's sole and absolute discretion and without being deemed to constitute a waiver as to any other subsequent speakers), all Members speaking at a meeting shall be limited to a maximum of three (3) minutes per speaker. Any Member may tape record or videotape a meeting, subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board:

(a) The only audio and video equipment and devices which Members are authorized to utilize at any such meeting is equipment which does not produce distracting sound, light or heat emissions;

(b) Audio and video equipment shall be assembled and placed in position in advance of the commencement of the meeting; and

(c) Anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording.

ARTICLE 5

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

5.1 Number. A Director must be a natural person who is 18 years of age or older. A Director need not be an Owner. The initial Board of Director shall consist of three (3) Directors who shall be appointed by the Declarant. The Declarant shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to the Declaration until the expiration of the Declarant Control Period. After the Declarant Control Period, the affairs of the Association shall be managed by a Board of Directors consisting of five (5) Directors. At the expiration of the Declarant Control Period, the Members other than the Declarant shall be entitled to elect a majority of the Directors. The Association shall give not less than thirty (30) days' and not more than sixty (60) days' notice of, such meeting of the Members to elect the Board of Directors, or the date on which the Association shall count the written ballots distributed to the Members with such notice for the election of the Board of Directors. Each year thereafter, the Members shall elect such number of Directors as shall exist whose terms are expiring.

The Declarant may transfer control of the Association to the Class A Members prior to the expiration of the Declarant Control Period in its sole discretion by causing enough of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Class A Members to elect a majority of the Directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to the Members, neither the Declarant, nor such appointees, shall be liable in any

manner in connection with such resignations even if the Class A Members refuse or fail to assume control.

5.2 Term of Office. The election of Directors shall be by plurality of the voting interests eligible to vote for the applicable vacancies on the Board. At the expiration of the Declarant Control Period or such other date following expiration of the Declarant Control Period when written ballots are to be counted for the election of such Directors pursuant to Section 5.1, the Directors shall be elected to staggered terms as follows:

(a) the following nominees shall elected as Directors for a term commencing at the Director's election and extending until the earlier of two (2) years or until such Director's successor is duly elected or until the Director is removed in the manner elsewhere provided: (i) the nominee for Detached Home Director receiving the highest number of voting interests cast by the Members owning Detached Homes; (ii) the nominee for Attached Townhome Director receiving the highest number of voting interests cast by the Members owning Attached Townhomes; and (c) the nominee for the At Large Director receiving the highest number of votes cast by the Members. The other Directors shall be elected or appointed for a term commencing at the Director's appointment or election and extending until the earlier of one (1) year or until such Director's successor is duly appointed or elected.

(b) At each subsequent election, the term of each Director's service shall commence at the Director's election and extend until the later of two (2) years or until such Director's successor is duly elected and has taken office, or until the Director is removed in the manner elsewhere provided.

(c) In the event there is only one candidate for a particular vacancy on the Board, the Association is not required to conduct an election to fill the vacancy.

5.3 No Term Limits. Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which he or she may serve. Any Director appointed or elected by the Declarant shall serve at the pleasure of the Declarant and may be removed and replaced by the Declarant at any time.

5.4 Vacancies and Removal.

(a) Any Director elected by the voting interests (other than Directors appointed by the Declarant) may be recalled and removed, with or without cause. A Detached Home Director may only be recalled or removed by a majority of the voting interests of the Members owning Detached Homes present in person or by proxy at a meeting at which a quorum of such Members exists, and an Attached Townhome Director may only be recalled or removed by majority of the voting interests of the Members owning Attached Townhomes present in person or by proxy at a meeting at which a quorum of such Members exists. The At Large Director may only be recalled or removed by a majority of the voting interests

present in person or by proxy at a meeting of the Members at which a quorum exists.

(b) The Directors appointed or elected by the Declarant shall be subject to removal by the Declarant without the necessity of any meeting. In the event of any vacancy in a position appointed by the Declarant, the Declarant shall be entitled to appoint or elect a replacement without the necessity of any meeting.

