



SECOND
AMENDED AND RESTATED

BY-LAWS

OF

PORT TRINITIE ASSOCIATION

PREAMBLE

SECTION 1.

Port Trinitie Association is a non-profit Corporation organized-under the laws of the State of North Carolina.

SECTION 2.

The purpose of this Non-Profit-Corporation is to manage and operate the Port Trinitie Association owned infrastructure and common areas of the Port Trinitie Properties. This Declaration is to be filed with The Register of Deeds of Dare County North Carolina to provide public information on procedures used to:

(a) Designate and collect assessments against members to defray the costs, expenses and losses of the Association.

(b) Use the proceeds of assessments in the exercise of its powers and duties.

(c) Maintain, repair, replace and operate the Association property.

(d) Purchase Insurance upon the Association property and Insurance for the protection of the Association and its members.

(e) Make improvements and reconstructions after casualty.



(f) Make and amend reasonable regulations respecting the use of the property of-the Association.

(g) Contract for the management of the Association assets and the operation and Maintenance of the common areas and other assets.

(h) Employ personnel to perform services required by the Association.

(i) Enforce by legal or other appropriate means the provisions of the North Carolina Unit Ownership Act, the Second Amended and Restated Declaration of Unit Ownership Port Tinitie the By-Laws of the Association and regulations for the use of Association property.

(j) The Association may perform or do any and all other acts permitted by the Non-Profit Corporation Act of North Carolina General Statutes, Chapter 55A, necessary or desirable for the conduct and continuation of the management and operation of the Association pursuant to the Unit Ownership Act of North Carolina General Statutes, Chapter 47 A.

SECTION 3

The definitions and terms used in the North Carolina Unit Ownership Act and the Second Amended and Restated Declaration of Unit Ownership Port Trinitie shall be applicable when such terms are used in these By-Laws.

ARTICLE I

OFFICES

SECTION 1.

The Registered Office of the Association is located in the building adjacent to the sound-side pool of Port Trinitie. The mailing address for the registered office is:

Port Trinitie Association
P.O. Box 1674
Kill Devil Hills, NC 27948



SECTION 2.

The Property Manager will normally work out of the Registered office but may work out of another office when approved by the Association Board of Directors.

ARTICLE II

MEMBERSHIP IN THE ASSOCIATION

SECTION 1.

Membership. The members of-the Association shall consist of all record owners of dwelling units in the condominium known as Port Trinitie located in Duck, Dare County, North Carolina. A Second Amended and Restated Declaration of Unit Ownership Port Trinitie has been recorded in the Dare County Public Registry.

A person, firm, corporation, or entity capable of holding title to real estate in North Carolina automatically becomes a member of the Association upon a deed of conveyance conveying one or a portion of one of the dwelling units in Port Trinitie Condominium to such person, firm, corporation or entity being recorded in the Resister of Deeds Office of Dare County; or upon the probate of the will of a deceased owner, the devisee named therein becomes a member; or upon the death of an owner intestate, his heirs at law automatically become members. The holder of legal title of any dwelling unit pursuant to any mortgage, deed of trust or other security agreement shall not be considered a member of the Association.

SECTION 2.

Terminating Membership. A member's membership in the Association is automatically terminated upon his/her death or upon title to his/her interest in a dwelling unit being transferred out of him/her in any manner, whether by a voluntary conveyance, a foreclosure for taxes due any governmental authority or foreclosure of a mortgage or deed of trust or by execution against the real property to satisfy any lien or judgment.

SECTION 3.

Transfer of Membership. Each-membership in the



Association shall be appurtenant to the ownership of a dwelling unit in Port Trinitie Condominium and no membership shall be transferred or assigned except upon the transfer of the record title to the dwelling unit itself.

SECTION 4.

Suspension of Membership. The Board of Directors of The Port Trinitie Association shall have the authority to suspend a member's rights of membership, which in effect shall deny that member the right to vote on any matter requiring a Membership vote and further shall deny that member the right to use any of the recreational facilities of the common elements, if that member is in default in the payment of any assessment for common expenses levied by the Association. Said suspension shall remain in effect until such assessment has been paid. The Board of Directors of the Association shall further have the authority to suspend a member's membership, after due notice and hearing, for any violation of any rule or regulation established by the Second Amended and restated Declaration of Unit Ownership Port Trinitie, these By-Laws or by the Board of Directors governing the use of the common elements and facilities. Said suspension shall remain in effect until said violation has been remedied.

