

ARTICLES OF INCORPORATION
OF
BROWNSTONES AT HARBOUR PLACE CONDOMINIUM ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, and pursuant to and as contained in §55A-2-02 thereof, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

NAME

The name of the corporation is BROWNSTONES AT HARBOUR PLACE CONDOMINIUM ASSOCIATION, INC. (the "Association").

ARTICLE II

PRINCIPAL AND REGISTERED OFFICE

The initial and principal office and registered office of the Association is located at c/o Fairhills Development Group, LLC, 1714 East Boulevard, Mecklenburg County, Charlotte, North Carolina 28203, P.O. Box 31217.

ARTICLE III

REGISTERED AGENT

Earnest Barry, whose address is 1714 East Boulevard, Mecklenburg County, Charlotte, North Carolina 28203, P.O. Box 31217, is hereby appointed the initial Registered Agent of the Association.

ARTICLE IV

PURPOSES

The Association does not contemplate pecuniary gain or profit to the members thereof and it is organized for non-profit purposes. It is intended that the Association qualify as an exempt organization under the provisions of Chapter 55A of the North Carolina General Statutes. No part of the net earnings of the Association shall inure to the benefit of any private member or individual; however, in accordance with N.C.G.S. §55A-13-02 (b) (3), may make distributions to its Members of excess or surplus membership dues, fees, or assessments remaining after the payment of or provisions for Common Expenses and any prepayment of reserves; provided that these distributions are in proportion to the dues, fees, or assessments collected from the

Members. The purposes and objectives of the Association shall be to administer the operation and management of BROWNSTONES AT HARBOUR PLACE CONDOMINIUM (the "Condominium"), a condominium to be established in accordance with the laws of the State of North Carolina upon certain real property situate, lying and being in Mecklenburg County, North Carolina, and more particularly described in the Declaration of Condominium for Brownstones at Harbour Place Condominium which will be recorded in the Public Records of Mecklenburg County, North Carolina (the "Declaration"), said Declaration being incorporated herein by reference; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions and conditions and authorization contained in these Articles of Incorporation, the Bylaws to be adopted by the Association and the Declaration; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium.

ARTICLE V

POWERS

1. The Association shall have all the powers and privileges granted to nonprofit corporations under the law pursuant to which the Association is chartered, and all of the powers and privileges which may be granted unto the Association under any other applicable laws of the State of North Carolina, including the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

2. The Association shall have all the powers reasonably necessary to implement and effectuate the purposes of the Association, including but not limited to the following:

(a) To make and establish reasonable rules and regulations governing the use of the Common Elements of the Condominium as said terms may be defined in the Declaration;

(b) To levy and collect assessments against Owners of Units ("Owners") to defray the Common Expenses of the Condominium as may be provided in the Declaration and in the Bylaws of the Association which may be hereafter adopted, including the right to levy and collect assessments for the purposes of maintaining, operating and managing the Common Elements of the Condominium, and for such other purposes as may be set forth in the Declaration;

(c) To maintain, repair, replace, operate and manage the Common Elements of the Condominium; and

(d) To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the rules and regulations governing the use of the Common Elements of the Condominium as the same may be hereafter established.

ARTICLE VI

MEMBERSHIP, VOTING RIGHTS AND ASSESSMENTS

The Association shall be a membership corporation without certificates or shares of stock. The authorized number and qualifications of Members of the Association, the different classes of Membership, if any, the property, voting rights and privileges of members, the liability of Members for assessments, and the method of collection thereof shall be as set forth in the Declaration and in Bylaws to be adopted by the directors of the Association.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial board of three (3) directors appointed by Declarant, and directors shall thereafter be elected as provided in the Bylaws of the Association. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

The names and addresses of the persons who are to act in the capacity of the initial directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Tracy Barnett	1435 West Morehead Street, Suite 240 Charlotte, North Carolina 28208
Earnest Barry	1714 East Boulevard Charlotte, North Carolina 28203
Robert L. Tremblay	18903 Swan Haven Court Davidson, North Carolina 28036

ARTICLE VIII

AMENDMENT

Any amendment of the Articles of Incorporation must be approved by an affirmative vote of sixty-seven percent (67%) of the votes in the Association.

ARTICLE IX

DURATION

The Association shall have perpetual existence.

ARTICLE X

BYLAWS

The original Bylaws of the Association shall be adopted by a majority vote of the initial Executive Board of the Association present at a meeting of the directors, and at which a majority of the directors are present, or by written consent of all of the Directors, and thereafter, such Bylaws may be altered and rescinded only in such manner as said Bylaws provide.

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Members entitled to cast not less than eighty-percent (80.0%) of the votes appurtenant to all of the Units, and only in connection with a termination of the Condominium. Upon dissolution of the Association (other than incident to a merger or a consolidation), all of the residual assets of the Association shall be distributed to the Members in proportion to the assessments collected from the Members.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows:

Julianne D. Fink
K&L Gates
4350 Lassiter at North Hills Avenue, Suite 300
Raleigh, NC 27609

IN TESTIMONY WHEREOF, I, being the incorporator, have hereunto set my hand and seal, this 17th day of July, 2008.

