

THE TRINITY LOFTS HOMEOWNERS ASSOCIATION, INC.

**ORGANIZATIONAL MEETING OF THE INITIAL
BOARD OF DIRECTORS BY WRITTEN CONSENT
TO ACTION WITHOUT A MEETING**

The undersigned, being all of the members of the Board of Directors of The Trinity Lofts Homeowners Association, Inc., a North Carolina nonprofit corporation (the "Corporation"), do hereby take the following actions and adopt the following preambles and resolutions by signing our written consent hereto pursuant to Sections 55A-2-05 and 55A-8-21 of the North Carolina Nonprofit Corporation Act and in lieu of an organizational meeting:

1. Articles of Incorporation.

WHEREAS, the Articles of Incorporation of the Corporation submitted by Michael F. King, Esq., as the incorporator of the Corporation (the "Incorporator"), to the North Carolina Secretary of State were filed by the Secretary of State on October 26, 2007.

NOW, THEREFORE, BE IT RESOLVED, that a copy of said Articles of Incorporation (i) be filed with, and made a part of, the minutes of the proceedings of the Incorporator, directors and members of the Corporation; and (ii) be kept at the principal office of the Corporation as part of the Corporation's permanent records.

2. Organization of Corporation.

RESOLVED, that the undersigned initial Directors named in the Articles of Incorporation hereby complete the organization of the Corporation in accordance with the provisions hereof.

3. Adoption of Bylaws.

RESOLVED, that the Bylaws in the form attached hereto as Exhibit A and hereby made a part hereof (i) be, and hereby are, in all respects, approved and adopted as the Bylaws of the Corporation for the regulation of the Corporation's business, operations and affairs; (ii) be made a part of the minute book of the Corporation along with these minutes; and (iii) be kept at the principal office of the Corporation as part of the Corporation's permanent records.

4. Adoption of 2008 Budget.

RESOLVED, that the 2008 Operational Budget for the Corporation attached hereto as Exhibit B and hereby made a part hereof is in all respects, approved and adopted as the Operational Budget of the Corporation for the calendar year 2008.

5. Principal Office.

RESOLVED, that until further action of the Board of Directors, the principal office of the Corporation shall be located at 4350 Lassiter at North Hills Avenue, Suite 300, Post Office Box 17047, Raleigh, North Carolina 27619-7047.

6. Appointment of Officers.

RESOLVED, that the following persons be, and they hereby are, appointed to the offices set forth opposite their respective names below, each to serve, subject to the provisions of the Bylaws of the Corporation, until their respective successors are duly elected and qualified:

NAME	OFFICE
Barbara Wilks	President and Treasurer
Aelxandros Washburn	Vice President
Laurie Wilson	Vice President and Secretary

7. Payment of Fees, Taxes and Reimbursements.

RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and directed to pay and discharge all taxes, fees and other expenses heretofore incurred or hereafter to be incurred in the organization of the Corporation and to reimburse the officers of the Corporation and all other persons for all reasonable expenditures heretofore made by them in such connection.

8. Procurement of Books and Records.

RESOLVED, that the Secretary of the Corporation be, and hereby is, authorized and directed to procure the necessary corporate records and to open and maintain books in accordance with applicable law and the Bylaws of the Corporation.

9. Ratification of Promoters' and Incorporator's Acts.

RESOLVED, that all things done and all actions taken by any and all of the promoters and the Incorporator of the Corporation in connection with any matters preliminary to or necessary for the organization, incorporation, investigation and promotion of this Corporation be, and the same hereby are, in all respects ratified, confirmed and approved.

10. Fiscal Year.

RESOLVED, that until the further order of the Board of Directors of the Corporation, the fiscal year of the Corporation shall be the calendar year ending December 31.

11. Employment of Professional Services.

RESOLVED, that in connection with discharging their duties as such, and, without limitation, in connection with the maintenance, preparation and filing of books, records, reports and returns, the proper officers of the Corporation be, and they hereby are, authorized and directed to procure in their discretion such legal, accounting or other professional services and assistance as they may reasonably require in order to properly discharge the duties of said offices, and that the reasonable expenses therefor shall be charged to and paid for by the Corporation.

12. Banking Resolutions.

RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and directed to take all necessary actions to enable the Corporation to open one or more bank accounts with such banks as such officers may deem appropriate, and to execute such banking resolutions and other documents as are

necessary and appropriate for the establishment and maintenance of such accounts, copies of which shall be filed in the minute book of the Corporation and which banking resolutions shall be deemed to have been adopted in the standard form prescribed by such bank.

