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CRP 1077 595

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BYLAWS
OF
THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

STATE OF NORTH CAROLINA
COUNTY OF MCDOWELL

Prepared by and

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Cross Reference to Declaration:

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BYLAWS OF THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

WHEREAS, Oscar O. Vasquez and Lake James Properties, LLC, a North Carolina limited liability company (hereinafter collectively "Declarant" or "Developer") is the original developer of a subdivision known as The Arbor at Lake James (also commonly known as "The Arbor Subdivision" and "The Arbor on Lake James Subdivision" and hereinafter known as the "Subdivision");

WHEREAS, Declarant on or about October 4, 2002 duly incorporated The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation (also known in the Governing Documents as "The Arbor Homeowners' Association, Inc." and which hereinafter is referred to as the "Association") by filing Articles of Incorporation with the North Carolina Secretary of State to manage the affairs of the Association;

WHEREAS, Declarant has recorded a Declaration of Covenants, Conditions and Restrictions of the Arbor Subdivision and the Arbor Homeowners Association, Inc. and numerous Declaration(s) of Restrictive Covenants (each of which is recorded in one of the cited books and pages in the McDowell County Public Registry as set forth on the first page hereof, and which are collectively referred to as the "Governing Documents" or "Declaration" herein) to govern the Subdivision, all of which have common terms and provisions;

WHEREAS, both of the Association and Declarant desire to assure the attractiveness of the Subdivision, to prevent any future impairment thereof, to prevent nuisances and to enhance the value and amenities of all properties in the Subdivision; and

WHEREAS, both of the Association and Declarant desire to establish a system whereby the Lot Owners will pay for the maintenance and upkeep of the Subdivision Common Elements and Limited Common Elements (as applicable per Lot) in accordance with an established budget as set by the Board of Directors as set forth in a set of Association Bylaws, and

WHEREAS, both of the Association and Declarant, desire to formally organize a structure of the Association, which Association will be delegated and assigned the powers of: a) maintaining and administering the Common Elements, b) administering and enforcing the terms and provisions of the Governing Documents, its own Bylaws, and any promulgated Rules and Regulations, and c) collecting and disbursing the assessments and charges hereinafter described in order to efficiently preserve, protect and enhance the values and amenities in the Subdivision, and to ensure specific rights, privileges and easements in the Common Elements; and

WHEREAS, the operation of the Association is to be governed by Bylaws, but such have not yet been adopted by Declarant or Association; and

WHEREAS, the Declarant and Association are agreeable with instituting Bylaws for the governance of the Association, subject to the terms of the proposed Bylaws as set forth herein which

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was presented to the members of the Association in writing and said amendment was approved by more than 67% of the members in writing, and is also approved by the Declarant.

NOW THEREFORE, the following Bylaws is hereby adopted and shall govern the operation of the Association:

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Article I
General

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Section 1. Applicability. These Bylaws provide for the self-government of The Arbor at Lake James (also commonly known as “The Arbor Subdivision” and “The Arbor on Lake James Subdivision”), in accordance with the Articles of Incorporation filed with the Secretary of State and the Declaration.

Section 2. Name. The name of the corporation is The Arbor at Lake James Property Owners’ Association, Inc. (“Association”).

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in the Declaration, the Act (as hereinafter defined), the PC Act (as hereinafter defined), or in these Bylaws. Specifically, the following terms shall have the following meanings as used herein:

3.1 “Act” shall mean and refer to the North Carolina Non-Profit Corporation Act, currently codified as Chapter 55A of the North Carolina General Statutes, as the same may be amended from time to time.

3.2 “Annual Meeting” means the annual meeting of the Members held in McDowell County, North Carolina, within the second or third quarter of each calendar year, upon proper notice, at a date, time and at a place from time to time designated by the Board.

3.3 “Architectural Review Committee” shall mean and refer to the committee appointed to oversee the development and enforcement of architectural standards and restrictions with respect to the Subdivision and for the performance of certain other functions, and which is referred to as the “Committee” in the Governing Documents.

3.4 “Articles” or “Articles of Incorporation” shall mean those articles, filed with the Secretary of State of North Carolina, incorporating The Arbor at Lake James Property Owners’ Association, Inc., a North Carolina nonprofit corporation (also known in the Governing Documents as “The Arbor Homeowners’ Association, Inc.”) as a nonprofit corporation under the provisions of North Carolina State law, as the same may be amended from time to time.

3.5 “Assessments” means Regular Assessments and Special Assessments made by the Association against one or more Unit owners in accordance with these Bylaws, and which are for the purpose of funding one or more of the following five funds: a) the General Fund, b) the Road Fund, c) the Project Fund, d) the Contingency Fund and e) the Dock Fund, each as defined in these Bylaws.

3.6 “Association” shall mean and refer to The Arbor at Lake James Property Owners’ Association, Inc., a North Carolina nonprofit corporation (also known in the Governing Documents as “The Arbor Homeowners’ Association, Inc.”).

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3.7 “Board” or “Board of Directors” shall mean and refer to the Board of Directors of the Association.

3.8 “Bylaws” shall mean these Bylaws of the Association, as the same may be amended from time to time.

3.9 “Common Docks” shall mean and refer to those common docks described in the Declaration of Covenants, Conditions and Restrictions. Allocated rights to the Common Docks, per each Lot so allocated, shall be as set forth in the Declaration of Covenants, Conditions and Restrictions. Common Docks shall also include rights in and to non-dock areas (such as, without limitation, exclusive Common Docks parking areas and walkways to and from the Common Docks).

3.10 “Common Elements” shall mean all the real estate (including retention ponds, storm drainage improvements, entrance signage, streets (including any dedicated streets prior to their acceptance for public maintenance) and all landscaping and other improvements thereon) owned by the Association for the common use and enjoyment of the Owners.

3.11 “Common Expenses” shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Subdivision, including, without limitation thereof, operation of the Subdivision, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Elements; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefore; all liability for loss or damage arising out of or in connection with the Common Elements and their use; all premiums for hazard, liability and other insurance with respect to the Subdivision other than for the Lots (or any improvements thereon), the Septic Lots, or Limited Common Elements (such as, without limitation, Common Docks); all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. “Common Expenses” shall also include the cost of operation, maintenance, improvement, and replacement of any common facilities (except such facilities which are Limited Common Elements, such as, without limitation the “Common Docks”), including establishing reserves therefore. “Common Expenses” shall also include amounts incurred in replacing, or substantially repairing, capital improvements within the Common Elements of the Subdivision, including, but not limited to private road and parking lot resurfacing (but specifically excepting any Limited Common Elements). “Common Expenses” shall also include all reserve funds or other funds established by the Association other than such reserves specifically segregated for protection of, maintenance, repair or replacement of Limited Common Elements. Other than with respect to Limited Common Elements, the term “Common Expenses” shall be construed broadly.

3.12 “Declarant” or “Developer” shall mean and refer collectively to Oscar O. Vasquez and Lake James Properties, LLC, a North Carolina limited liability company, their successors and assigns.