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal stroke, positioned above a solid horizontal line.

Julianne D. Fink, Incorporator

BYLAWS OF
BROWNSTONES AT HARBOUR PLACE CONDOMINIUM
ASSOCIATION, INC.

Section 1

Definitions

The words, phrases and terms used in these Bylaws shall have the meanings as set forth in the Declaration of Condominium for Brownstones at Harbour Place Condominium (“Declaration”) recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina.

Section 2

Administration of Condominium

Section 2.1 Authority and Responsibility: Except as otherwise specifically provided in the Condominium Documents, the Association shall be responsible for administering, operating, maintaining and managing the Common Elements.

Section 2.2 Official Action: Unless specifically required in the Condominium Documents, all actions taken or to be taken by the Association shall be valid when such are approved by the Executive Board as hereinafter set forth or when taken by the committee, person or entity to whom such authority has been duly delegated by the Executive Board as set forth in the Condominium Documents or these Bylaws. The Association, its Executive Board, officers and members shall at all times act in conformity with the Nonprofit Corporation Act of the State of North Carolina, the Condominium Documents, and the North Carolina Condominium Act.

Section 3

Offices - Seal - Fiscal Year

Section 3.1 Principal Office and Registered Office: The initial principal office and registered office of the Association shall be located at 1714 East Boulevard, Charlotte, Mecklenburg County, North Carolina 28203.

Section 3.2 Other Offices: The Association may have other offices at such other places within the State of North Carolina as the Executive Board may from time to time determine or as the affairs of the Association may require.

Section 3.3 Seal: The seal of the Association shall contain the name of the Association, the word “Seal”, year of incorporation and such other words and figures as desired by the Executive Board.

Section 3.4 Fiscal Year: The fiscal year of the Association shall be the calendar year.

Section 4

Membership

Section 4.1 Qualification: Membership in the Association shall be limited to the Owners, and every Owner of a Unit shall automatically be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from Unit ownership.

Membership in the Association shall inure automatically to Owners upon acquisition of the fee simple title (whether encumbered or not) to any one or more Units. The date of recordation in the Office of the Register of Deeds of Mecklenburg County of the conveyance of the Unit in question shall govern the date of ownership of each particular Unit. However, in the case of death, the transfer of ownership shall occur on date of death in the case of intestacy or date of probate of the will in the case of testacy. Until a decedent's will is probated, the Association may rely on the presumption that a deceased Owner died intestate.

Section 4.2 Place of Meetings: All meetings of the membership shall be held at a place in Mecklenburg County, North Carolina designated by the Executive Board.

Section 4.3 Annual Meetings: A meeting of the Association shall be held at least once each year. The first Annual Meeting of the Association shall be held on the date and hour designated by Declarant. Thereafter, the Annual Meeting of the Association shall be held on the one-year anniversary of the first Annual Meeting at 8:00 p.m., Eastern Standard Time, or at such other date and time as determined by a vote of the Executive Board. At such meetings, the Executive Board shall be elected in accordance with Section 5.3 of these Bylaws, and the Members shall transact such other business as may properly come before them.

Section 4.4 Substitute Annual Meetings: If an Annual Meeting shall not be held on the day designated by these Bylaws, a Substitute Annual Meeting may be called in accordance with the provisions of Sections 4.5 and 4.6. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4.5 Special Meetings: After the first Annual Meeting of the Members, special Meetings of the Members may be called at any time by the President; by not less than twenty percent (20%) of the votes power of all Owners; or by not less than fifty-one percent (51%) of the Executive Board members. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of such meeting.

Section 4.6 Notices of Meetings: Written or printed notice stating the day, time and place of a membership meeting, including Annual Meetings, and 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, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any such membership meeting, either by hand delivery or sent prepaid by United States mail to the mailing address of each Unit or to any mailing address designated in writing by the Unit Owner or sent by electronic means, including mail over the Internet, to an electronic mailing address designated in writing by the Owner, by or at the direction of the President or the Secretary.

Notice given to any one tenant in common, tenant by entirety or other joint Owner of a Unit shall be deemed notice to all joint Owners of the subject Unit.

The notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 4.7 Quorum: Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members entitled to cast twenty-five percent (25%) of the votes which may be cast for election of the Executive Board, shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented. The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 4.8 Voting Rights: The Owner of a Unit shall be entitled to exercise the vote allocated to each Unit owned. If fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be Members of the Association, but the vote with respect to any such jointly owned Unit shall be cast as hereinafter provided.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Unit may be cast by any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the votes allocated to the Unit. If more than one of the joint Owners vote or more than one life estate holder in a Unit votes, the unanimous action of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the votes allocated to the particular Unit.