13. Corporate Licenses and Foreign Qualifications.

RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and directed to do any and all acts and execute any and all documents as shall be necessary or desirable in order to procure for the Corporation any federal, state, local or other governmental licenses, permits, approvals or other authority that may be required in order for the Corporation to engage in its business or to qualify the Corporation to do business as a foreign corporation in any jurisdiction in which such qualification is or may be required.

We hereby consent that the actions set forth in the foregoing preambles and resolutions shall have the same force and effect as if taken at a duly constituted organizational meeting of the Board of Directors of the Corporation, effective as of the date hereof, and direct that this document be filed with the minutes of the Corporation as part of the permanent records of the Corporation. Facsimile and email signatures shall have the same effect as original signatures.

WITNESS our hands effective as of the 9th day of January, 2008.

DIRECTORS:


Barbara Wilks


Alexandros Washburn



Laurie Wilson

EXHIBIT A

BYLAWS

BYLAWS
OF
THE TRINITY LOFTS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is **The Trinity Lofts Homeowners Association, Inc.**, hereinafter referred to as the "Association". The principal office of the corporation shall be located in Raleigh, North Carolina, but meetings of Members and directors may be held at such places within Durham County, North Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The Definitions set out in ARTICLE I of the Declaration of Covenants, Conditions and Restrictions for The Trinity Lofts Townhomes recorded in the Durham County Public Registry as the same may be amended from time to time (the "Declaration"), are adopted as part of the Bylaws of the Association and are incorporated herein by reference.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting and Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two (2) classes of Lots with respect to voting rights:

Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same is hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot one (1) vote. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Members among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Class A Lot.

Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in (i) or (ii) below. The Declarant shall be entitled to ten (10) votes for each Class B Lot owned by it. The Class B Lots shall cease and be converted to Class A Lots on the happening of either of the following events, whichever occurs earlier:

(i) when the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots and the Declarant surrenders its right to annex any Additional Property to the Property pursuant to this Declaration and these Bylaws; provided, however, and notwithstanding anything to the contrary that may appear herein, if at any time prior to ten (10) years from the date of recordation of the Declaration, the Class B Lot Membership terminates for the foregoing reason and thereafter Declarant, (i) develops additional Lots on the Property or (ii) pursuant to Section 2 of Article II of the Declaration, annexes Additional Property to the Declaration such that, following such development or annexation, if votes are allocated to the Lots owned by Declarant at the rate of ten (10) votes per Lot, Declarant's total outstanding votes would exceed the total outstanding votes of the Class A Lot Members, the Class B Lot Membership shall be reinstated until such time as it again terminates due to one of the events of termination stated herein. Prior to ten (10) years from the date of recordation of the Declaration or the voluntary termination of the Class B Membership by Declarant, whichever first occurs, there shall be no limitation on the number of times the Class B Lot Membership may terminate and be reinstated in accordance with the provisions of this paragraph (a); or

(ii) on December 31, 2017.

Notwithstanding anything set forth herein to the contrary, Declarant may, in its sole discretion, elect to terminate the Class B Lot Membership prior to the happening of the earlier of the foregoing events.

Section 3. Suspension of Voting Rights. Voting rights attributable to an ownership interest in a Lot shall be suspended throughout the term of any default under these Bylaws or of the Declaration by an Owner of such Lot. Such rights may also be suspended after notice and a hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations.

Section 4. Control by Declarant. Notwithstanding any other language or provision to the contrary in these Bylaws, Declarant hereby retains the right to appoint and remove any Members of the Board of Directors of the Association and any officer or officers of the Association until the expiration of the "Period of Declarant Control" (as defined in Article III, Section 4 of the Declaration) or the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to the Declaration executed and recorded by Declarant. During the Period of Declarant Control, the Board shall have the sole and exclusive authority to exercise all powers and rights of and to act in all instances on behalf of

the Association, and the members shall have no authority to exercise such powers or rights or to act by exercise of their votes, except as provided with respect to the commencement of judicial or administrative proceedings as provided in Article XII, Section 1 of the Declaration and those acts that the North Carolina Planned Community Act or other applicable laws provide may not be undertaken unilaterally by the Board. Upon the expiration of the Period of Declarant Control or Declarant's surrender as described above, such right shall automatically pass to the Owners, including Declarant, if Declarant then owns one or more Lots; and a special meeting of the Association shall be called for and held within ninety (90) days from the date of the expiration of Declarant's rights hereunder. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of running the Association and Declarant shall deliver the books, accounts, and records, if any, which it has kept on behalf of the Association as well as any agreements or contracts executed by or on behalf of the Association which may still be in effect or operation. Each Owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove directors and officers of the Association as provided in this Section.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on such date and at such time and place in Durham County, North Carolina as determined by the Board but in no event later than one year from the date on which there is an Owner of a Lot other than Declarant. Each subsequent annual meeting shall be held approximately one year following the preceding annual meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, Secretary or majority of the Members of the Board of Directors, or upon written request of the Members entitled to ten percent (10%) of the votes.