ARTICLE III

MEETING OF MEMBERS

SECTION 1.

Place of Meetings. Meetings shall be held at the place designated in the notice of such meeting. Meeting location will normally be in the vicinity of Duck, NC.

SECTION 2.

Annual Meeting. The Annual Membership Meeting of the Association shall be held on the second Saturday of November each year. If that day is a federal legal holiday, the meeting will be held on the first Saturday in November. The principle business to be conducted at the Annual Meeting shall be: a review the financial data of the past year of operation, approve projected requirements for the coming year of operation, review



properly submitted member issues, review of rules if appropriate and introduce Directors for the coming year.

SECTION 3.

Special Meetings. Special meetings may be called by the President or any Member of the Association Board of Directors. Any member, pursuant to the written request of not less than ten percent (10%) of all undivided interests in the common elements of the Condominium, may also call a special meeting.

SECTION 4.

Notice of Meetings. Written notice stating the date, time and place of the meeting and an agenda of items to be discussed shall be delivered to all members by mail or in person not less than ten (10) or more than fifty (50) days prior to the meeting. The notice will be mailed to the address of record of each member unless the member has provided a different address to the Association. (NOTE: It is each members' responsibility to ensure that the mailing address posted in the Association records is current and correct.)

SECTION 5.

Quorum. Unless otherwise required by Statute the presence in person or by proxy of sufficient members who represent not less than ten percent (10%) of the undivided interest in the common elements of the condominium shall be necessary to constitute a quorum for the transaction of business.

SECTION 6.

Voting Procedures. Each dwelling unit shall be entitled to one vote collectively in the affairs of the Association. Owners of each dwelling unit must select a representative to present any discussion and to vote for that dwelling unit. The method of selection of the dwelling unit representative is a matter to be determined by the owners of each dwelling unit, however, the representative must be selected by and speak for 70% of the ownership interest of the dwelling unit. This spokesperson will be identified to the Association Board of Directors and that spokesperson shall be to only recognized representative for discussion or voting purposes.



Any member entitled to vote may vote by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing by the member or his/her designated representative. No proxy may be valid after the expiration of eleven (11) months from the date of its execution. Each instrument designating a proxy shall be filed with the records of the Association.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1.

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

SECTION 2.

Qualifications, Number and Term of Office. Any member, in good standing, of the Association may serve on the Association Board of Directors. The Association Board of Directors will consist of seven Directors.

Each Director shall continue in office until the third Annual Membership Meeting held next after his/her election, until his/her replacement is qualified, until his/her death, until he/she resigns, becomes disqualified, or is removed as provided herein. Terms will be staggered so that 2 or 3 of the members are elected each year to insure continuity.

Should any Director not be able to complete the term for which elected the remainder of that term will be filled by an alternate member designated by the Board of Directors after the result of each years election are determined. Normally the alternates will be those candidates not elected, determined, in order, by the number of votes received.

SECTION 3.

Election of Directors. The Association Board of Directors will be composed of seven (7) volunteer members who are elected at large by the membership. The Board of Directors will present a slate, to fill annual vacancies, to the membership for the coming year. Ballots will be mailed to members for return prior to the Annual Membership Meeting. The



top vote recipients will be elected to the seats with expiring terms. Based on the results of the election the Board will organize itself and that organization will be presented to the membership at the Annual Membership Meeting.

SECTION 4.

Removal of Directors. Any Director may be removed by a "No Confidence Vote" by the membership. A "No Confidence Vote" will be initiated when members submit a partition with signatures representing 10% of ownership interest in the Association Common elements to the Secretary of the Association Board of Directors. A special ballot will be prepared for this purpose and mailed to the membership for vote. A vote representing a two-thirds (2/3) of the ownership interest in the Common elements will be required for removal of a director for "No Confidence".

SECTION 5.

Vacancies. When a vacancy on the Association Board of Directors exists the Board will appoint the high vote candidate who was not elected from the slate presented for the last membership election to serve as a Director. The alternate appointed will serve until the end of the term of the Director he/she was appointed to replace.

SECTION 6.