Such unanimous action shall be conclusively presumed if any one of such multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other of such joint Owners.

In no event may the vote which may cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention of this Section 4.8 that there be no "splitting" of votes that may be cast by any Member or Members.

Section 4.9 Proxies: Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact. Members may appoint one or more proxies (i) by an electronic mail message or other form of electronic, wire, or wireless communication that provides a written statement appearing to have been sent by the Member, or (ii) by any kind of electronic or telephonic transmission even if not accompanied by written communication, under circumstances or together with information from which the nonprofit corporation can reasonably assume that the appointment was made or authorized by the Member. A proxy is not valid after the earlier of the term stated therein or the expiration of twelve (12) months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. A Member may not revoke a proxy given pursuant to this Section 4.9 except by written notice of revocation delivered to the person presiding over a meeting of the Association. A proxy is void if it is not dated.

All of the above provisions concerning voting by joint Owners shall apply to the vote cast for any one Unit by two or more proxy holders.

Section 4.10 Majority-Vote: The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is stipulated by these Bylaws, the Declaration, including Section 8.5 of Article VIII, the Articles of Incorporation of the Association, or the North Carolina Condominium Act.

Section 4.11 Actions Without Meeting: Any action which may be taken at a meeting of the membership may be taken without a meeting if consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

Section 4.12 Robert's Rules of Order. Meetings of the Owners shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

Section 5

Executive Board

Section 5.1 General Powers: The business and affairs of the Association shall be managed by the Executive Board or by such committees as the Executive Board may establish pursuant to Section 6 of these Bylaws. Provided, however, the Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Condominium, to elect members of the Executive Board, or to determine the qualifications, powers and duties, or terms of office of Executive Board members. The Executive Board may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 5.2 Number, Term and Qualification: The initial Executive Board shall consist of the three (3) individuals appointed by Declarant whose names are set forth in the Articles of Incorporation of the Association. During the Declarant Control Period (as described in Section 8.3 of the Declaration), the Executive Board shall have three (3) members, and Declarant may appoint and remove members of the Executive Board; subject, however to the limitations contained in Section 8.3 of the Declaration. A Director appointed by the Declarant need not be a Unit Owner. A Director appointed by a Unit Owner must be a Unit Owner. Upon the expiration of the Declarant Control Period, the Members shall elect three (3) Executive Board members, each to serve for a term of one (1) year, and thereafter the Executive Board shall have three (3) Executive Board members. Executive Board members may succeed themselves in office.

Section 5.3 Election of Executive Board Members: After the Declarant Control Period, the election of all Executive Board members shall be by ballot. Persons receiving the highest number of votes (see Section 4.8) shall be elected. Cumulative voting is not permitted.

Section 5.4 Removal: Any Executive Board member, other than a member appointed by Declarant, may be removed from the Executive Board, with or without cause, by a vote of at least sixty-seven percent (67%) of all votes entitled to be cast by the Owners, which vote is taken at a duly held meeting of the Owners at which a quorum is present, in person or by proxy in accordance with the provisions of these Bylaws. Provided, the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Executive Board members are so removed, their successors as Executive Board members may be elected by the membership at the same meeting to fill the unexpired terms of the Executive Board members so removed.

Section 5.5 Vacancies: A vacancy occurring in the Executive Board may only be filled by a majority of the remaining Executive Board members, though less than a quorum, or by the sole remaining Executive Board member; but a vacancy created by an increase in the authorized number of Executive Board members shall be filled only by election at an Annual or substitute Annual Meeting or at a Special Meeting of Members called for that purpose or by unanimous consent of the Members without meeting. After the Declarant Control Period, the Members may elect a Executive Board member at any time to fill any vacancy not filled by the Executive Board members. As indicated in Section 5.4, the Membership shall have the first right to fill any vacancy created by the Membership's removal of a Executive Board member.

Section 5.6 Chairperson: A member of the Executive Board shall be elected as Chairperson of the Executive Board by the Executive Board members at the first meeting of the Executive Board. The Chairperson shall preside at all meetings of the Executive Board and perform such other duties as may be directed by the Executive Board. Prior to election of a Chairperson and/or in the event that the Chairperson is not present at any meeting of the Executive Board, the President shall preside.

Section 5.7 Compensation: No Member of the Executive Board shall receive any compensation from the Association for acting as such. Provided, however, each Executive Board member shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Executive Board from compensating a Executive Board member for unusual and extraordinary services rendered on the basis of quantum meruit. Further provided, each Executive Board member, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon quantum meruit.

Section 5.8 Loans to Executive Board Members and Officers: No loans shall be made by the Association to its Executive Board members or officers. The Executive Board members who vote for or assent to the making of a loan to a Executive Board member or officer of the Association, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

Section 5.9 Liability of Executive Board Members: To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable time, each Executive Board member is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Executive Board member. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act.