Section 3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with Section 2 of this Article. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Place of Meetings. All meetings of the Members shall be held at such place, within Durham County, North Carolina, as shall be determined by the Board of Directors of the Association.

Section 5. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by hand delivery, not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each Member entitled to vote thereat, 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. Such notice shall specify the place, day and hour of the meeting, the items on the agenda, including the general nature of

any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer. 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. Such notice shall specify the place, day and hour of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer.

Section 6. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy; provided, however, the quorum requirement 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 section shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. Notwithstanding anything herein to the contrary, as set forth in Article V, Section 6 of the Declaration, with respect to any special meeting called for the purposes of increasing the maximum annual assessment above the increase permitted in Article V, Section 4 of the Declaration or for levying an assessment to construct, reconstruct, repair or replace a capital improvement upon the Common Area, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of the votes in the Association shall constitute a quorum.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the opening of any meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 8. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept in the Association minute book.

Section 9. Robert's Rules of Order. Meetings of the Members shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

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, Term and Qualification. The number of initial directors of the Association shall be three (3) as appointed by Declarant. Following the termination of the Class B Membership or the Period of Declarant Control, at the special meeting referenced in Article III, Section 4, the Members shall elect one director to serve for a term of one year, one director to serve for a term of two years and one director to serve for a term of three years. At each annual meeting thereafter the Members shall elect the number of directors needed to fill the space or spaces left by the director or directors whose terms are due to expire for a term of three years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. After the Period of Declarant Control, the majority of the directors shall be Members.

Section 3. Nomination. Following the special meeting referenced in Article III, Section 4 and thereafter, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for 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. Such nominations may be made from among Members or non-Members.

Section 4. Election. Except as provided in Article III, Section 4 and Section 6 of this Article, the directors shall be elected at the annual meeting of the Members, by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled under the provisions of Article III of these Bylaws. The persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Following the special meeting referenced in Article III, Section 4 and thereafter, any director may be removed from the Board of Directors, with or without cause, by a vote of Members holding a majority of each Class of votes in the Association.

Section 6. Vacancies. Following the special meeting referenced in Article III, Section 4 and thereafter, a vacancy occurring in the Board of Directors may be filled by the selection by the remaining directors of a successor who shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

Section 7. 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 8. Bonds. The Board of Directors may by resolution require any or all officers, agents and employees of the Association to give a bond to the Association with sufficient sureties conditioned on the faithful performance of the duties of their respective offices

or positions and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. All regular and special meetings of the Board may be conducted electronically (e.g. via the internet, intranet or teleconference), and all Directors shall be "present" at a meeting if the Director participates in the meeting by the applicable electronic means.

Section 2. 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.

Section 3. 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 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the president of the Association is elected. Thereafter, the president shall serve as chairman. In the event there is a vacancy in the office of the presidency, a chairman shall be elected by the Board of Directors to serve until a new president is elected.

Section 6. Member Attendance at Board Meetings. At regular intervals, the Board shall provide Members an opportunity to attend a portion of a Board meeting and to speak to the Board about their issues and concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.

Section 7. Robert's Rules of Order. Meetings of the Board shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association pursuant to the provisions of the Declaration. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations or for violation of these Bylaws or the Declaration.

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(c) declare the office of a Member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without good cause;

(d) employ a manager, an independent contractor or such employees as it deems necessary and prescribe their duties;

(e) employ attorneys and accountants to represent the Association when deemed necessary;

(f) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient; and

(g) adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof.

(h) enforce the provisions of the Declaration and any amendments or supplements and any rules or regulations made hereunder or thereunder, and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or to impose individual assessments against any Owner for violation of such provisions, rules or regulations pursuant to the provisions of the Declaration;

(i) levy assessments as more particularly set forth in the Declaration;

(j) exercise all powers and authority set forth in the Declaration.

Notwithstanding anything contained herein to the contrary, during the Period of Declarant Control, the Board shall have the sole and exclusive authority to exercise all powers

and rights of and to act in all instances on behalf of the Association, and the Members shall have no authority to exercise such powers or rights or to act by exercise of their votes, except those acts that the Planned Community Act or other applicable laws provide may not be undertaken unilaterally by the Board, such as, to the extent required, ratification of the budget.