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3.13 "Default" shall mean any violation or breach of, or any failure to comply with, the Governing Documents, these Bylaws or any Rules and regulations of the Association.

3.14 "Dwelling Unit" shall mean and refer to an individual family living or dwelling improvement on an individual Lot.

3.15 "Governing Documents" shall mean the Declaration of Covenants, Conditions and Restrictions of the Arbor Subdivision and the Arbor Homeowners Association, Inc. and numerous Declaration(s) of Restrictive Covenants (each of which is recorded in one of the cited books and pages in the McDowell County Public Registry as set forth on the first page hereof).

3.16 "Limited Common Element" shall mean and refer to any portion of the Common Elements allocated specifically for the exclusive use of one or more, but fewer than all of the Lots. It is understood that the Common Docks and those amenities associated therewith, are for exclusive use of those Lots having rights in and to the Common Docks, and are Limited Common Elements.

3.17 "Limited Common Expense" shall mean and refer to those Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element (including all costs of hazard, liability and other insurance associated therewith), and which shall be assessed only against the Lots to which that Limited Common Element is allocated or assigned. For division of Limited Common Expense associated with the Common Docks, Limited Common Expense shall be divided equally among each of the dock slots (notwithstanding the size or location of each dock slot relative to each other) listed on Addendum B, with all other areas of the Common Docks' Limited Common Elements being considered Limited Common Elements of all of the Lots having rights to one or more of the Common Docks (and which Limited Common Expense associated therewith shall be divided among all of the Lots having rights to the Common Docks in the same proportion as determined in this paragraph above).

3.18 "Lot" or "Lots" shall mean and refer to any parcel of land designated on the Plat upon which a Dwelling Unit has been, is, or may be constructed, but shall not include a Septic Lot. The Declarant has the right to establish additional Lots in accordance with the terms of this Declaration, and that Agreement Respecting Declarant and Association Operations between Declarant and Association of even date with the date of original adoption of these Bylaws.

3.19 "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Section 4 of this Article I below.

3.20 "Owner" or "Lot Owners" shall mean and refer to the record owner, including Declarant, whether one or more persons or entities, of a fee simple title to any Lot (other than a Septic Lot) located within the Subdivision, but excluding those having such interest merely as security for the performance of an obligation.

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3.21 "PC Act" shall mean and refer to the North Carolina Planned Community Act, currently codified as Chapter 47F of the North Carolina General Statutes, as the same may be amended from time to time.

3.22 "Rules and Regulations" shall mean and include any rules and regulations made from time to time by the Board of Directors as provided in these Bylaws.

3.23 "Septic Lot" shall mean and refer to each and every subdivided parcel of land in the Subdivision, which is privately owned by the owner of an adjoining Lot (upon which adjoining Lot a dwelling is or may be located), and upon which such parcel is located a septic field or other septic or sewer related systems for use by one or more adjoining Lot or Lots upon which a dwelling is or may be located. Septic Lots are not to be considered "Lots" for the purpose of these Bylaws, and no improvement other than septic fields and related septic or sewer systems may be placed on a Septic Lot. No vote or allocation of Common Elements or Common Expense as defined herein shall be allocated to any Septic Lot.

3.24 "Subdivision" or "Property" shall mean and refer to The Arbor at Lake James (also commonly known as "The Arbor Subdivision" and "The Arbor on Lake James Subdivision").

Section 4. Membership. An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse or a Cohabitant (a member of a "single family" as defined in the Declaration (hereinafter "Cohabitant")) of a member may exercise the powers and privileges of the member. If title to a Lot is held by more than one (1) person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title.

Section 5. Entity Members. In the event an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, manager of a limited liability company or representative of such other legal entity shall be eligible to represent such entity or entities in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity or entities which are the Owner, and termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy will be filled in accordance with these Bylaws.

Section 6. Voting. Each Lot shall be entitled to one (1) equal vote, which vote may be cast by the Owner, the Owner's spouse, the Cohabitant of the Owner, or by a lawful proxy as set forth herein; it being understood that the Developer shall be a voting member of the Association, and shall

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be entitled to one (1) vote for each Lot that Developer owns (and this paragraph, by and through Declarant executing these Bylaws, supersedes any other Declarant right to vote other than as set forth herein or in the Agreement Respecting Association and Declarant Operations (attached hereto as Addendum A)).

When more than one (1) Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. If only one (1) co-owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Lot. In the event of disagreement between or among co-owners and an attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Owner has had its voting rights suspended for the infraction of any provision of the Declaration, these Bylaws, or any rule of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a majority or a quorum.

Section 7. Purpose. The Association shall have the responsibility of administering the Subdivision, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Subdivision and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the North Carolina Nonprofit Corporation Act ("Act") and the Declaration. Except as to those matters which the Declaration or the Act specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Article II
Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the members shall be held during the second or third quarter of each year with the date, hour, and place to be set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President, a majority of the members of the Board of Directors, or upon written petition of Owners holding at least ten percent (10%) of the total eligible Association vote. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition setting the date, time and location of the meeting (which is not required to be the date, time or location requested in any petition submitted to the Association, but shall be no less than thirty (30) days nor more than sixty (60) days in advance of such meeting), and the Secretary shall send notice of the meeting in accordance with these Bylaws. Any special meeting called pursuant to written petition shall be set at a reasonable time at least thirty

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(30) and no more than sixty (60) days from the date of receipt of the petition by the Secretary. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver (in accordance with the notice provisions of Article VIII herein) to each of the Owners of Lots of record or to the Lots a notice of each annual or special meeting of the Association at least thirty (30) days prior to, but no more than sixty (60) days in advance of, each meeting. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove a director or officer. If any Owner wishes notice to be given at an address other than his or her Lot (or such other address than as described in Section 1 of Article VIII herein), the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order.

Section 5. Quorum. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, entitled to cast ten percent (10%) of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

Section 6. Adjournment. If at any meeting of the Association a quorum is not present, a majority of the Members present at such meeting in person or by proxy may recess the meeting to such date, time and place as such Members may agree not more than forty-eight hours after the time the original meeting was called, whereupon the Secretary shall make reasonable efforts to notify all Members of such date and time. Once quorum is established at a meeting, the meeting may not be adjourned prior to the conduct of all scheduled business to come before it (and notwithstanding that quorum may be lost due to Members leaving the meeting) except that in the event of inclement weather (as reasonably determined by the President of the Association) a majority of the Members present at such meeting, in person or by proxy, may recess the meeting to such date, time and place as such Members agree not more than forty-eight hours after the time the original meeting was called, and no additional notice of such reconvened meeting shall be required. Any business that could be transacted properly at the original session of the meeting properly recessed pursuant to the terms of this Section 6 may be transacted at a reconvened session.

Section 7. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Secretary by personal delivery, U.S. mail, electronic

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mail, or facsimile transmission. Proxies may be revoked only by written notice delivered to the Secretary, except that: (a) the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting; and (b) a later dated proxy shall automatically be deemed to invalidate any previously given proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. A proxy terminates at the conclusion of the meeting for which it was given.