Section 5.10 Meetings of the Executive Board:

A. Regular Meetings: Regular Meetings shall be held, without notice, at such hour and address as may be fixed from time to time by resolution of the Executive Board. Should any such 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.

B. Special Meetings: Special Meetings shall be held when called by the President of the Association, or by any Executive Board member, after not less than three (3) or more than thirty (30) days written notice to each Executive Board member.

C. Notices of Special Meetings: The notice provided for herein may be waived by written instrument signed by those Executive Board members who do not receive said notice. Except to the extent otherwise required by law, the purpose of a Executive Board members' special meeting need not be stated in the notice. Notices shall be deemed received upon the happening of any one of the following events: (1) one day following deposit of same in the United States mail with proper postage paid and addressed to the Executive Board member at his last known address on file with the Association; (2) deposit of same in his Unit mail box; (3) delivery to the Executive Board member. Attendance by a Executive Board member at a meeting shall constitute a waiver of notice of such meeting unless the subject Executive Board member gives a written statement at the meeting to the person presiding objecting to the

transaction of any business because the meeting is not lawfully called and gives such notice prior to the vote on any resolution.

D. Approved Meeting Place: All Executive Board meetings shall be held in Mecklenburg County, North Carolina.

E. Quorum: A majority of the Executive Board members then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Executive Board members present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Executive Board.

F. Owner Attendance at Executive Board Meetings. At regular intervals, the Executive Board shall provide Owners an opportunity to attend a portion of a Executive Board meeting and to speak to the Executive Board about their issues and concerns. The Executive 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.

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

Section 5.11 Action Without Meeting: The Executive Board members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Executive Board members. Any action so approved shall have the same effect as though taken at a meeting of the Executive Board. Said written approval shall be filed with the minutes of the proceedings of the Executive Board, whether done before or after the action so taken. To the extent permitted by law, said written approval may be in the form of electronic mail message or other form of electronic, wire or wireless communication that provides a written statement appearing to have been sent by the Executive Board member.

Section 5.12 Presumption of Assent: A Executive Board member who is present at a meeting of the Executive Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Executive Board member who voted in favor of such action.

Section 5.13 Powers and Duties: The Executive Board shall have the authority to exercise all powers and duties of the Association necessary for the administration of the affairs of the Condominium except such powers and duties as by law or by the condominium Documents may not be delegated by the Owners to the Executive Board. The powers and duties to be exercised by the Executive Board shall include, but shall not be limited to, the following:

- A. Operation, care, upkeep and maintenance of the Common Elements to the extent such operation, care, upkeep, and maintenance is not the obligation of the Owners;
- B. Determination of the funds required for operation, administration, maintenance and other affairs of the Condominium and collection of the Common Expenses from the Owners, as provided in the Condominium Documents;
- C. Employment and dismissal of personnel (including without limitation the "Independent Manager," as defined in Section 5.14 herein) necessary for the efficient operation, maintenance, repair, and replacement of the Common Elements;
- D. Adoption, publishing and amending of rules and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Elements, the penalties for the infraction thereof and such other matters as are permitted by law;
- E. Opening of bank accounts on behalf of the Association and designating the signatories required therefore (provided, however, that two (2) Directors of the Executive Board must sign any checks (and approve any transfers) from any reserve account;
- F. Obtaining and maintaining insurance as required or permitted under the terms of the applicable provisions of the Declaration and these Bylaws covering the Owners and the Association and the directors and officers thereof;
- G. Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining annual audits of the financial records of the Association from the Association's certified public accountant to the extent required by the Act; furnishing the annual reports; and furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices and the same shall be available for examination by all Owners or their duly authorized agents or attorneys, at convenient hours on working days;
- H. Keeping a complete record of the minutes of all meetings of the Executive Board and Membership in which minute book shall be inserted actions taken by the Executive Board and/or Members by consent without meeting;
- I. Appointing, supervising and removing all officers, agents and employees of the Association in fixing compensation of agents and employees, and insuring that the officers, agents and employees duties are properly performed;
- J. Enforcing, on behalf of the Association, the obligations and assessments provided in the Declaration, the Bylaws and the rules and regulations of the Association, including, but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments in accordance with the terms of N.C.G.S. § 47C-3-116, the imposition of late payment charges, suspension of

voting and other privileges of Owners, suspension of services provided by the Association, and levying of fines for the violations of the Declaration, these Bylaws and the rules and regulations of the Association to the fullest extent provided herein and in the Act.

