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J. LEE WARREN, JR.  
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**BYLAWS OF  
LEXINGTON HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

The name of the corporation is Lexington Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located, and meetings of Members and Directors may be held, at such places within the State of North Carolina as may be designated by the Board of Directors of the Association from time to time (referred to herein as the "Board of Directors" or "Board"). These bylaws shall replace and supersede all other bylaws previously adopted with regard to the Association.

ARTICLE II  
DEFINITIONS

Section 1. All capitalized terms herein not defined herein shall have the meanings ascribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Lexington, as the same have been amended, executed by Estate Builders, LLC, as Declarant, and recorded in the Cumberland County Registry at Deed Book 7789, Page 0001 ("Declaration", as the same may be further modified, amended or supplemented from time to time).

Section 2. "Membership" means all Members, as a group.

Section 3. "Act" means the North Carolina Planned Community Act, as the same may be amended from time to time.

ARTICLE III  
MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Members shall be held at a date, time and place selected by the Board of Directors. A written record of each membership meeting shall be kept and preserved in the Association's books.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president, by a majority of the Board of Directors, or upon written request of Members who are entitled to exercise ten percent (10%) or greater of all of the votes of the Membership.

Section 3. Notice of Meetings. Except as otherwise provided in the Declaration or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the Board of Directors or other person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by hand delivery, not less than ten (10) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer.

Section 4. Quorum. The presence at the meeting of Members or proxies entitled to cast ten percent (10%) of the votes of the Membership shall constitute a quorum for any action except as

otherwise provided in the Declaration or these Bylaws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, the quorum requirement at the next meeting shall be fifty percent (50%) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. The adjourned meeting must be held within seven (7) days of the prior meeting at which a quorum was not present. This provision shall continue to reduce the quorum requirement by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. Thereafter, the quorum requirement for the next meeting shall return to its original amount.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Action by Written Consent Without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting upon the written consent of Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all Members entitled to vote were present and voted.

#### ARTICLE IV BOARD OF DIRECTORS SELECTION; TERM OF OFFICE

Section 1. Number. The Board of Directors shall consist of five (5) directors (the "Directors") who shall manage the affairs of the Association. All of the Directors shall be Members of the Association. All Directors will be Officers of this Association.

Section 2. Term of Office. The terms of each Director shall be for two (2) years or until his successor is elected, whichever shall be the longer period; provided, however, in order to implement staggered terms for the Directors, at the conclusion of the Declarant Control Period, the Members shall elect five (5) Members to serve as Directors, three to serve two (2) year terms, and two to serve one (1) year terms. Each year thereafter, a Director shall be elected at the annual meeting to replace Directors whose terms are expiring.

Section 3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association present and entitled to vote at any meeting of the Members at which a quorum of the Membership is present. In the event of death, resignation or removal, pursuant to these Bylaws, of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors, which may be done via e-mail. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of the notice or at any later time

specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of persons for election to the Board of Directors may be made by a Nominating Committee (the "Nominating Committee") if one has been previously appointed by the Board. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more other persons. The Nominating Committee may be appointed by the Chairman of the Board of Directors prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. A Nominating Committee is not required and if none is appointed, nomination shall be from the floor or as may have been submitted to the Board of Directors prior to the meeting.

Section 2. Election. Election to the Board of Directors shall be by acclamation or by written ballot. At the election, the Members 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. In the event that any Director resigns, the remaining Directors shall elect a substitute Director to fill his or her unexpired term. All Directors must be Members of the Association. Pursuant to Section 47F-3-103(f) of the Act, the Association shall publish the names and addresses of all Directors within thirty (30) days of their election in a manner reasonably calculated to reach substantially all of the membership.

## ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place and hour as may be fixed from time to time by resolution of the Board of Directors, without the necessity of further notice. Pursuant to Section 47F-3-108(b) of the Act, at regular intervals throughout the Association's fiscal year, the Board shall provide Members with the opportunity to attend at least a portion of Board meetings and to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak. A written record of each Board meeting shall be kept and preserved in the Association's books.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by a majority of the Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy.

ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Areas including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, including fines, and to establish policies regarding the collection of overdue accounts and the enforcement of violations of the Declaration, these Bylaws, or the rules, regulations and policies of the Association;

(b) suspend the voting rights, and the right of use of any recreational facilities located on any Common Area during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for an infraction of published rules and regulations;

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

(d) employ a manager, independent contractors, or other employees, contractors or professional advisors as they deem necessary, and to prescribe their duties, which may include the carrying out of powers or duties of the Board of Directors herein specified.

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

(a) keep a complete record of all its acts and corporate affairs and written records of all cash receipts and expenditures and all assets and liabilities. Pursuant to Section 47F-3-118(a) of the Act, the Board shall make an annual income and expense statement and balance sheet available to all Lot owners at no charge within seventy-five (75) days after the close of the fiscal year to which the information relates. A more extensive compilation, review, or audit of the Association's books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Board or by the affirmative vote of a majority of the Lot owners present and voting in person or by proxy at any annual meeting or any special meeting duly called for that purpose. The Association shall make its financial and other records reasonably available for examination by Members and their authorized agents;

(b) supervise all Officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration:

(1) fix the amount of the annual assessment against each Dwelling Unit or Lot as provided in the Declaration;

(2) send written notice of each annual assessment and each special assessment to every Dwelling Unit or Lot Owner subject thereto, as provided in the Declaration; and

(3) foreclose the lien against a Dwelling Unit or Lot if the Owner thereof has not paid the assessment thereon within such time as the Board of Directors may

determine, or bring an action at law against the Dwelling Unit or Lot Owner personally obligated to pay the same;

(d) issue, or cause an appropriate Officer to issue, upon demand by any person and within ten (10) business days of receipt of such demand, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board of Directors for the issuance of these certificates (if the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate);

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas or, as appropriate, the Limited Common Areas, to be maintained.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a President and Vice-President, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create (the "Officers"). All Officers of this Association will be on the Board of Directors.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Members. Pursuant to Section 47F-3-103(f) of the Act, the Association shall publish the names and addresses of all Officers within thirty (30) days of their election in a manner reasonably calculated to reach substantially all of the membership.

Section 3. Term. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

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

Section 7. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board of Directors are carried out. The President shall have authority to sign all leases, mortgages, deeds of trust, deeds, and other written instruments, including but not limited to amendments to the Declaration and certifications thereof by the Association.

(b) Vice President. The Vice President (the "Vice President") shall act in the place and stead of the President in the event of his absence or inability or refusal to act, and exercise and discharge such other duties as may be required of him by the Board of Directors. The Vice President shall likewise have authority to sign all leases, mortgages, deeds of trust, deeds, and other written instruments, including but not limited to amendments to the Declaration and certifications thereof by the Association.

(c) Secretary; Assistant Secretaries. The Secretary (the "Secretary") shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; prepare amendments to the Declaration or certifications thereof by the Association upon approval thereof by the Association; record amendments to the Declaration and/or certifications thereof by the Association; attest to the execution of documents by the President or the Vice President; and perform such other duties as required by the Board of Directors. Any Assistant Secretary (the "Assistant Secretary") may act in the place and stead of the Secretary in the event of his or her absence or inability or refusal to act.

(d) Treasurer. The Treasurer (the "Treasurer") shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

## ARTICLE IX COMMITTEES

The Board may appoint such committees as deemed appropriate in carrying out its purposes and duties; the President shall appoint the members of such committees unless otherwise determined by majority vote of the Board.

## ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost. Inspection rights shall be limited to protect any attorney-client privileged information, any attorney work product, any sensitive personnel matters, and any other matters which are of a private nature relating to a particular homeowner which are not reasonably needed by the requesting party.



ARTICLE XI  
ASSESSMENTS AND FINES

As more fully provided in the Declaration, each Member is obligated to pay to the Association assessments which are secured by a continuing lien upon the Dwelling Unit or Lot against which the assessment is made. If the assessment is not paid on the due date, the assessment shall bear interest as provided in the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Dwelling Unit or Lot, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of its Dwelling Unit or Lot. The Association may also establish a schedule of fines for violations of the terms of the Declaration. Fines may be imposed after notice to the Owner and an opportunity to be heard. Fines may be enforced in the same manner as assessments. Both annual and special assessments shall be fixed at uniform rates for all Lots. The foregoing sentence shall not apply to an individual assessment as set forth in Section 5.3, which individual assessment shall be paid solely by such Owner.