Section 8. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written ballot or written consent form to every member entitled to vote on the matter as specified below.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All questions shall be decided by a majority of the votes cast on the question, unless the provisions of applicable law, the Declaration or these Bylaws require a greater vote.

All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its files for at least three (3) years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents setting forth the actions taken is received and equals or exceeds the requisite majority of the voting power required to pass such action at a meeting held on the date that the last consent is executed. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the members is approved by written consent hereunder, the Board shall issue written notice of such approval to all members who did not sign written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 9. Order of Business. At all meetings of the Association, Robert's Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws or the Articles of Incorporation, unless a majority of Owners present at a particular meeting vote to suspend Robert's Rules at that meeting.

Article III
Board of Directors

A. Composition and Selection

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Section 1. Composition and Eligibility. The affairs of the Association shall be governed by a Board of Directors. The directors shall be Owners or spouses or Cohabitants of such Owners; provided, however, no Owner and his or her spouse or Cohabitant may serve on the Board or as an officer at the same time, and no co-owners may serve on the Board or as an officer at the same time. No persons shall be eligible to be elected to or continue to serve on the Board of Directors if they are shown on the books and records of the Association to be more than sixty (60) days delinquent in the payment of any assessment or charge by the Association. Directors shall not be eligible to serve more than two (2) consecutive full, three (3) year terms without first resigning from the Board for at least one (1) year. The Board shall designate or select a chairman from among the Board members, and shall not be prohibited from selecting as Chairman any of the officers of the Association.

Section 2. Number of Directors and Term of Office. The Board of Directors shall consist of five (5) members, each of whom shall serve a three (3) year term. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 3. Removal of Members of the Board of Directors. At any annual or special meeting of the Association duly called, any one or more Board members may be removed with or without cause by a majority of the members of the Association entitled to elect said director, and a successor may then, at such meeting, be elected to fill the vacancy thus created. Further, any director who is more than sixty (60) days past due in the payment of any assessment or charge shall be automatically removed from the Board of Directors, even if the director subsequently pays the amount owed, and the vacancy shall be filled as provided below. Any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed shall be given at least thirty (30) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies. Vacancies in the Board caused by any reason, except the removal of a director by vote of the membership, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office until the next annual meeting at which time a successor shall be elected to fill the remainder of the term of the director being replaced.

Section 5. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a majority of eligible votes of the Association. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors.

Section 6. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director

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shall be entitled to be present at any meeting at which the proposed contract is discussed but shall not be entitled to participate in the discussion of the proposed contract, unless expressly requested or authorized by the Board.

Section 7. Ballot. Candidates for election to the Board shall be presented to the members by the Election Committee appointed in accordance with these Bylaws. The Election Committee shall solicit qualified candidates for election to the Board of Directors from the membership by sending notices to members and/or by posting notices on the Association's website. Candidates shall be Owners or spouses or Cohabitants of such Owners in good standing. Any Owner, spouse or Cohabitant in good standing who desires to be a candidate for a vacancy on the Board of Directors must submit his/her name to the Election Committee at least forty-five (45) days prior to the election in order for their name to be included on the written ballot.

Candidates for each Board position may provide to the Election Committee a brief statement, including a resume and objectives, for distribution with the ballot. The ballots shall be prepared by the Election Committee and shall describe the vacancies to be filled and set forth the names of the candidates. The ballot and candidates' statements shall be mailed by the Secretary to all voting members at least thirty (30) days prior to the Election.

Section 8. Elections. The election of the Board of Directors shall be conducted as follows:

(a) The voting for the election of directors to the Board of Directors shall be conducted at the annual meeting of the Association membership. Election to the Board of Directors shall be by written ballot. At the election each Member, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. All written ballots of Members received by the Secretary of the Association prior to the date of the annual meeting shall be counted unless the Member sending in a written ballot attends the annual meeting. Each of the persons receiving the largest number of votes shall be elected to fill the vacancies being elected. Cumulative voting is not permitted.

(b) At any Association meeting at which an election of one or more Directors is to occur, prior to casting of ballots at such meeting, any person otherwise eligible for election to the Board of Directors pursuant to Section 1 of this Article III, and not already on the written ballot, shall be given the opportunity to nominate himself or herself for election to the Board. In the event of such a self nomination, the person so self nominated may be voted for by being written-in on the ballot, but such self nomination shall not affect the tabulation of ballots properly received by the Secretary of the Association for tabulation prior to the date of such meeting.

(c) Immediately after the conclusion of the annual meeting, the Election Committee shall convene and the ballots will be opened and counted by any three (3) current officers or Board members, none of whom shall be on the current ballot. Each ballot shall be verified: 1) as properly cast by members eligible to vote, and 2) that no more than one ballot is cast for any one individual Lot. Each ballot so verified shall have its votes tallied for each Board vacancy. Ballots which cannot be properly verified (including all ballots cast for an individual Lot when more than one ballot for such individual Lot has been received) shall not be counted or tallied.

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Association members shall be notified of the results of all elections by the Election Committee, as required by the PC Act.

B. Meetings

Section 1. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The newly elected Board shall meet within thirty (30) days after each annual meeting of the membership.

Section 2. Special Meetings. Special meetings of the Board may be called by the Chairman on seven (7) days notice to each director given by regular first class or electronic mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice President, Secretary, or Treasurer in like manner, and on like notice on the written request of at least two (2) directors or as otherwise specifically permitted by law. Notice to members of such special meetings shall be posted on the Association's website simultaneously with notice given to Board members.

Section 3. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 4. Conduct of Meetings. The Chairman of the Board shall preside over all meetings of the Board of Directors. The Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings, including a record of how each Board member votes on each resolution and item that comes before the Board. A majority of directors present at the beginning of a meeting shall constitute a quorum for the transaction of business. One (1) or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 5. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. Further notwithstanding the above, in accordance with the requirements of 47F-3-108 of the North Carolina Planned Community Act ("NCPCA" or "PC Act" herein), the Board will, at such times as it determines, but no less than once annually, provide members an opportunity to speak at a meeting of the Board about issues or concerns; provided that the Board may place reasonable restrictions on the

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number of persons who may speak at any such meeting, and reasonable time restrictions on the persons who are allowed to speak.

Section 6. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if a majority of the directors consent to such action in writing, sent via hand delivery, regular first class, electronic mail or facsimile. Such consents must describe the action taken and be signed by no fewer than a majority of the directors and any such consent to action shall be filed with the minutes of the Board of Directors.

Section 7. Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors participating by telephone shall be deemed to be present at such meeting for quorum and other purposes. Any such meeting at which a quorum participates shall constitute a regular or special meeting of the Board.