(c) A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than twenty (20) days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting.

(d) In the event of death, resignation, recall, or removal of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting or by the sole remaining Director. A successor Director shall serve for the unexpired term of his or her predecessor. The Board may call an election at any time to allow the Members to fill any vacancy not filled by the remaining Directors.

5.5 Compensation. No Director shall receive compensation for any service rendered to the Association unless approved by a majority of the voting interests cast. However, any Director may be reimbursed for his actual expenses, if reasonable and documented in writing, incurred in the performance of his or her duties, including, but not limited to, travel expenses.

5.6 Indemnification of Directors, Officers, and Corporate Agents. The Association shall indemnify any present or former Director, Officer, employee, or other agent of the Association to the fullest extent authorized under the Nonprofit Act, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

5.7 Resignation of Directors. A Director may resign at any time by delivering written notice to the Board of Directors, its presiding Officer, the President, or the Secretary. A resignation is effective on the date of receipt unless the notice specifies a later date. If the resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

ARTICLE 6

NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination. Nomination for election to the Board of Directors may be made by a Nomination Committee established by the Board of Directors, otherwise upon motion or other procedure adopted therefor by the Board. Notice to the Members of the meeting shall include the names of all of those who are nominees at the time the notice is sent and whether the nominee is a candidate for the position of a Detached Home Director, Attached Townhome Director and/or At Large Director. Nominations to be placed on the ballot may also be solicited by the Nominating Committee or the Board from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Nominating Committee shall consist of a Chairman, who may be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to the annual meeting of the Members at which the election is to be held, or if the election is to take place solely by written ballot not less than sixty (60) days prior to the date set on the ballot as the election date when ballots are to be counted, and shall serve until the close of the election. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

6.2 Election. At any election after the expiration of the Declarant Control Period, the eligible Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Declaration. Eligible Members owning Detached Homes shall be entitled to vote in any election for any vacancy in the Detached Home Director position(s) and the At Large Director position. Eligible Members owning Attached Townhomes shall be entitled to vote in any election for any vacancy in the Attached Townhome Director position(s) and the At Large Director position. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Section 3.5(a).

ARTICLE 7

MEETING OF DIRECTORS

7.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place within the Property, and at such date and hour as may be fixed from time to time by resolution of the Board. If a larger meeting is required than exists within the Property, the Board shall select a location convenient to the Property.

7.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two (2) Directors. Notice of the special meeting shall specify the time and place of the meeting and the nature of the special business to be considered.

7.3 Quorum. A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decisions made by the majority of the Directors present at the duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

7.4 Executive (Closed) Session. In the event the Board elects to meet in open session, the Board may, with approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive (closed) session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, the discipline of a Member, and business of a similar nature. The nature of any business to be considered in executive (closed) session shall first be announced in open session.

7.5 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another [and the Members attending the meeting can hear them]. All such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the Minutes of the proceedings of the Board.

7.6 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (A) a quorum is present, and (B) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to hold the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Directors who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

7.7 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

7.8 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

7.9 Notices Generally. Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods: (a) by personal delivery; (b) written notice by U.S. Mail, postage-prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or (d) by electronic transmission to the Directors, with proof of transmission and receipt thereof being retained in the Minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, fax number, or e-mail address as shown on the records of the Association. Such notice shall be sent to all Directors not less than five (5) days prior to the scheduled time of the meeting (except in the case of an emergency). Notices given by personal delivery, telephone, electronic transmission shall be delivered, telephoned, or electronically transmitted, as the case may be, at least five (5) days before the time set for the meeting (except in the case of an emergency). Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting. Notices of each Board meeting shall be continuously posted in a conspicuous location on the Property for a period of forty-eight (48) hours prior to the meeting.

7.10 Class B Veto Rights. Action by the Board of Directors or any committee of the Board is subject to the Class B veto rights set forth in Section 3.6(b) above. This Section 7.10 may not be amended during the Declarant Control Period without the express written consent of the Class B Member.