Compensation. No member of the Association Board of Directors will receive any compensation for service as a Director. The Association may reimburse Directors for reasonable expenses incurred in the performance of their Association Board of Directors related duties. Mileage, lodging and meals reimbursement rates will be established by the Board of Directors at each Annual Meeting. Receipts for Lodging and meals are required. Mileage claims shall be paid based on the distance from the members address on file with the Association to and from the meeting/business location. The Property Manager and Treasurer will insure that records of all reimbursements are kept as part of the Association financial records.

SECTION 7.

Committees. The Association Board of Directors has the authority to appoint and empower a committee for special projects. No committee shall be appointed to relieve the Board of Directors, or any individual Director, of any responsibility



or liability imposed it or him/her by law. The committee shall provide recommendations to the Board for consideration in decision making as required.

SECTION 8.

INDEMNIFICATION AND IMMUNITY. Members of the Association Board of Directors are indemnified and immune as provided in NC Statute 55A, North Carolina Non Profit Corporation Act.

ARTICLE V

ORGANIZATION of the ASSOCIATION
BOARD OF DIRECTORS

SECTION 1.

Officers of the Board. The Association Board of Directors shall select from its membership a President, a Vice President and a Secretary and a Treasurer. These Officers shall serve until the next Annual Membership Meeting, death, resignation, disqualification or removal, whichever occurs first.

SECTION 2.

Procedures. Roberts Rules of Order set procedures for Board meetings.

SECTION 3.

Duties and Responsibilities of Officers. The following sets forth the minimum standards for officers of the Association Board of Directors:

President. The President shall be the Chief Executive Officer for the Association and subject to the instructions of the Board of Directors shall have general charge of the business, affairs, and property of the Association. The President shall have control of other officers of the Board, its employees, and its agents. The President shall preside at all meetings of the members and the Board of Directors. He/She shall sign, with the Secretary or Treasurer, any deeds or mortgages executed on behalf of the Association except where required or permitted by law to be otherwise signed and executed



and except where the signing and execution thereof shall be delegated by The Board of Directors to some other officer or agent. The President shall do and perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

Vice President. At the request of the President or in his absence the Vice President shall perform all the duties of the President and when so acting shall have all the powers and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such authority a from time to time may be assigned to him/her by the Board of Directors.

Secretary. The Secretary is responsible for supervision of the custody of the Association records, books, reports, statements, and other documents of the Association. The Secretary is also responsible for the preparation of minutes of all meetings of the membership or the Board of Directors, the issuing of notices as required by these By-Laws or other laws, for the maintenance of the names and addresses of all members of the association and their eligibility to vote. In general the Secretary shall perform such duties through coordination with the Property Manager and have such other authority as from time to time may be assigned by the Board of Directors.

Treasurer. The Treasurer is responsible for the supervision of the funds, securities, receipts, and disbursements of the Association. The Treasurer shall insure that full and accurate accounts of the finances of the Association are maintained in books especially for that purpose. The Treasurer shall cause a true statement of the Association assets and liabilities, the result of Association operations, all in reasonable detail, as of the close of each fiscal year to be made and filed at the Principle Office of the Association within four (4) months after the close of each fiscal year. The statements so filed will be kept available for inspection by any member of the Association for a period of at least ten (10) years. The Treasurer shall cause a copy of the statement for the latest statement to be delivered to any member who requests it. The Treasurer shall in general perform all duties and have all authority incident to the office of Treasurer and shall perform other duties and have authority as the Board of Directors may from time to time assign. The Treasurer and Property Manager may be required to give a bond for faithful performance of his duties in such form and amount as the Board of Directors may determine.



SECTION 4.

Delegation of Duties. In case of absence of any Officer of the Association or any other reason the Board of Directors deems necessary or sufficient the Board, by majority vote, may temporarily delegate the powers and authority of any Officer to another Officer or Director.

SECTION 5.

Salaries of Officers. All Officers are Volunteer positions and as such no Officer will be paid a salary for his/her service.

SECTION 6.

Board of Directors Meetings. Normally the Board will meet twice per year. One meeting will be just prior to the Annual Membership Meeting. The second meeting will be scheduled in the spring of each year. The President, or any member of the Board may call special meetings, if situations requiring immediate resolution arise. No meeting may take place with less than ten (10) days prior notice to each member of the Board of Directors

Quorum. Five (5) of the Board members, present and voting, shall constitute a quorum. No actions taken at any meeting not satisfying this requirement are binding. Teleconferencing may be used for special meetings provided specific minutes are prepared, signed by all participants in the teleconference, and then distributed to all members of the Board.