ARTICLE XII  
AMENDMENTS

Section 1. Unless otherwise provided in the articles of incorporation or a bylaw adopted by the Members, these bylaws may be amended by a majority vote of the total number of Association members, except that a bylaw adopted, amended or repealed by the Members may not be readopted, amended or repealed by the Board of Directors unless the articles of incorporation or the bylaw adopted by the Members authorizes the Board of Directors to do so. These bylaws may be amended by the Members even though the bylaws may also be amended by the Board of Directors. A bylaw amendment that fixes a greater quorum or voting requirement for the Board of Directors may be amended (a) if originally adopted by the Members, only by the Members, unless such bylaw provides otherwise, or (b) if originally adopted by the Board of Directors, either by the Members or by the Board of Directors. A bylaw that fixes a greater quorum or voting requirement may not be adopted by the Board of Directors by a vote less than a majority of the directors then in office and may not itself be amended by a quorum or vote of the directors less than the quorum or vote prescribed in such bylaw or prescribed by the Members.

Section 2. In the case of any conflict between the Act, the North Carolina Non-Profit Corporations Act, the Articles, the Declaration and/or the Bylaws, such authorities shall have precedence in that order.

ARTICLE XIII  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31<sup>st</sup> of that year.

The seal of the Association shall be in circular form having within its circumference the name of the corporation or in such form as the Board of Directors shall adopt from time to time.



ARTICLE XIV  
PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the proceedings of the Association and the Board of Directors when not in conflict with the Articles of Incorporation, the Declaration, these Bylaws or with the General Statutes of the State of North Carolina.

ARTICLE XV  
INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

Each Director and officer shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with any action, suit, or proceeding in which he may be involved by reason of his being or having been a director or officer of the Association (whether or not he is a director or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer.

In case of the settlement of any action, suit, or proceeding in which any such director or officer of the Association is involved by reason of his being or having been a director or officer of the Association, he shall be indemnified by the Association against the costs and expenses, including any amount paid in settlement incurred by him in connection with such action, suit, or proceeding (whether or not he is a director or officer at the time of incurring such costs or expenses), if, and only if, (a) the Association shall be advised by independent counsel that such director or officer is not liable for negligence or misconduct in the performance of his duty as such director or officer with respect to the matters covered by such action, suit, or proceeding, and the cost to the Association of indemnifying such director or officer (and all other directors and officers, if any, entitled to indemnification hereunder in such cases) if such action, suit or proceeding were carried to a final adjudication in their favor would exceed the amount of costs and expenses to be reimbursed to such directors and officers as a result of such settlement, or (b) by a majority of the Members of the Association present, a quorum of Members bring present, held by vote at any annual or special meeting of members, approving such settlement and the reimbursement to such director(s) or officer(s) of such costs and expenses.

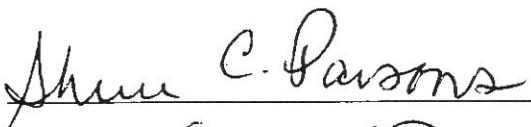
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Lexington Homeowners Association, Inc., a North Carolina non-profit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association as enacted by Resolution dated the 22 day of January, 2014, duly adopted by the Board of Directors thereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the  
22 day of January, 2015.

  
Printed Name: Shannon C. Parsons

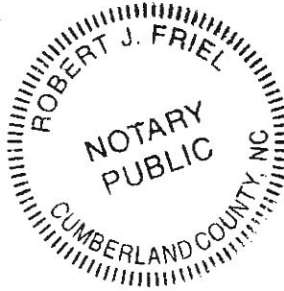
State of North Carolina  
County of Cumberland

I, Robert J. Friel, a notary public for said County  
and State, do hereby certify that

Shannon C. Parsons

personally appeared before me this day and  
acknowledged the due execution of the  
foregoing instrument.

Secretary



Witness my hand and official seal,

This the 22 day of Jan, 2015  
(month) (year)

Robert J. Friel  
Robert J. Friel, Notary

(N.P. SEAL)

My commission expires 13 Feb 2016