C. Powers and Duties

Section 1. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Subdivision and may do all such acts and things as are not by the Declaration, the Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the powers enumerated in the PC Act, including, but not limited to, the following:

- (a) presentation with the Treasurer of the annual budget prepared by the Finance Committee, in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) subject to the provisions of Article VI herein, the making assessments to defray the Common Expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all of the Common Elements as defined in the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Elements and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth under North Carolina law, and using the proceeds to administer the Association;

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(f) proposing to the Association membership new rules and regulations, or amendments to existing rules and regulations, for consideration pursuant to Article V herein, and imposing sanctions for violation thereof, including, without limitation, monetary fines;

(g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Elements in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the Association, and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and maintaining adequate fidelity coverage and bond to protect against dishonest acts on the part of officers, directors, and employees and others who handle or are responsible for handling funds of the Association, the premium for which shall be a Common Expense;

(k) obtaining and maintaining adequate insurance coverage to protect the improvements within the Subdivision and other property owned or leased by the Association, obtaining and maintaining, to the extent obtainable, directors' and officers' insurance, and public liability and property damage insurance in such limits and with such deductibles as the Board may from time to time determine; obtaining and maintaining such other insurance as the Board may determine and such insurance as is necessary to meet the requirements of the law;

(l) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;

(m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

(n) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, or other associations or corporations.

Section 2. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract by the Association with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

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Section 3. Borrowing. Except as may be set forth in the Declaration, the Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration, or improvement of the Common Elements and facilities, and for other purposes, with the approval of a majority of the members of the Association.

Section 4. Liability and Indemnification of Officers, Directors and Committee Members. The Association shall indemnify every officer, director, and committee member against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director or committee member, whether or not such person is an officer, director or committee member at the time such expenses are incurred subject to the limitations below. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, director or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance. The Association, in determining whether or not to indemnify a director, officer or committee member, shall not impute knowledge to said director, officer or committee member from any source whatsoever; rather, any such determination shall be based on the actual knowledge of the director, officer or committee member. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors and committee members may also be members of the Association), and the Association shall indemnify and forever hold each such officer, director or committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member or former officer or director may be entitled. In addition, the Association is authorized to maintain Officers and Directors Liability Insurance.

D. Committees

Section 1. Standing Committees. The Standing Committees of the Association shall be as follows:

- (a) Election Committee
- (b) Architectural Review Committee
- (c) Common Element Maintenance Committee
- (d) Finance Committee
- (e) Dock Committee

Section 2. Duties and Composition of Committees. Each Committee shall consist of at least three (3) Association members, the exact number to be decided by the Board.

(a) Election Committee. The Election Committee shall have three (3) members, each of whom shall be appointed by the Board, one of whom shall be designated by the Board as

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Chairperson of the Committee. The Board shall appoint the Election Committee at least ninety (90) days prior to the annual meeting. The Election Committee shall compile a slate of candidates for election to the Board of Directors as set forth in Article III, A, Section 7, none of whom may be members of the Election Committee.

(b) Architectural Review Committee. The Architectural Review Control Committee shall establish and maintain standards in the Subdivision as provided in the Declaration (reference General Use Restriction section 2 of each of the individual Governing Documents).

(c) Common Element Maintenance Committee. The Common Element Maintenance Committee shall advise the Board of Directors on matters pertaining to the maintenance (including the maintenance, upkeep and care of the Subdivision roads, roadside, entryway and adjoining areas thereto), repair, improvement or construction of the Commons Elements, and other functions as directed by the Board.

(d) Finance Committee. The Finance Committee shall supervise the annual audit of the Association's books, and prepare an annual budget and financial reports for dissemination by the Treasurer and Board of Directors to the Members of the Association in accordance with Article VI, Section 1 herein, which budget shall be prepared and submitted to the Board of Directors no less than sixty (60) days prior to the annual meeting of the Association. Both the Treasurer and President of the Association shall be ex-officio members of the Finance Committee.

(e) Dock Committee. The Dock Committee shall advise the Board of Directors on matters pertaining to the maintenance, repair, improvement, construction, use and enjoyment of the Common Docks, and other functions related thereto as delegated by the Board of Directors.

Section 3. Other Committees. There shall be other committees as the Board in its discretion shall deem appropriate to assist in the conduct of the affairs of the Association. Such committees shall have the composition, powers and duties that the Board shall authorize.

Section 4. Service on Committees. Unless otherwise provided in these Bylaws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President. Any committee member appointed by the President may be removed by the President with or without cause at any time and with or without a successor being named. Any committee member appointed by the Board may be removed by the Board with or without cause at any time and with or without a successor being named. All Committees, except the Election Committee and the Architectural Review Committee, shall have the power to appoint a subcommittee among its members and may delegate to such subcommittee any of the Committee's powers, duties and/or functions. Notwithstanding the above, only members who own Lots to which rights in the Common Docks have been allocated may be appointed and serve on the Dock Committee.

Article IV
Officers

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Section 1. Designation. The principal officers of the Association shall be selected by the Board. There shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be Association members. No two offices may be held by the same person except the Secretary and Treasurer, who may be the same person, and except that a member of the Board of Directors may also be an officer of the Association. The Board may appoint Assistant Secretaries and/or Treasurers as the Board deems necessary.

Section 2. Election of Officers. The Association officers shall be selected annually by the Board at the first Board meeting following each annual meeting of the members (which Board meeting shall be held in accordance with Article III, B, Section 1 of these Bylaws) and shall hold office at the pleasure of the Board and until a successor is selected. The Board of Directors, after completing its selection of officers of the Association, shall notify the membership of the names and addresses of the officers as required by the PC Act.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and a successor may be selected.

Section 4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Act.

Section 6. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under North Carolina law.

Section 8. 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, for preparing financial statements, including but not limited to annual balance sheets, income statements and cash flow statements, and tax returns, and for the deposit of all monies, including general assessments and other fees owed to the Association, and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the presentation of the annual budget prepared by the Finance Committee to the Board for their consideration of such for presentation to the Association membership. The Treasurer shall be responsible for providing reports to potential transferees of Lots indicating whether the Lot is delinquent in payment of general assessments or other fees. The Treasurer may

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delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent, accountant, or a bookkeeper approved by the Board.

Section 9. Other Officers. Other offices may be created by the Board, and the persons who hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Execution of Agreements. Etc. All agreements, deeds, mortgages, or other instruments of the Association shall be executed by the President or Vice President, or by such other person or persons as may be designated by the Board of Directors, unless the terms of the Declaration or Bylaws provide otherwise.