ARTICLE VI

CONTRACTS, LOANS, DEPOSITS, DRAFTS, ETC.

SECTION 1.

Contracts. The Association Board of Directors may authorize any Officer or Officers, agent, or agents, to enter into any contract or to execute or deliver any instrument on behalf of the Association. Such Authority may be general or confined to specific instances.



SECTION 2.

Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in the name of the Association unless and except as authorized by the Association Board of Directors. Any authorized Officer or agent of the Association may affect loans or advances for the Association and for such loans or advances may execute and deliver promissory notes, bonds, or other evidences of indebtedness of the Association. An authorized Officer or agent may mortgage, pledge, hypothecate or transfer as security for the payment of any and all loans, evidences of indebtedness and liabilities of the Association any real property, and all stocks, bonds, other securities and other personal property at any time held by the Association, and to that end may endorse, assign and deliver the same and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances.

SECTION 3.

Deposits. All funds of the Association shall be deposited weekly to the credit of the Association in such banks, trust companies or other depositories as the Association Board of Directors may select. Authority for this action shall be granted to an Officer or agent of the Association Board of Directors.

SECTION 4.

Drafts. Etc. Two Officers or one officer and an agent of the Association Board of Directors shall sign all notes, drafts, acceptances, and endorsements or other evidence of indebtedness of the Association. Endorsements for deposits to the credit of the Association in any duly authorized depository will be made by an Officer or agent designated by resolution of the Association Board of Directors in such manner as the resolution may provide. An Agent hired by the Board of Directors may sign drafts to pay recurring expenses without the second signature provided the agent does so under the supervision of or by direction of the Treasurer or President of the Association Board of Directors.

SECTION 5.

Loans to Directors or Officers. No loan shall be made by the Association to any of its Directors or Officers.



ARTICLE VII

ADMINISTRATION OF ASSETS

SECTION 1.

Management. The management of the Port Trinitie Condominium assets shall be the responsibility of the Board of Directors pursuant to the general powers vested in said Board in Section 1 of Article IV. The Board shall be responsible for contracting with various individuals, firms and corporations, whether one or more, for the management, maintenance, and operation of all common elements of the condominium. Said contracts will include a right of termination without penalty upon 90 days notice. The Board of Directors shall have the authority to revise, alter, or terminate all contracts and agreements. or dismiss any personnel, wherein the service to be performed is unsatisfactory or undesirable, or is not of the caliber of that contracted for. The Board of Directors shall direct the Property Manager, under supervision of the Treasurer, to pay all routine maintenance costs anticipated and set out the annual operating budget and also to pay for all the services contracted for by the Board of Directors pursuant to the terms of any and all such contracts. All other expenditures shall be made only after the written consent has been obtained from a majority of the Board of Directors then in office. The Treasurer shall file such written consents with the books of the Association.

SECTION 2.

Common Assessments. All Dwelling Unit Owners and Lot owners shall pay their share of the common expenses according to the Declaration as determined by the budget, which shall be adopted at the Annual Membership Meeting or subsequently amended by any special meeting of the members. The payments may be monthly, quarterly, semi-annual, or annual payments and said payments shall be paid in advance of the first day of the period for which said payment is made. The Board of Directors shall prior to the Annual Membership meeting prepare and adopt a budget for the ensuing year showing anticipated receipts and disbursements for said year to be recommended to the membership for adoption at the Annual Membership Meeting. A copy of the proposed budget, indicating each dwelling unit and lot owners assessment shall be sent to each owner with the notice of the Annual Membership Meeting.



The budget shall contain provisions for a reserve fund sufficient to meet the anticipated replacement of real and personal property, fixtures and equipment and other common elements that will be replaced due to ordinary wear and tear.

The Board of Directors may authorize a dwelling unit Owner to pay his/her common assessment to a mortgagee of a first lien mortgage upon the condition that said mortgagee agrees to transfer over to the Associations Treasurer all such funds collected by it by the 20th day of each month. Any payments made pursuant to such authorization shall in no way affect the Association's right to a lien for unpaid common assessments as provided in the Declaration for any sums not aptly furnished the Association's Treasurer

SECTION 3:

Administrative Regulations. The Board of Directors shall have the power and authority to adopt and amend administrative rules and regulations governing the details of the operation and use of common and surplus areas and facilities. The personal conduct of members and their guest or lessees thereon may be regulated and these rules and regulations shall remain in force and effect until rescinded or amended by the Board of Directors, or until repealed or altered by the members.