The Board may delegate any one or more of the powers described above to a managing agent or other third party upon such terms as the Board may prescribe.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;
 - (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the Annual Assessment as defined in the Declaration, against each Lot; and
 - (2) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
 - (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;
 - (e) procure and maintain adequate liability insurance covering the Association in an amount determined by the Board and adequate hazard insurance on any real and personal property owned by the Association in fee or easement;
 - (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (g) cause the Common Areas to be maintained to a level deemed appropriate by the Board;
 - (h) personally perform the duties of the Board, and not delegate any of its powers or duties to any individuals who are not members of the Board, except to the property manager;
 - (i) Prepare and distribute budgets and financial statements of the Association;
- and

(j) Compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities on behalf of the Association and Owners, as the case may be, provided any such claim, demand, cause of action or liability arises out of or relates to a condition or defect common to all or a majority of the Lots or improvements constructed thereon, or to the development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Area or part thereof, and make and receive all payment or other consideration necessary therefor or in connection therewith. For such purposes, the Board shall be, and hereby is, irrevocably appointed attorney-in-fact to act on behalf of all Owners upon such terms and conditions and for such consideration as may be approved by a majority of the Board. Anything to the contrary in these Bylaws, the Declaration, or the North Carolina Planned Community Act notwithstanding, no judicial or administrative proceeding (including without limitation any judicial or administrative proceeding against Declarant) shall be commenced or prosecuted by the Association unless approved by a vote of no less than sixty-seven percent (67%) of all votes entitled to be cast by the Class A Lot Members, which vote is taken at a duly held meeting of the Members at which a quorum is present, all in accordance with these Bylaws. The immediately preceding sentence shall not apply, however, to (i) actions brought by the Association to enforce the provisions of the Declaration, (ii) the imposition and collection of assessments, charges or other fees hereunder, (iii) proceedings involving challenges to ad valorem taxation, (iv) counter-claims brought by the Association in proceedings instituted against it or (v) actions brought by the Association against any contractor, vendor, or supplier of goods or services to the Property.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. Each officer of the Association must be a Member.

Section 2. Appointment of Officers. Following the special meeting referenced in Article III, Section IV and thereafter, the appointment of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. Following the special meeting referenced in Article III, Section IV and thereafter, the officers of this Association shall be appointed annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the

Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. Multiple offices may be held by the same person.

Section 8. Delegation. No officer may delegate any of his powers or duties to any other individual, except to the property manager.

Section 9. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes and in the absence of the Treasurer shall sign all checks. The president may also prepare, execute, certify and record amendments to the Declaration pursuant to Article XII, Section 3 of the Declaration.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The vice-president may also prepare, execute, certify and record amendments to the Declaration pursuant to Article XII, Section 3 of the Declaration.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board. The secretary shall also prepare, execute, certify and record amendments to the Declaration, with respect to any such amendments which, under the terms of the Declaration, are required to be prepared, executed, certified, or recorded by the Association pursuant to Article XII, Section 3 of the Declaration.

Treasurer

(d) 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 all checks of the Association; keep proper books of account; cause an annual review of

the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE X

COMMITTEES

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

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the 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. All financial and other records, including records of meetings of the Members and the Board, shall be made available, during reasonable business hours, for examination by any Member and the Member's authorized agents at the principal office of the Association, as required by these Bylaws and Chapter 55A of the North Carolina General Statutes. The Association shall keep accurate records of all cash receipts and expenditures and all assets and liabilities. The Association shall make an annual income and expense statement and balance sheet available to all Members at no charge within seventy-five (75) days after the close of the fiscal year to which the information relates. A more extensive compilation, review or audit of the Association's books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Board or by the affirmative vote of a majority of the holders of votes in the Association present and voting in person or by proxy at any Annual Meeting or any Special Meeting duly called for that purpose.

ARTICLE XII

ASSESSMENTS

Any assessment not paid within fifteen (15) days after the due date shall be assessed a late charge in the amount of Fifteen and No/100 Dollars (\$15.00) or in an amount to be determined from time to time by the Board of Directors, and the assessment with late charge shall bear interest from the due date at an annual rate determined from time to time by the Board; provided, however the interest charged hereunder shall not exceed fifteen percent (15%) per annum. The Association, or its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment related; and, in either event interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment to the extent allowed by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

An additional one hundred dollars (\$100.00) shall be charged for each lien placed upon a Lot as evidenced by a notice of assessment recorded in the official records of the County.