ARTICLE 8

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in exercising such powers, except such acts which by law or the Governing Documents may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

(a) Maintenance. Perform the maintenance described in the Declaration.

(b) Insurance. Maintain insurance as required by the Declaration.

(c) Discharge of Liens. Discharge by payment, if necessary, any lien against the Common Areas and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws).

(d) Assessments. Fix, levy, collect, and enforce Assessments as set forth in the Declaration.

(e) Expenses and Obligations. Pay all expenses and obligation incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

(f) Records. Cause to be kept minutes of annual and special meetings of Members and to present such minutes to the Members at the next annual meeting of the Members; and to keep adequate and correct books and records of account, minutes of proceedings of the Board and its committees, a roll of its Members giving their names and addresses and classes of membership, and all other records required to be kept by the Nonprofit Act or Planned Community Act.

(g) Supervision. Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed.

(h) Review of Financial Records. Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, an income and expense statement for the Association's operating and reserve accounts, an accounts receivable aging report and accounts payable aging report. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray (i) the future Maintenance of or additions to the improvements to the Common Areas, which the Association is obligated to maintain; and (ii) the future Maintenance or provision of Attached Townhome Services which the Association is obligated to provide.

(i) Reserve Account Withdrawal Restrictions. Require that at least two (2) signatures are needed for the withdrawal of monies from the Association's reserve accounts, at least one (1) of whom shall be a member of the Board. One (1) signature may be that of the Association's property manager or such property manager's designee.

(j) Reserve Account Fund Management. The Board shall not expend funds designated as reserve fund for any purpose other than (i) the Maintenance of, or litigation involving the Maintenance of, the improvements to the Common Areas

which the Association is obligated to Maintain and for which the reserve fund was established, or (ii) the Maintenance or provision of, or litigation involving the Maintenance or provision of, the Attached Townhome Services which the Association is obligated to provide and for which the reserve fund was established.

(k) Reserve Studies. At least every three (3) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that replacement costs and useful lives of the improvements to the Common Areas are accurately reflected in the reserve allocation.

(l) Manager. Employ a manager.

(m) Adopt Rules. Adopt rules in accordance with the Declaration, including rules setting aside Common Area parking spaces as handicapped or disabled parking only, and adopt rules limiting the number of cars that will be permitted to be parking in the Common Area parking spaces.

(n) Fine and Lien. Conduct hearings, impose fines and suspend voting and other use rights for violations of the Governing Documents as provided in the Declaration.

(o) Enforcement. Enforce the Governing Documents.

(p) Contracts. Contract for goods and/or services in accordance with the Declaration.

(q) Delegation. Delegate its authority and powers to the committees, officers or employees of the Association or to a property manager employed by the Association. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the property manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his Tenant, guest or invitee with the Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose Individual Assessments against individual Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments.

(r) Borrowings. Borrow money (i) for the purpose of improving the Property, or any portion thereof, (ii) for constructing, repairing, maintaining, or improving

any facilities located or to be located within the Property, (iii) for providing services authorized herein, and, (iv) subject to the limitations in the Declaration, to give as security for the payment of any such loan a mortgage or other security instrument encumbering all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of the Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(s) Planned Community Act. Exercise the powers granted to the Board or Association in the Planned Community Act.

(t) Other Powers. In addition to any other power contained herein or in the Declaration, the Association may exercise the powers granted to a nonprofit corporation as enumerated in the Nonprofit Act.

8.2 Prohibited Acts. The Board shall not take any of the actions prohibited of it under the Declaration except with the approval of a majority of the voting interests cast and, during the Declarant Control Period, the Declarant.

ARTICLE 9

OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The Officers of this Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, a Vice President, and a Treasurer, and such other Officers of the Board may from time to time by resolution create.

9.2 Election of Officers. The Declarant shall have the sole right to appoint and remove Officers during the Declarant Control Period. Thereafter, all officers shall hold office at the pleasure of the Board.

9.3 Term. The Board shall elect the Officers of this Association annually. The President shall hold office for a term of two (2) years and the other Officers for a term of one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

9.4 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.