SECTION 4.

Receipts and Expenditures. The Board of Directors shall insure that the Property Manager keeps detailed and accurate records in chronological order of the receipts and expenditures affecting the common elements, specifying and identifying the maintenance and repair expenses of the common elements and any other expenses incurred. Both said book and vouchers accrediting the entries thereon shall be available for examination by unit owners, their duly authorized agents or attorneys and first mortgagees, at convenient hours on working days that shall be set and announced for general knowledge. All Books and records shall be kept in accordance with good and accepted accounting practices.

SECTION 5.

Assessment Statements. The Board of Directors, upon request of a grantee of a dwelling unit, shall furnish said grantee a statement of unpaid assessments against said grantee's grantor, and such grantee shall not be liable for, nor shall the



unit conveyed to said grantee be subject to a lien for any unpaid assessment in excess of the amount therein set forth. The Board of Directors, upon the request of a first mortgagee, shall furnish said mortgagee written notification of any default by said mortgagee's unit owner in the performance of such unit owners obligation under the Unit Ownership Act, the Declaration and these By-Laws which is not cured within thirty (30) days.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 1.

Corporate Seal. No Corporate seal shall be required by the Board of Directors.

SECTION 2.

Fiscal Year. The fiscal year of the Association shall be established by resolution of the Board of Directors.

SECTION 3.

Dividends. No dividend shall be paid and no part of the income of the Association shall be distributed to members, Directors, or officers of the Association.

SECTION 4.

Stock. The Association shall not have nor shall it issue shares of stock.

SECTION 5.

Waiver of Notice. Whenever any notice is required to be given to any member or director under the provisions of the North Carolina Non-Profit Corporation Act, or under the provisions of the Charter or By-Laws of this Association, a waiver thereof in writing signed by the person entitled to such notice whether before or after the time stated therein, shall be equivalent to giving such notice.

SECTION 6.

INSPECTION OF BOOKS AND RECORDS. Any member, his Agent or attorney has the right to inspect all books and records of this Association attributable to his/her dwelling unit or the Association for any purpose at any reasonable time.

SECTION 7.

Amendments. Except as otherwise provided herein,



these By-Laws may be amended or repealed and new By-Laws may be adopted by the affirmative vote of those persons representing not less than 51% of the undivided interests in the common elements present in person or proxy at a regular or special meeting of the members and by not less than two-thirds (2/3) of the members of the Board of Directors then in office. All members of the Association shall be bound by any amendment enacted as herein specified when the same is duly passed and set forth in an amended declaration, but said amendment shall not become operative until duly recorded in the Office of the Dare County Register of Deeds.

Notwithstanding anything to the contrary no amendment to these By-Laws may discriminate against any member of the Condominium unless each member so discriminated against, and all record owners of liens thereof, shall consent to the amended, repealed or new By-Law.

Port Trinitie Association

Kenneth A. Taylor 11-15-04

Kenneth A Taylor, President

DATE

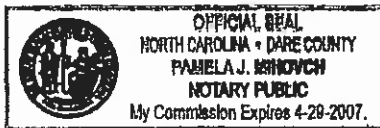
State North Carolina
County Dare

I, Pamela J Mihovch, a Notary Public for said County & State, do hereby certify that Kenneth a Taylor personally came before me this day and acknowledged that he is President of Port Trinitie Association and acknowledged, on behalf of Port Trinitie Association, the due execution of the foregoing instrument.

Witness my hand and official seal, this the 15 day of the Nov, 2004

Pamela J. Mihovch
Notary

My Commission expires:



State of North Carolina
County of Dare

The foregoing certificate of Pamela J. Mihovch
A Notary Public is certified to be correct. This instrument and this certificate are duly registered at the Date and Time in the Book and Page shown on the first page hereof.