Section 11. Compensation of Officers Restricted. No officer shall be compensated for his or her services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

Article V

Rule Making and Enforcement

Section 1. Authority, Enforcement and Classification. Except as otherwise set forth in this Article V, only the Association Membership shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of the Common Elements, or promulgated for the reasonable enforcement of the terms of the Declaration; provided: 1) that all such rules and regulations shall include specific fines, penalties and enforcement procedures (if different than set forth in these Bylaws) within its terms, and 2) that copies of all such rules and regulations shall be furnished to all Owners and occupants. Any rule or regulation may be made, modified or repealed by the affirmative vote or written consent of a majority of the total Association vote at an annual or special meeting of the membership. Every Owner and occupant shall comply with the Declaration, Bylaws and rules and regulations of the Association, and any lack of compliance therewith shall entitle the Association and, in an appropriate case, one (1) or more aggrieved Lot Owners, to take action to enforce the terms of the Declaration, Bylaws or rules and regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Elements (except as such suspension shall not be permitted under applicable law) for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, Bylaws, or a rule or regulation and a penalty is imposed, notice of such violation and the right to a hearing shall be sent to the Owner and occupant, and any fine shall first be assessed against such occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Lot Owner shall pay the fine upon notice from the Association, and the fine shall be an assessment and a lien against the Lot until paid. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

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Each rule or regulation shall be classified as one of three types. All rules and regulations to be considered for adoption shall originate in the Board of Directors, and the promulgation of such shall be governed in accordance with the following:

- (a) **Common Element Administration Rules and Regulations.** The Board of Directors shall propose any rule or regulation regarding the administration of the common elements of the Subdivision by submitting it to the Association members, who shall have a (30) thirty day period to make comment thereon to the Board of Directors. After the expiration of the thirty (30) day period for comment, the Board may immediately thereafter impose such rule or regulation, in its original form, or as revised based upon such comment, in the Subdivision. At the next annual meeting of the Association after the imposition of any such rule or regulation, the rule or regulation shall be considered for ratification by the Association membership. In the event that any such rule or regulation is not ratified, any outstanding fines or outstanding enforcement shall be forgiven and / or suspended (as appropriate).
- (b) **Lot Use Rules and Regulations.** The Board of Directors shall propose any rule or regulation which restricts or limits the use of any one or more individual Lot within the Subdivision by: 1) making its own determination that such rule or regulation is reasonably necessary to enforce one of more of the terms of the Declaration, 2) consulting with the regularly employed Association attorney and obtaining advice on whether or not it is his or her belief that the rule or regulation proposed is reasonably related to enforcement of the existing Declaration terms, and 3) submitting it to the Association members, who shall have no less than a (30) thirty day period prior to the next annual meeting of the Association membership to make comment thereon. In such event, the Association membership shall have the opportunity to vote for or against such rule or regulation at the next annual meeting of the Association, with mail in voting being permitted as set forth in Article II above. Any such proposed rule shall not be applied or enforced by the Board of Directors or Officers until it has been adopted by the Association membership.
- (c) **Safety and Emergency Rules and Regulations.** The Board of Directors shall propose any rule or regulation which is necessary for safety or emergency reasons requiring immediate attention by: 1) making its own determination that such rule or regulation is reasonably necessary to enforce one of more of the terms of the Declaration, 2) consulting with the regularly employed Association attorney and obtaining advice on whether or not it is his or her belief that the rule or regulation proposed is reasonably related to enforcement of the existing Declaration terms. In such event, the Board of Directors may call a special meeting of the Association membership for consideration of, and vote on, such rule or regulation with mail in voting being permitted as set forth in Article II above.

Section 2. Fining and Suspension Procedure. The Board shall not impose a fine or suspend the right to vote or to use the Common Elements (unless an Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association in which case such suspensions shall be automatic; provided further, however,

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suspension of common utility services shall require compliance by the Board with the provisions of the Declaration, where applicable) unless and until notice of the violation is given as provided in subsection 2(a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection 2(b) below. Any fine imposed pursuant to this section shall not exceed the limit established by Section 47F-3-107.1 of the PC Act as it may be amended from time to time.

(a) Notice. If any provision of the Declaration or Bylaws or any rule or regulation of the Association is violated, the Board shall serve the violator with written notice delivered as set forth in Article VIII herein, which shall state: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both, by written challenge and written request for a hearing before the Board, which request must be received by the Board within ten (10) days of the date of the notice; (iv) the name, address, and telephone number of a person to contact to challenge the proposed action. If a timely challenge is made and the violation is cured within ten (10) days of the date of the notice, the Board, in its discretion, may, but is not obligated to, waive any sanction or portion thereof. In the event of a continuing violation, each day the violation continues, or each additional occurrence of such violation, shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(b) Hearing. If the alleged violator timely challenges the proposed action, a hearing before the Board of Directors shall be held in executive session affording the violator a reasonable opportunity to be heard. The hearing shall be set at a reasonable time and date by the Board, and notice of the time, date (which shall be not less than ten (10) days from the giving of notice without the consent of the violator), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. Proof of such notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered such notice. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. This Section shall be deemed complied with if a hearing is held and the violator attends and is provided an opportunity to be heard, notwithstanding the fact that the notice requirements contained herein are not technically followed.

Section 3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, the Bylaws, or the rules and regulations by self-help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Association by and through its duly authorized officers, or its duly authorized agent, shall have the power to lawfully enter a Lot or upon any portion of the Common Elements to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the Bylaws, or properly enacted rules and regulations; provided, however,

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written notice shall be given to the Owner of the Lot at least ten (10) days prior to the time that any items of construction are altered or demolished. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided herein for the collection of assessments.

Article VI
Budget

Section 1. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year, to present to the membership of the Association a budget covering the estimated Common Expenses of the Association during the coming fiscal year, as drafted by the Finance Committee. Except as provided elsewhere in the Declaration or Bylaws, the amount of Common Expenses shall be assessed equally against all Lots that are subject to assessment. The assessments, budgeted revenue and expenses shall be divided into five different accounts:

- (a) The General Fund into which all operating revenue and annual assessments are deposited. Budgeted expenditures come out of this fund.
- (b) The Road Fund into which funds are deposited from the general fund for the purpose of repaving paved portions of roads in the development.
- (c) The Project Fund into which all impact fees are deposited. Funding for special projects or capital improvements comes from this fund.
- (d) The Contingency Fund into which any excess budget funds shall be deposited is for emergency expenditures.
- (e) The Dock Fund into which funds are deposited for the upkeep, care, maintenance and replacement of the Common Docks (and related Limited Common Element facilities), including without limitation the expense of an appropriate amount of casualty and liability insurance thereon as determined by the Board of Directors within the budget) and from which expenditures for such items of expense are paid. Assessments to fund the Dock Fund are only assessed to and collected from those Lots which are allocated use of one or more dock slots in a Common Dock, and thereby have rights in and to the Common Docks (and related limited common element facilities).

The annual assessment to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total revenue to the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessments on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

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Within thirty (30) days after adoption of the budget for the Subdivision, the Board shall provide to all Owners a summary of the budget along with the notice of the annual meeting. The Board shall submit the budget for ratification of the Members at the annual meeting. The budget is ratified unless at that meeting a majority of all Owners voting reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board. Notwithstanding the above, for years following the first year (or portion thereof) in which a budget is drafted and approved by the Association, if the Board of Directors adopts a budget whereby the increase in the annual assessment is increased by no more than an amount equal to the previous year's annual assessment multiplied by the greater of (i) ten percent (10%), or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84=100) hereinafter "CPI" issued by the U.S. Bureau of Labor Statistics for the most recent 12 month period for which the CPI is available, the budget as provided to the Owners in summary form shall be deemed approved without ratification or further consideration by the Members at the annual meeting of the Association. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating change in the cost of living. If the annual assessment is not increased by the maximum amount permitted under the terms of this paragraph, the difference between the actual increase which is made and the maximum increase permitted for that year as determined pursuant to this paragraph above, shall be computed and the Board shall be authorized to increase the annual assessment for that fiscal year up to an additional amount equal to such difference so computed, at any time during such year by a vote of the Board of Directors, without further vote or ratification of the Members of the Association.