K. Making of repairs, additions, and improvements to or alterations or restoration of the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding;

L. Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration or the rules and regulations hereinafter promulgated governing use of the Common Elements, including without limitation, the imposition of late payment charges, suspension of voting and other privileges of Owners, suspension of services provided by the Association, and levying of fines for the violations to the fullest extent provided herein and in the Act. Anything to the contrary in these Bylaws, the Declaration, or otherwise notwithstanding, no arbitration, 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 Owners, which vote is taken at a duly held meeting of the Owners 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. Prior to obtaining the consent of the Owners in accordance with this subsection, the Association must provide written notice to all Owners which notice shall (at a minimum) include (1) a description of the nature of the claim, (2) a description of the attempts of Declarant to correct such claim and the opportunities provided to Declarant to correct such claim, (3) a certification from an engineer licensed in the State of North Carolina that such Claim is valid along with a description of the scope of work necessary to cure such claim and a resume of such engineer, (4) the estimated cost to repair such claim, (5) the name and professional background of the attorney proposed to be retained by the Association to pursue the claim against Declarant and a description of the relationship between such attorney and member(s) of the Executive Board (if any), (6) a description of the fee arrangement between such attorney and the Association, (7) the estimated attorneys' fees and expert fees and costs necessary to pursue the Claim against Declarant and the source of the funds which will be used to pay such fees and expenses, (8) the estimated time necessary to conclude the action against Declarant, (9) an affirmative statement from the Executive Board that the action is in the best interest of the Association and its Members and (10) a statement from the Executive Board that there are no fees paid to the Executive Board or Management Parties as a result of the referral to any attorney or licensed professional. All of the foregoing shall be subject to the terms and provisions and limitations, if any, set forth in Article XIX of the Declaration.

M. Paying all taxes and assessments which are or may become liens against any part of the Condominium, other than the Units, and to assess the same against the Owners in the manner herein provided;

N. Hiring attorneys and other professionals;

O. Maintaining and repairing any Unit or Limited Common Element, if such maintenance or repair is required by the Declaration or is necessary in the discretion of the Executive Board to protect the Common Elements or any other Unit or if the Owner of such Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Executive Board to said Owner, provided that the Executive Board shall levy an individual assessment against such Owner for the costs of said maintenance or repair pursuant to Section 10.5 of the Declaration;

P. Entering any Unit when necessary in connection with any maintenance or construction for which the Executive Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Executive Board and such expenses shall be treated as a Common Expense; and entering any Unit for the purpose of correcting or abating any condition or situation deemed by the Executive Board to be an emergency;

Q. Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Executive Board. In the absence of such determination by the Executive Board, such documents shall be signed by either the Treasurer or the Assistant Treasurer of the Association, and countersigned by any Executive Board member;

R. Grant easements (as provided in the Declaration) upon, over, under and across the Common Elements without the assent of the Owners when such easements are requisite for the convenient use and enjoyment of the Property;

S. Furnishing certificates setting forth the amounts of unpaid assessments that have been levied upon a Unit to the Owner or Mortgagee of such Unit, or a proposed purchaser or Mortgagee of such Unit, and imposing and collecting reasonable charges therefor; and

T. Exercising any other powers and duties reserved to the Association exercisable by the Executive Board in the Declaration, the Articles of Incorporation, these Bylaws, or the North Carolina Condominium Act.

U. The Executive 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 Executive Board may prescribe.

Section 5.14 Independent Manager: The Executive Board may employ or enter into a management contract with any individual, firm or entity it deems appropriate and in the best interest of the Association concerning the routine management of the condominium. The Executive Board may delegate to such person, firm or entity (referred to in these Bylaws as "Independent Manager") such duties and responsibilities in the management of the Property as the Executive Board deems appropriate. Provided, the Executive Board may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the North Carolina Nonprofit Corporation Act or the North Carolina Condominium Act. Furthermore, in no event shall the Independent Manager be authorized to draw checks on or transfer funds from any reserve account maintained by the Association. The Independent Manager's contract shall be for a term not to exceed three (3) years, renewable by agreement between the Executive Board and such Independent Manager for successive one-year terms; provided, however, that any such contract shall provide that it is terminable by the Association, with or without cause, upon not more than ninety (90) days' prior written notice and without payment of any penalty, and any such contract entered into during the Declarant Control Period also shall be terminable as required by N.C.G.S. § 47C-3-105. The Executive Board shall have authority to fix the reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Executive Board and subject to its direction.

Section 6

Committees

Section 6.1 Creation: The Executive Board, by resolutions adopted by a majority of the number of Executive Board members then holding office, may create such committees as they deem necessary and appropriate in aiding the Executive Board to carry out its duties and responsibilities with respect to the management of the Condominium. Each committee so created shall have such authorities and responsibilities as the Executive Board members deem appropriate and as set forth in the resolutions creating such committee. The Executive Board shall elect the members of each such committee. Provided, each committee shall have in its membership at least one (1) officer or one (1) member of the Executive Board.

Section 6.2 Vacancy: Any vacancy occurring on a committee shall be filled by a majority of the number of Executive Board members then holding office at a regular or special meeting of the Executive Board.

Section 6.3 Removal: Any member of a committee may be removed at any time with or without cause by a majority of the number of Executive Board members then holding office.

Section 6.4 Minutes: Each committee shall keep regular minutes of its proceedings and report the same to the Executive Board when required.