Barbara M. Gray, Register of Deeds

By: Barbara M. Gray Deputy Register of Deeds

B: 1860 P: 278

03/10/2011 08:38 AM

Doc Code: ADMT

Vanzolla McMurrin, Register of Deeds Dare CO, NC

Doc Id: 6290437

Receipt #: 11-3010

6290437 B: 1860 P: 278 Page 1 of 3 3/10/11 8:38 AM



Prepared by and return to Marshal Talton, 862 N Marye Drive, Graham, NC 27253

STATE OF NORTH CAROLINA
COUNTY OF DARE

**AMENDMENT TO SECOND AMENDED AND RESTATED
BY-LAWS OF PORT TRINITIE ASSOCIATION**

THIS AMENDMENT TO SECOND AMENDED AND RESTATED BY-LAWS OF PORT TRINITIE ASSOCIATION is made this *MARCH 10*, 2011 by PORT TRINITIE ASSOCIATION, a North Carolina nonprofit corporation, hereinafter referred to as the "Association";

W I T N E S S E T H:

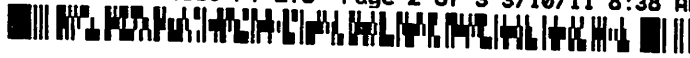
WHEREAS, Association is a nonprofit Corporation composed of all of the dwelling owners in Port Trinitie Condominiums; and

WHEREAS, Association previously established for the aforesaid Condominiums certain by-laws which are set forth in that certain instrument entitled "Second Amended and Restated By-Laws of Port Trinitie Association" recorded in Book 1598, Page 131, Dare County Registry (hereinafter referred to as "By-Laws"); and

WHEREAS, pursuant to Article VIII General Provisions, amendments may be adopted by the affirmative vote of those persons representing not less than 51% of the undivided interests in the common elements present in person or proxy at a regular or special meeting of the members and by not less than two-thirds (2/3) of the members of the Board of Directors then in office.

WHEREAS, members present at the regular Annual Meeting on November 13, 2010 voted by over 51% affirmative vote and the Board of Directors of the Association voted by not less than 2/3 affirmative vote and, now deems it desirable to amend Article I Section 1. and Article III Section 4. of the By-Laws in order to correct obvious errors and/or inconsistencies in said paragraphs as hereinafter set forth.

NOW, THEREFORE, Association, pursuant to majority vote of its Board of Directors and members present at the Annual Meeting and pursuant to Article VIII of the By-Laws does hereby amend the Second Amended and Restated By-Laws



of the Port Trinitie Association recorded in Book 1598, Page 131, Dare County Registry as follows:

1. Article I Section 1, of the By-Laws is deleted in its entirety and the following is substituted in its place:

1. The Registered Office of the Association is located in the building adjacent to the sound-side pool of Port Trinitie. The mailing address for the registered office is: 1404 Duck Road, Duck, NC, 27949.

2. Article III, Section 4 of the By-Laws is deleted in its entirety and the following is substituted in its place:

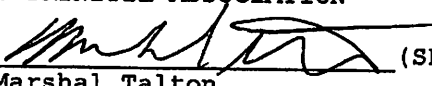
Section 4. Notice of Meeting

Written notice stating the date, time, place of the meeting and an agenda of items to be discussed shall be delivered to all members by U.S. Postal Service or electronic mail or in person not less than ten (10) or more than fifty (50) days prior to the meeting. The notice will be mailed to the address of record or the electronic mailing address of record of each member unless the member has provided a different address to the Association. (Note: It is each members' responsibility to ensure that the mailing address and the electronic mailing address posted in the Association records is current and correct.)

3. Except as herein amended, the terms and conditions of the Second Amended and Restated By-Laws of the Port Trinitie Association shall remain in full force and effect.

IN WITNESS WHEREOF, Port Trinitie Association has caused this instrument to be executed in its corporate name by its President as the act and deed of said corporation by authority of its Board of Directors duly and legally given the day and year first above written.