Any amount accumulated in excess of the amount required for actual expenses of any of the General Fund, Road Fund or Project Fund in any fiscal year, shall, at the conclusion of such fiscal year, be promptly credited to the Contingency Fund for use in such Contingency Fund in following fiscal years. In the event that any amount is accumulated in excess of the amount required for actual expenses of the Dock Fund in any fiscal year, such amount shall remain as a reserve in the Dock Fund for use in such Dock Fund in following fiscal years. Excess amounts so accumulated in the Contingency Fund or Dock Fund as a reserve pursuant to the immediately preceding sentences may be considered in determination of an appropriate budget amount in the following fiscal year budget of the Contingency Fund and Dock Fund, if the Board of Directors determines in its absolute discretion to do so; and notwithstanding anything else herein to the contrary, the Board of Directors may, instead of crediting excess funds to the Contingency Fund or Dock Fund (as the case may be, as set forth above) refund to the Lot Owners, or credit to them against current year assessments (in the same proportions as each such Lot Owner contributed) such excess amounts (or portions thereof), if the Board shall determine, in its absolute discretion to do so (it being understood that nothing herein shall be construed as a requirement upon the Board of Directors to make such a determination).

Section 2. Non-Budgeted Improvements, Repairs or Projects. If the Board proposes at any time to commit the Association either: 1) to long term (i.e., five (5) or more years) indebtedness, or 2) to expenditures in excess of \$50,000.00 for new or upgraded amenities on the Common Elements, or 3) any non-budgeted expenditure of the Project Fund (as defined above), the Board shall first prepare and adopt a Proposal of Non-Budget Debt or Expenditure (hereinafter the

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“Proposal”) detailing the proposed indebtedness and/or expenditures and the proposed method of repayment or funding thereof.

The Board shall, within thirty (30) days after its adoption of the Proposal, provide the members with a summary of the Proposal and set a date not less than fourteen (14) or more than thirty (30) days after the mailing of the summary for a Special Meeting of the Association membership to consider and vote upon each such Proposal. The quorum requirements set forth in Article II of these Bylaws shall apply. Members may vote in person or by proxy at such meeting. A Proposal is ratified if approved by a majority of eligible members voting in person or by proxy at such meeting. A rejected Proposal may be resubmitted at another meeting of members duly called for that purpose, with such amendments to the Proposal as the Board may deem appropriate.

Section 3. Emergency Expenditures. In the event of a catastrophic emergency affecting the Subdivision and requiring the immediate attention of the Association, the Board of Directors may take such steps, and allocate all or a portion of the Contingency Funds it reasonably determines to be necessary and prudent to protect the interest of the Subdivision. Notwithstanding Section 2 above, in the event of a catastrophic emergency requiring an immediate response by the Subdivision in which the cost of such emergency is anticipated to exceed \$50,000.00, the Board may take such steps, allocate such funds and/or incur such indebtedness as it reasonably determines to be necessary or prudent to protect the interest of the Subdivision. In such event, the Board shall promptly convene a special meeting of the members in accordance with Article II, Section 2 to review steps taken and to consider appropriate future courses of action. In the event that the Contingency Fund (as above defined) is inadequate to cover the costs and expenses related to any such emergency, the Board of Directors may call a Special Meeting of the Association Membership for consideration of a Special Assessment of the Membership to fund such emergency.

Section 4. Special Assessments. In addition to the Annual Assessment, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of acquisition, construction, reconstruction, renewal, repair or replacement of a capital improvement upon the Common Elements, provided such assessment is first approved by a vote of two-thirds (2/3) of the votes cast (except that in the event of emergency pursuant to Section 3 above the assessment shall be approved upon a simple majority vote of the total Membership) at a duly noticed annual meeting of the Association membership, subject to the quorum requirements set forth herein, and subject to the requirement that a description of the proposed Special Assessment is sent in writing to the Members of the Association at least thirty (30) but not more than ninety (90) days prior to such meeting. Except as set forth in Section 3 above, all Special Assessments shall only be considered and voted on by the Association Membership at the Annual Meeting of Members. Any Special Assessment may be payable in one or more installments, which payment schedule shall be included as a part of the Special Assessment notice to be voted upon at such meeting.

Section 5. Repairs, Improvements to Common Elements. The Board shall seek to obtain at least two (2) reliable and detailed estimates of the cost of any repair, addition, alteration or improvement to the Common Elements if such repair, addition, alteration or improvement is estimated to cost \$5,000.00 or more. Any agreement for such repairs, additions, alterations or improvements must be in writing if: 1) the estimated cost of such work is \$5,000.00 or greater, and

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2) the repair, addition, alteration or improvement was not previously authorized, contracted for or included as an approved line item in the current or prior duly adopted Association budget.

Section 6. Failure to Prepare Budget and Levy Annual Assessment: Deficiencies in Procedure. The failure of the Finance Committee or the Board, or delay of the Finance Committee or the Board in preparing any budget, and to levy or in levying assessments, shall not constitute a waiver or release of the obligation to pay assessments whenever the same shall be determined and levied by the Board. Until a new assessment is levied pursuant to the Declaration and these Bylaws, the payment of the assessments then previously levied pursuant to the Declaration and these Bylaws shall be paid in the same amount and at the same periodic times as levied, or as the Board may otherwise advise in writing. Also, any deficiencies or inadequacies in the procedure followed by the Finance Committee, or the Board, in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

Article VII
Insurance and Casualty Losses

Section 1. Insurance on Property Maintained by the Association.

(a) The Board shall have the authority and shall obtain hazard insurance for all insurable improvements on the Common Elements, Limited Common Elements and other property, if any, maintained by the Association. This insurance shall include, at a minimum, coverage for fire, wind, storm, hail, vandalism, malicious mischief and civil commotion and shall be in an amount sufficient to cover the full replacement cost of such insurable improvements. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

(b) The Board shall obtain a public liability policy applicable to the Common Elements and the Limited Common Elements caused by the negligence of the Association, its officers, directors, committee members, and agents in their capacities as such with a combined single limit of at least \$1,000,000.00

(c) The Board shall obtain a directors' and officers' liability insurance policy with a limit of at least \$1,000,000.00.

(d) Premiums for all insurance obtained by the Association shall be a common expense, except that a portion of such expense (as determined by the Board of Directors in its reasonable discretion) reasonably related to Limited Common Elements (including without limitation the Common Docks) may be allocated specifically to the Lots or owners benefiting from such Limited Common Elements. The policies may contain a reasonable deductible, and the amount thereof shall be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

(e) All such insurance coverage obtained by the Board shall be written in the name of the Association for the benefit of the Association. Such insurance shall be governed by the provisions hereinafter set forth:

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(i) All policies shall be written with a company licensed to do business in North Carolina.

(ii) Exclusive authority to adjust losses under the Association's policies shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related hereto.