Section 6.5 Responsibility of Executive Board Members: The designation of committees and the delegation thereto of authority shall not operate to relieve the Executive Board or any member thereof of any responsibility or liability imposed upon it or him by law.

If action taken by a committee is not thereafter formally considered by the Executive Board, a Executive Board member may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Section 7

Officers

Section 7.1 Enumeration of Officers: The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Executive Board may from time to time elect. Except for the President, no officer need be a member of the Executive Board.

Section 7.2 Election and Term: The officers of the Association shall be elected annually by the Executive Board. Such elections shall be held at the first meeting of the Executive Board next following the Annual or Substitute Annual Meeting of the Members. Each officer shall hold office until his death, resignation, removal or until his successor is elected and qualified.

Section 7.3 Removal: Any officer elected or appointed by the Executive Board may be removed by the Executive Board whenever in its judgment the best interest of the Association will be served thereby.

Section 7.4 Vacancy: A vacancy in any office may be filled by the election by the Executive Board of a successor to such office. Such election may be held at any meeting of the Executive Board. The officer elected to such vacancy shall serve for the remaining term of the officer he replaces.

Section 7.5 Multiple Offices: The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person. Any officer may also be a member of the Executive Board.

Section 7.6 President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. In the absence of an elected Chairperson, he shall also preside at all meetings of the Executive Board. He shall see that the orders and resolutions of the Executive Board are carried out; he shall sign all written

instruments regarding the Common Elements and co-sign all promissory notes of the Association, if any; and he shall have all of the general powers and duties which are incident to the office of President of a corporation organized under Chapter 55A of the North Carolina General Statutes in the supervision and control of the management of the Association in accordance with these Bylaws.

Section 7.7 Vice Presidents: The Vice Presidents in the order of their election, unless otherwise determined by the Executive Board shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Executive Board shall prescribe.

Section 7.8 Secretary: The Secretary shall keep the minutes of all meetings of Members and of the Executive Board; he shall have charge of such books and papers as the Executive Board may direct; and he shall, in general, perform all duties incident to the Office of Secretary of a corporation organized under Chapter 55A of the General Statutes of North Carolina. The Secretary shall also prepare, execute, certify and record amendments to the Declaration, with respect to such amendments which under the Declaration are required to be prepared, executed or recorded by the Association.

Section 7.9 Treasurer: The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall co-sign promissory notes of the Association; he shall prepare a proposed annual budget (to be approved by the Executive Board) and the other reports to be furnished to the Members as required in the Declaration. He shall perform all duties incident to the office of Treasurer of a corporation organized under Chapter 55A of the General Statutes of North Carolina.

Section 7.10 Assistant Secretaries and Treasurers: The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Executive Board.

Section 7.11 Compensation: Officers shall not be compensated on a regular basis for the usual and ordinary services rendered to the Association incident to the offices held by such officers. However, officers may be reimbursed for reasonable out of pocket expenses incurred by them. The Executive Board may, however, with a unanimous vote, compensate any officer or officers who render unusual and extraordinary services to the Association beyond that called for to be rendered by such person or persons on a regular basis. Each officer, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon quantum meruit.

Section 7.12 Indemnification: To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable times, each officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an officer. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act.

Section 8

Operation of the Property

Section 8.1 Determination of Common Expenses and Fixing of the Common Charges: The Executive Board shall from time to time, and at least annually, prepare and adopt a proposed budget for the Condominium, determine the amount of the Common Expenses payable by the Owners to meet the proposed budget of the Condominium, and allocate and assess such proposed Common Expenses among the Owners in shares based upon the percentage interest in the Common Elements allocated to each Unit, which percentage interest has been calculated using the heated square footage of each Unit, together with the square footage of the balcony or patio, and storage space appurtenant to each Unit, all in accordance with the procedure set forth in this Section 8, but subject to the provisions set forth in the Declaration. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Executive Board pursuant to the provisions of the Declaration. The Common Expenses shall also include such amounts as the Executive Board deems necessary for the operation and maintenance of the Property, including without limitation, an amount for a reserve fund for repair and replacement of the Common Elements; and such amounts as may be necessary to make up any deficit in the Common Expenses for any prior year. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Executive Board shall provide a summary of the budget to all the Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget no less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Notwithstanding any other provisions of these Bylaws, there shall be no requirement that a quorum be present at such meeting. Notwithstanding any other provision of these Bylaws, the proposed budget shall be deemed ratified unless at that Meeting the budget is either rejected or the requisite additional vote requirement is not met, as the case may be, in accordance with the terms of Section 8.3 of the Declaration. In the event the proposed budget is rejected (by veto or by failure to secure sufficient vote of the Owners as the case may be), the periodic budget last ratified shall be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

In addition to the annual assessments the Owner is obligated to pay as assessed by the Association, the Association, acting through the Executive Board, may levy a special assessment during any calendar year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement comprising or to comprise a portion of the Common Elements, including fixtures and personal property; provided, however, that any such special assessment must be approved by the vote of Owners of Units to

which at least sixty-seven percent (67%) of all votes entitled to be cast by the Owners, which vote is taken at a duly held meeting of the Owners at which a quorum is present, in person or by proxy in accordance with the provisions of these Bylaws.