PORT TRINITIE ASSOCIATION

By:  (SEAL)
Marshal Talton,
President



STATE OF NORTH CAROLINA
COUNTY OF Alamance

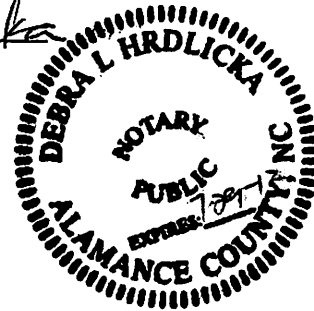
I, Debra L Hrdlicka, a Notary Public of the County and State
aforesaid, certify that Marshal Talton personally came before me this day and
acknowledged that he is President of Port Trinitie Association, a North
Carolina nonprofit corporation, and that he as President, being authorized to
do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 18 day of Feb,
~~2010~~ 2011

My Commission Expires:
7-29-2013

Debra L Hrdlicka
Notary Public

r\Port Trinitie amendment 11-13-2010



PORT TRINITIE ASSOCIATION FINANCIAL POLICIES AND PROCEDURES

Effective April 2005

Updated November 8, 2014

1. The Association will engage the services of a certified public accountant (CPA) to prepare the calendar year tax return for submission.
2. The Treasurer of the Association will cause to perform an annual audit of financial transactions and internal controls. The Treasurer will report the audit findings and any recommendations to the Board of Directors at the next board meeting following the audit.
3. It is the policy of the Association not to pay expenses of individually owned units. Any exceptions to this policy must be approved by the Board.
4. All expenses for insurance are being charged to expense account # 570. The individual units are reimbursing the Association for their pro rata amount of property and flood insurance. These payments were credited to revenue account #499. The recording of revenue and expenses should not be commingled in the same account #.
5. Expense account numbers 710 and 590 are used to account for payments of property labor and repairs. Account # 590 should reflect expenses for repairs and maintenance over \$1000. Any repair projects under \$1000 should be charged to account # 710.
6. The check # should be written on every paid invoice. This procedure will provide an audit path to the computerized check register and vice versa from the check register to the invoice.
7. Invoices for services should have an itemization of expenses to substantiate the monetary fairness of services performed broken down by labor and material. If contractor bills in one lump sum, every effort should be made to itemize the expenses by labor and material before payment if possible or applicable. Contracts will stipulate services to be provided broken down by labor and material.
8. There may be instances when a contractor performing services for the Association and may purchase supplies through his or her own funds and gets reimbursed by the Association. The contractor's receipts should be attached to the invoice or request for reimbursement. No payment should be made unless receipts are properly presented and attached.
9. Any contracted service to be performed for the Association exceeding \$1500 should be placed for bid. If possible, a reasonable attempt should be made to secure bids from at least 3 contractors.
10. Any expenditure over \$3000 needs the written approval of the President or the Vice- President in the President's absence. The written approval should be attached to the paid invoice.
11. If the Property Manager needs the approval of the President to pay an invoice and the President needs to see the invoice, only a copy of the invoice should be sent the President. This will ensure that the original invoice ends up in the paid file.

12. The Association's Treasurer and Property Manager should jointly prepare each year's annual operating budget before it is presented to the Board. Input should be requested from all Board Members before the budget is finalized.

13. The PTA Treasurer will be notified immediately by the Unit Agent and/or Property Manager if a condo unit is unable to meet a PTA authorized insurance premium or unit repair financial commitment. Subsequently, the Treasurer will approve a disbursement of PTA funds to pay the bill. The Treasurer will immediately notify the House Representative of the problem and request a plan of action be submitted within 15 days to resolve the issue. The purpose of this plan is to ensure the funds shortfall does not reoccur. If the unit continues not to meet its financial commitment for a period of 60 days from the original date of delinquency, the PTA will invoke its authority under Section 10 of the Declaration of Unit Ownership. The PTA will file a suit to recover a money judgment, including legal and court fees, against the unit. The PTA also reserves the right to file a lien on the unit for the purpose of foreclosure.

14. The Port Trinitie Association shall operate on a calendar year starting January 1st and ending December 31st.

15. The President is authorized to spend up to \$1500 for operations and maintenance without prior Board approval. (Approved March 12, 2012)

16. Port Trinitie Association will reimburse individual Board Members actual travel expenses up to a \$300 maximum per meeting. Receipts must be submitted with the request for reimbursement. (Approved March 8, 2014)

17. Port Trinitie Association will plan each year's budget to maintain a community account reserve in the amount of \$25,000 and a condominium account reserve in the amount of \$10,000 to address contingencies as approved by the Board. (Approved November 5, 2016)

Note: we have already approved and had in place the community account reserve of \$25000. So that Chrissie can address the excess funds in the condo account for this years budget and we can determine a condo fee—we need to decide if we want to keep a reserve in the condo account and how much---\$10000 is reasonable because of landscaping, walkways, etc that are condo expenses