9.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board, but not from the Board, if the officer is also a Board member. 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.

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

9.7 Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors and Membership; shall see that orders and resolutions of the Board are carried out; shall sign on behalf of the Association all contracts, leases, mortgages, deeds and other written instruments, and all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a North Carolina Nonprofit Corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

(b) Vice President. The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise such other duties as may be required 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; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to an Association property manager.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign on behalf of the Association all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall distribute budges and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to an Association property manager.

ARTICLE 10

COMMITTEES

10.1 Appointment. A Design Review Board may be appointed as provided in the Declaration, and a Nominating Committee may, in the discretion of the Board, shall be appointed as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Act also requires Board or Member approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; or (f) approve any transaction to which the Association is a party and in which one (1) or more Directors or committee members have a material financial interest.

ARTICLE 11

BOOKS AND RECORDS

11.1 Inspection by Members. The Association shall make available for inspection shall be made available for inspection and copying by any Member of the Association, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member, at the office of the Association or at such other place within the Property as the Board shall prescribe the following records: the membership register (including names, mailing addresses, telephone numbers, and voting rights), books of account; minutes of meeting of the Members, the Board (including drafts and summaries) and committees, and such other books and records of the Association as the Nonprofit Act or the Planned Community Act shall require. Board Minutes shall be available to Members upon request and upon reimbursement of the costs in making that distribution.

11.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;

(b) Hours and days of the week when such an inspection shall be made; and

(c) Payment of the cost of reproducing copies of documents requested by a Member.

11.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of

inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

11.4 Documents Provided by Board. Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the Governing Documents, a copy of the most recent budget and statements of the Association, and a true statement in writing from an authorized representative of the Association as to the amount of the Association's current Assessments and fees, as well as any Assessments levied upon the Owner's interest which, as of the date of the statement, are or may be made a lien upon the Owner's Unit. The Board may impose a fee for providing the foregoing, which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE 12

MISCELLANEOUS

12.1 Amendments. So long as the Declarant owns any portion of the Community, the Declarant shall have the right to amend these Bylaws without consent of the Board or Members. Thereafter these Bylaws may be amended as provided in the Nonprofit Act.

12.2 Conflicts. In the case of any conflict between the Articles and the Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

12.4 Use of New Technology. Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by law now or in the future: (a) any notice required to be sent or received; (b) any signature, vote, consent, or approval required to be obtained; or (c) any payment required to be made, under the Governing Documents may be accomplished using the most advanced technology available at the time if such use is a generally accepted business practice. This section shall govern the use of technology in implementing the provisions of the Governing Documents dealing with notices, payments, signatures, votes, consents or approvals.

(a) Electronic Means. To the extent permitted by law, the Association and its Members may perform any obligation or exercise any right by use of any technological means that provides sufficient security, reliability, identification, and verifiability. Acceptable technological means shall include, without limitation, electronic communication over the internet, or a community or other

network, whether by direct connection, intranet, telecopier, or e-mail. Whenever the term "electronic transmission," "electronically transmit," "electronic notice," or terms of similar import is used in the Governing Documents, it shall refer to any form of communication not directly involving the physical transmission of paper, but which may be directly reproduced to paper, in a comprehensible and legible form.

(b) Signature Requirements. A digital signature meeting the requirements of applicable law shall satisfy any requirement for a signature under the Governing Documents.

(c) Electronic Funds Transfer. The Unit Owners and occupants may make payment of all sums to and from the Association by electronic transfer of funds creating a record evidencing the transaction for the period such record would be required to be available in non-electronic form.

(d) Voting Rights. Voting and approval of any matter under Governing Documents may be accomplished by electronic means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in non-electronic form.

(e) Non-Technology Alternatives. If any Member or third party does not have the capability or desire to conduct business using electronic or other technological mean, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in similar communities in the area.

I HEREBY CERTIFY THAT the foregoing Bylaws of the Association were duly adopted by the Board of Directors of the Association on the 21st day of November, 2016.

_____
President