The Association, acting through the Executive Board, may levy an individual assessment if an Owner should fail to maintain a Limited Common Element appurtenant to such Owner's Unit, and the Association should elect to undertake such repair on behalf of that Owner.

The Declarant, as the agent of the Association, shall collect from each initial purchaser of a Unit at the time of closing an "initial assessment" equal to three times the estimated monthly assessment for Common Expenses. Such funds shall not be considered advance payments of assessments. The Declarant will deliver the funds so collected to the Association. Such funds may be used for certain prepaid items advanced by Declarant for Association expenses, such as insurance premiums paid in advance by Seller, and for such other purposes as the Executive Board may determine.

Section 8.2 Payment of Common Expenses: All Owners shall be obligated to pay the Common Expenses assessed by the Executive Board pursuant to the provisions of Section 8.1 hereof at such time or times as the Executive Board shall determine.

No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit. A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Common Expenses assessed against such Unit prior to the acquisition by the purchaser of such Unit without prejudice to the purchaser's rights to recover from the seller the amounts paid by the purchaser therefor.

Section 8.3 Collection of Assessments: The Executive Board shall assess Common Expenses against the Units from time to time and at least monthly in accordance with the allocations set forth in the Declaration. The Executive Board shall take prompt action to collect any Common Expenses which remain unpaid for more than thirty (30) days from the due date for payment thereof.

The Executive Board shall notify the holder of the Mortgage on any Unit (of which it has notice) for which any Common Expenses assessed pursuant to these Bylaws remain unpaid for more than thirty (30) days from the due date for payment thereof and in any other case where the Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days. The Association, upon written request, shall furnish to an Owner or the Owner's authorized agents a statement setting forth the amount of unpaid assessments and other charges against a Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Owner.

Section 8.4 Default in Payment of Common Expenses; Remedies: In the event of default by any Owner in paying to the Executive Board the Common Expenses as determined by the Executive Board, such Owner shall be obligated to pay interest on such Common Expenses from the due date thereof at the rate of eighteen percent (18%) per annum or such greater amount permitted by the Act, as amended from time to time, together with all expenses, including reasonable attorney's fees (if permitted by law), incurred by the Executive Board in any proceeding brought to collect such unpaid Common Expenses. In addition, the Executive Board shall have the authority to levy a late charge on any assessment not paid after its due date, in the amount of ten percent (10%) of the overdue assessment or \$20 per month, whichever is greater, or such greater amount as shall be permitted by the Act as it may be amended from time to time.

The Executive Board shall have the right and duty to attempt to recover such Common Expenses, together with interest thereon, and the expenses of the proceedings, including reasonable attorneys' fees (if permitted by law), in an action to recover a money judgment for the same brought against such Owner, or by foreclosure of the lien on such Unit in like manner as a deed of trust or mortgage of real property. The Executive Board shall also have the right to impose uniform late payment charges for delinquent Common Expense payments, which charges shall be recoverable by the proceedings specified above.

In the event of the failure of an Owner to pay any assessment imposed hereunder, or any installment thereof, for more than sixty (60) days after such assessment or installment thereof shall become due, in addition to the other remedies available under the Condominium Documents and the North Carolina Condominium Act (including, without limitation, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments in accordance with the terms of N.C.G.S. § 47C-3-116, the imposition of late payment charges, suspension of voting and other privileges of Owners, suspension of services provided by the Association, and levying of fines, all to the fullest extent provided herein and in the Act) the Executive Board shall have the right to declare all other Common Expense assessments, and installments thereof, with respect to such Owner's Unit that are to fall due during the then current fiscal year of the Association to be immediately due and payable.

Section 8.5 Lien and Personal Obligations: All Common Expenses provided for in this Article, together with the interest and expenses, including reasonable attorneys' fees (if permitted by law), as provided for herein, shall be a charge on and a continuing lien upon the Unit against which the assessment is made, which such lien shall be prior to all other liens excepting only (i) assessments, liens and charges for real estate taxes due and unpaid on the Unit and (ii) all sums unpaid on Mortgages and other liens and encumbrances duly recorded against the Unit prior to the docketing of such lien. Such lien shall become effective when a notice thereof has been filed in the office of the Clerk of Superior Court for Mecklenburg County, North Carolina, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of more than thirty (30) days after the same shall become due. Such notice of lien shall also secure all assessments against the Unit becoming due thereafter until the lien has been satisfied.

The lien for unpaid assessments shall not be affected by the sale or transfer of the Unit, except in the case of a foreclosure of a Mortgage, in which event the purchaser at foreclosure shall not be liable for any assessments against such Unit that became due prior to the date of acquisition of title by such purchaser. Such unpaid assessments shall be deemed Common Expenses collectible from all Owners of Units, including the purchaser at foreclosure. In addition, each Owner shall be personally liable for any assessment against his Unit. No Owner may exempt himself from such liability by non-use or enjoyment of any portion of the Common Elements or by the abandonment or sale of his Unit.