(iii) The Board shall be required to make every reasonable effort to secure insurance policies that will provide: (a) a waiver of subrogation by the insurer as to any claims against the Association, its officers, directors and manager, the Owners and their respective tenants, servants, agents, and guests; (b) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash; (c) a provision that no policy may be canceled, invalidated, suspended or subjected to non-renewal on account of any one or more individual Owners; and (d) that no policy may be canceled or substantially modified or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association.

(f) In addition to the other insurance required by this Section, the Board shall obtain a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, regardless of whether they are compensated by the Association. The amount of fidelity coverage shall be determined by the Board using its best business judgment.

Section 2. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the improvements on the Common Elements or other property, if any, maintained by the Association as a result of any event covered by the Association's insurance, unless two-thirds (2/3) of the Lot Owners vote not to proceed with the reconstruction and repair of the structure, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure.

(a) Cost Estimates. After a casualty causing damage to the Common Elements or other property, if any, maintained by the Association, the Board shall obtain at least two (2) reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the same condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable codes. Such costs estimates may also include professional fees and premiums for such bonds as the Board determines to be necessary.

(b) Source and Allocation of Proceeds. If insurance proceeds are not sufficient to defray the estimated costs of reconstruction and repair of the Common Elements or other property, if any, maintained by the Association, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment in an amount necessary to cover the insufficiency shall be made against all of the Owners without the necessity of a vote of the Association or compliance with Article VI, Section 2 above. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be distributed equally to the Owners or credited to the next assessment chargeable to the Owners.

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(c) Plans and Specifications. Any reconstruction or repair of the Common Elements or other property, if any, maintained by the Association shall be substantially in accordance with the plans and specifications under which the property was originally constructed, except where changes are necessary to comply with current applicable codes.

Article VIII
Miscellaneous

Section 1. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid, or electronic mail:

(a) If to a Lot Owner, at the address which the Lot Owner has designated in writing and filed with the Secretary, or by electronic mail to the Lot Owner's Registered E-Mail Address, or if neither or such addresses have been designated, at the address of the Deed of Sale of the Lot;

(b) If to an occupant, at the address of the Lot occupied; or

(c) If to the Association or the Board of Directors, at the principal office of the Association, if any, or at such other address as shall be designated in writing and filed with the Secretary.

(d) If to the Association members for special meetings, in addition to the notice given in subsections (a) and (b) of this Section 1, by posting on the Association's website (if any).

Section 2. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association shall be September 1st through August 31st.

Section 6. Financial Review. A review of the accounts of the Association shall be performed annually as a Common Expense by an independent accountant or bookkeeper after the close of each fiscal year. Such statement shall be made available to the holder, insurer, or guarantor

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of any first mortgage on a Lot upon submission of a written request and must be available within one hundred twenty (120) days of the Association's fiscal year end.

Section 7. Conflicts. The duties and powers of the Association shall be those set forth in the PC Act, the Declaration, these Bylaws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of the PC Act, the provisions of said PC Act shall control unless the PC Act permits these Bylaws to override the PC Act, in which event these Bylaws shall control. If there are conflicts or inconsistencies between the Declaration, these Bylaws, the Articles of Incorporation, or Rules and Regulations promulgated in accordance with these Bylaws or the Declaration, then the provisions of the Declaration, the Articles of Incorporation, these Bylaws, and the Rules and Regulations in that order, shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

Section 8. Amendment. Amendments to these bylaws may be proposed by the Board or by written application of twenty-five percent (25%) of the eligible members of the Association. Except where a higher vote is required for action under a particular provision of the Declaration or Bylaws, in which case such higher vote shall be necessary to amend, these Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding two-thirds (2/3) of the total vote of the Association. No amendment shall become effective until it is certified by the President and Secretary of the Association and recorded in the McDowell County North Carolina Public Records. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with the Declaration and Bylaws. Owners whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the amendment requirement.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. Books and Records.

(a) All members of the Association and any holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least thirty (30) days before the date on which the member or mortgagee wishes to inspect and copy:

(i) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

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- (ii) its Bylaws or restated Bylaws and all amendments to them currently in effect;
- (iii) resolutions adopted by either its members or Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (iv) resolutions adopted by either its members or Board of Directors relating to the characteristics, qualification, rights, limitations, and obligations of members or any class or category of members;
- (v) the minutes of all meetings of members and records of all actions approved by the members for the past three (3) years;
- (vi) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years;
- (vii) a list of the names and business or home addresses of its current directors and officers; and
- (viii) its most recent annual report delivered to the Secretary of State.

(b) A member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the member wishes to inspect and copy only if the member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member; the member describes with reasonable particularity the purpose and the records the member desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

- (i) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the members, and records of action taken by the members or the Board without a meeting, to the extent not subject to inspection under subsection 9(a);
- (ii) accounting records of the Association; and
- (iii) the membership list only if for a purpose related to the member's interest as a member. Without the consent of the Board, a membership list or any part thereof may not be: used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any person.

The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Member.

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Notwithstanding anything to the contrary, the Board may limit or preclude member inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other members. Minutes for any Board or Association meetings do not become effective and an official Association record until approved by the Board or Association membership, as applicable, at a subsequent meeting.

Section 10. Limitation of Liability. **THE ASSOCIATION MAY, BUT SHALL NOT BE REQUIRED TO, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SECURITY IN THE SUBDIVISION. EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT THE ASSOCIATION IS NOT A PROVIDER OF SECURITY. THE ASSOCIATION HAS NO DUTY TO PROVIDE SECURITY IN THE SUBDIVISION. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT OWNERS, OCCUPANTS, AND OTHER PEOPLE WILL NOT COMMIT CRIMINAL ACTS IN THE SUBDIVISION OR THAT UNAUTHORIZED PEOPLE WILL NOT GAIN ACCESS TO THE SUBDIVISION. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY, AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER. THE ASSOCIATION, THE BOARD, AND OFFICERS SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN.**

Section 11. Depository. The Board shall designate a depository for the funds of the Association, and may change such depository at any time, and from time to time. Withdrawal of funds from such depository shall be only by checks signed by any two (2) officers of the Association, or as otherwise authorized by the Board.

Section 12. Registered E-Mail Address. Each Member and / or Lot Owner shall, at all times, keep on record with the Secretary of the Association a current e mail address which shall be the official e-mail address for use by the Association, and its Officers and Board of Directors for informally corresponding with each such Member and / or Lot Owner and for use by the Association, and for giving the Member or Lot Owner fair and reasonable notice of all meetings of the Association Membership and Board of Directors (the "Registered E-Mail Address").

Section 13. Special Common Docks Provisions. The following terms regulate the use and enjoyment of the Common Docks, however, the below are not intended to be exclusive, and the Board may promulgate additional reasonable rules and regulations with respect to the use and enjoyment of the Common Docks from time to time in its sole discretion in accordance with the provisions of Article V herein:

- (a) Use and Enjoyment Restricted. The Common Docks, and each dock slot thereon, may only be used by each Owner of a Lot which is allocated the right to a Common Docks dock slot, and their family, family guests or tenants having possession of such

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Owners' Lot so allocated, for the sole purpose of the docking of recreational boats that fit within the dock slot so allocated to such Owner's Lot.