No charge may be imposed more than once each month for the delinquency of the same payment, provided, however, that the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments. When an assessment is paid more than fifteen (15) days after the due date of the assessment, late charges shall accrue from the first day following the due date of the assessment. The Association may bring legal action against the Owner personally obligated to pay a delinquent assessment or fine and, after notice and opportunity for hearing, the Association may suspend a delinquent Owner's membership rights in the Association while the assessment or fine remains unpaid in accordance with the North Carolina Planned Community Act. In any legal action to enforce payment of an assessment or fine, the Association shall be entitled to recover interest, costs and reasonable attorneys' fees.

The Association, upon receipt of a written request, shall furnish to an Owner or the Owner's authorized agent a statement setting forth the amount of unpaid assessments and other charges against a Lot. The statement shall be furnished within ten (10) business days after receipt of the request and shall be binding on the Association, the Board and every Owner.

ARTICLE XIII

AMENDMENTS

Section 1. During the Period of Declarant Control, Declarant may unilaterally, and in its sole discretion, without the joinder or approval of the Association, any Member or any other person and without a meeting of the Association, amend the Bylaws for any purpose. Following the end of the Period of Declarant Control, these Bylaws may be amended, at a regular or special

meeting of the Members, by a vote of a majority of a quorum of Members present at a meeting duly called for such purpose in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

VIOLATION OF RULES AND REGULATIONS

Failure to abide by any Rules or Regulations published by the Association shall be grounds for an action, brought by the Association or any aggrieved Owner, to levy fines, recover damages, or obtain injunctive and equitable relief, or all. In addition to these remedies, in the event of violation by an Owner of any rules or regulations, such Owner's voting rights and rights to use any recreational facilities may be suspended by the Board after a hearing at which the general requirements of due process shall be observed. The duration of such suspension shall be set by the Board, but shall terminate when the violation is remedied. Such hearing shall only be held by the Board after giving the Owner ten (10) days' prior written notice which specifies each alleged violation and sets the time, place and date of the hearing. A determination of the violation and the time of suspension or other sanction shall be made by a majority vote of the Board. The Owner shall have the right to appeal any adverse ruling of the Board and shall be entitled to a hearing de novo before the membership of the Association, at which the general requirements of due process shall be observed. Upon an appeal by an Owner of a decision by the Board, a special meeting shall be held within sixty (60) days from the decision by the Board, but the decision of the Board shall remain in effect unless overruled by a majority vote of the Members present at the special meeting.

ARTICLE XV

INDEMNIFICATION OF OFFICERS, DIRECTORS AND ASSOCIATION COMMITTEE MEMBERS

The Association shall indemnify any and all persons who may serve or who have served at any time as directors or officers of the Association or any committee member of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been directors or officers or a committee member of the Association, except in relation to matters as to which any such director or officer or committee member or former director or officer or committee member shall be adjudged in any action, suit, or proceeding guilty of willful and intentional negligence or misconduct in the performance of his or her duties to the Association. Provided, however, that in

the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer or committee member may otherwise be entitled under any law, Bylaw, agreement, vote of Association Members or otherwise. In the event of death of any officer or director or committee member, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact directors or officers or committee members at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of this Bylaw.

ARTICLE XVI

MISCELLANEOUS

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.

ARTICLE XVII

DISSOLUTION

Upon dissolution, the Board of Directors may authorize and pay distributions, in cash or in-kind, to the Members in connection with any dissolution of the Association, termination of the Declaration, or as otherwise permitted by applicable law.

ARTICLE XVIII

CONFLICT OF INTEREST

In addition to the limitations of Article 8 of Chapter 55A of the North Carolina General Statutes, no financial payments, including payments made in the form of goods and services, may be made to any officer or member of the Board or to a business, business associate, or relative of an officer or member of the Board, except as expressly provided for in these Bylaws or the Declaration or in payment for services or expenses paid on behalf of the Association which are approved in advance by the Board.

EXHIBIT B
OPERATIONAL BUDGET

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The Trinity Lots Townhomes
2008 Budget

	2008
	<u>Budget</u>
<u>Income:</u>	\$125
Dues	25,500
Miscellaneous	
Total:	<hr/> 25,500
 Expenses:	
Maintenance	4,000
Termite Contract	850
Roof & Gutters	2,000
Printing/Postage	100
Lawn Maintenance	4,800
Insurance	790
Telephone	660
Management	4,200
Electricity	1,500
Storm Water Runoff	1,200
Water & Sewer/Irrigation	400
Trash Pick-up	1,500
Recycling Services	1,500
Reserve/Capital Fund	1,000
Legal/Accounting	500
Miscellaneous	500
Total Expenses	<hr/> 25,500
 Net Operating:	<hr/> 0