Section 8.6 Foreclosure of Liens for Unpaid Common Expenses: In any action brought by the Executive Board to foreclose on a Unit because of unpaid Common Expenses, the Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

Section 8.7 Abatement and Enjoyment of Violations by Owners: The violation of any rule or regulation adopted by the Executive Board or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Executive Board the right, in addition to any other rights set forth in the Declaration, these Bylaws or at law or in equity: (a) to enter the Unit or Limited Common Element in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; provided, however, that the Executive Board shall be obligated to institute judicial proceedings before any item of construction can be altered or demolished; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Owner; and/or (c) after notice and opportunity to be heard, to levy reasonable fines not to exceed the maximum amount permitted by the Act.

Section 8.8 Maintenance and Repair: (a) Except as is specifically provided in the Declaration, all maintenance and any repairs to any Unit and the Limited Common Elements allocated thereto, whether ordinary or extraordinary, shall be made by the Owner of such Unit. Each Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements that his failure to do so may engender; and (b) except as is specifically provided in the Declaration, all maintenance, repairs and replacements to the Common Elements (unless necessitated by the negligence, misuse or neglect of an Owner, in which case such expense shall be charged to and paid by such Owner), shall be made by the Executive Board; provided, however, there is excluded from the provisions contained in this section any repairs necessitated by casualty insured against by the Executive Board to the extent the Executive Board receives insurance proceeds for such repairs.

Section 8.9 Additions, Alterations or Improvements by Owners: No Owner shall make any structural addition, alteration, or improvement in or to his Unit or to any Limited

Common Element, or any change in the exterior appearance thereof, except in accordance with N.C.G.S. § 47C-2-111 and in accordance with the terms of the Declaration.

Section 8.10 Use of Common Elements: An Owner shall not interfere with the use of the Common Elements by the remaining Owners and their employees and invitees.

Section 8.11 Right of Access: An Owner shall grant a right of access to his Unit and the Limited Common Elements appurtenant thereto to the Independent Manager and/or any other person authorized by the Executive Board or the Independent Manager for the purpose of making inspections, or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical equipment or other Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical equipment or other Common Elements in or adjoining his Unit; provided, however, such requests for entry (except in the case of emergencies where no request shall be required) are made in advance and any such entry is at a time reasonably convenient to the Owner. In the case of an emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

Section 8.12 Rules of Conduct: Rules and regulations concerning the use of the Units and the Common Elements shall be promulgated and amended by the Executive Board with the approval of a majority of Owners. Copies of such rules and regulations shall be furnished by the Executive Board to each Owner prior to the time when the same shall become effective.

Section 8.13 Common Expenses for Utilities: Any utilities which may be provided to the Units through a single or common meter or facility, and utilities furnished to any portion of the Common Elements, shall be paid by each Owner as and when billed according to the extent of such Owner's use or, at the option of the Executive Board, such may be paid by the Executive Board and assessed against the Units as a Common Expense.

Section 9

Amendments

Subject to the provisions of Article XVI of the Declaration, these Bylaws may be amended at any time by an instrument in writing signed and acknowledged by Owners holding at least sixty-seven percent (67%) of all votes entitled to be cast by the Owners, which vote is taken at a duly held meeting of the Owners at which a quorum is present, in person or by proxy in accordance with the provisions of these Bylaws. Provided, however, where a larger vote in the Association is required for the Association to take or refrain from taking a specific action, as set forth in the Condominium Documents, no amendment of these Bylaws shall be made unless and until the Owners holding such larger percentage of the vote in the Association execute said amending instrument. All persons or entities who own or hereafter acquire any interest in the Property shall be bound to abide by any amendment to these Bylaws which is duly passed. No

amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights and priorities of any Mortgagee without the consent of such Mortgagee. No amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights of Declarant provided for in the Condominium Documents, without the consent of Declarant.

Section 10

Miscellaneous

Section 10.1 Severability: Invalidation of any covenant, condition, restriction or other provisions of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 10.2 Successors Bound: The rights, privileges, duties and responsibilities set forth in the Condominium Documents, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

Section 10.3 Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 10.4 Nonprofit Corporation: No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or the members of the Executive Board, or any other private individual either during its existence except as reasonable compensation paid or distributions made in carrying out its declared nonprofit purposes as set forth in the Articles of Incorporation of the Association and these Bylaws. Notwithstanding the foregoing, upon dissolution, the Executive Board 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.

Section 10.5 Association Records. All financial and other records, including records of meetings of the Owners and the Executive Board, shall be made available, during reasonable business hours, for examination by any Owner and the Owner'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 Owners 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 Executive 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.

Section 10.6 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 Executive Board or