- (b) No Leasing. Except as set forth in subsection (a) of this Section 13 above, no right to any of the Common Docks may be leased by the Owner of the Lot to which such Common Docks Limited Common Element has been allocated, regardless of whether the proposed tenant or lessee of such right is an Owner of a Lot within the Subdivision, whether in the form of a lease, timeshare, cooperative, licensing or other arrangement that would entail hourly, daily, weekly, monthly or any other type of revolving or periodic use.
- (c) Re-allocation between Lots. Notwithstanding the provisions of subsection (a) and (b) of this Section 13, the specific allocated Limited Common Element interest in a Common Docks dock slot may be reallocated from one Lot to another Lot upon application to the Board by the Lot Owners of each of the affected Lots stating the proposed reallocation, however no more than one Lot may be allocated any specific dock slot Limited Common Element at any time. Unless the Board determines that the reallocation is not in conformity with the requirements of this Section 13, the Association, through its Board and at the expense of the Owners filing the application, shall prepare and record an amendment to these Bylaws which identifies the Lots involved, states the reallocation, and is executed by the Association and the Owners of the two Lots involved.

Section 14. Recordation. Upon adoption, these bylaws, and all amendments thereto, shall be recorded in the McDowell County, North Carolina Public Records. The undersigned constitute no less than 67% of the owners of Lots in each of the portions of the subdivision described in each of the Governing Documents, and no less than 67% of the owners of Lots in the subdivision.

Section 15. Intent. It is the express intention of all of the undersigned members of the Association that these Bylaws, upon recording, shall be effective as an amendment and supplement to the Declaration. Notwithstanding that each of the individual Governing Documents was recorded separately, the parties hereto agree and understand that to the greatest extent possible, but subject to the terms of Addendum A hereto, the Subdivision shall be governed pursuant to the terms of the PC Act.

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

By: *A Luke Jackson*
President

Attest: *Danna A. Autrey*
Secretary

Oscar O. Vasquez
Oscar O. Vasquez

Lake James Properties, LLC

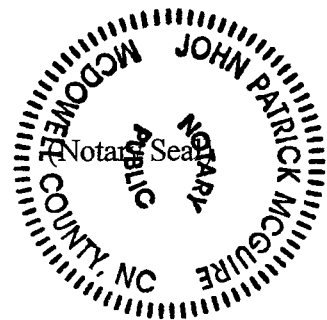
By: *Oscar O. Vasquez*
Oscar O. Vasquez
Manager and Member

STATE OF NORTH CAROLINA
COUNTY OF MCDOWELL

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that *A Luke Jackson Danna A. Autrey* personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting Secretary of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing Bylaws constitute Bylaws of said Association, as proposed by the Board of Directors and as duly adopted by the members of the Association on the 10th day of January, 2009, and that they were, as such, executed by the President of the Corporation, this the *24* day of *January*, 2011. 2012

[Signature]
NOTARY PUBLIC

My Commission Expires: *4-11-16*



STATE OF NORTH CAROLINA

Catauba
COUNTY OF MCDOWELL

CRP 1077 630

I certify that the following persons personally appeared before me this day, acknowledging to me that he signed the foregoing document, and consents and agrees thereto:
Oscar O. Vasquez

Date: 2-8-12

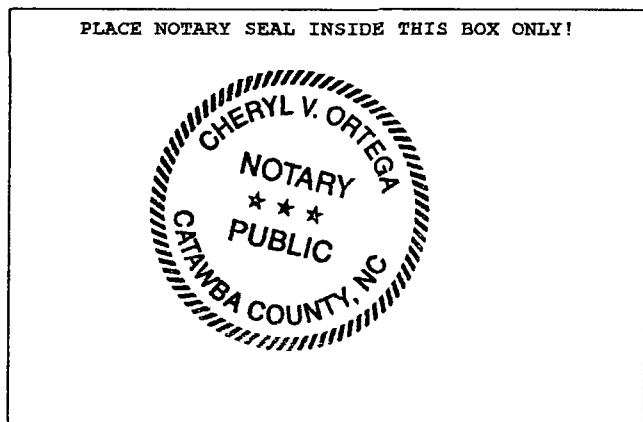
Cheryl V. Ortega

Notary Public

Cheryl V. Ortega

(Printed Name of Notary)

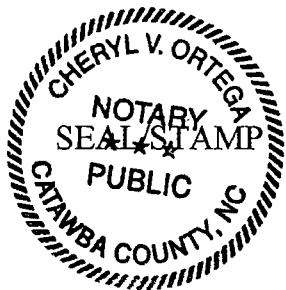
My Commission Expires: 6-17-2016



SEAL/STAMP

Catauba
MCDOWELL COUNTY, NORTH CAROLINA

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein, for agreement and consent thereto, and in the capacity indicated: Oscar O. Vasquez, Manager and Member of Lake James Properties, LLC



Date: 2-8-12

Cheryl V. Ortega

Cheryl V. Ortega, Notary Public

My commission expires 6-17-2016

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

By: *A. Luke Lackman*

President

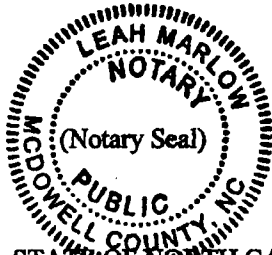
Attest: *Donna Autry*

Secretary

STATE OF NORTH CAROLINA

COUNTY OF McDowell

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that A. Luke Lackman personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting President of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing Bylaws constitute Bylaws of said Association, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 27 day of July, 2012.



Leah Marlow Leah Marlow

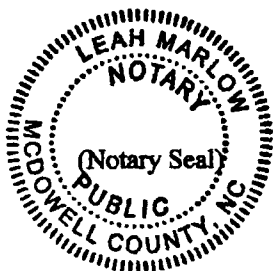
NOTARY PUBLIC

My Commission Expires: January 26, 2017

STATE OF NORTH CAROLINA

COUNTY OF McDowell

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that Donna Autry personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting Secretary of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing Bylaws constitute Bylaws of said Association, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 27 day of July, 2012.



Leah Marlow Leah Marlow

NOTARY PUBLIC

My Commission Expires: January 26, 2017

JANE B MCGEE
Register of Deeds

Mcdowell County Register of Deeds

21 South Main Street, Suite A • Marion, NORTH CAROLINA 28752
Telephone 828-652-4727 • Fax 828-652-1537 • E-Mail jmcgeemcdowell@titlesearcher.com



Filed For Registration: 08/03/2012 03:09:34 PM

Book: CRP 1077 Page: 549-631

Document No.: 2012003509

AGREEMENT 83 PGS 298.00

Recorder: LINDA C HARWOOD

State of North Carolina, County of McDowell

Filed for registration and Duly Recorded this 3RD day of AUGUST 2012.

JANE B MCGEE, REGISTER OF DEEDS

Linda C. Harwood

By: _____
DEPUTY REGISTER OF DEEDS

DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.