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Harnett County, North Carolina
Matthew S. Willis, Register of Deeds
BK 4191 PG 1641 - 1655 (15)

COVER SHEET

BY-LAWS OF WEST PRESERVE HOMEOWNERS ASSOCIATION, INC.

RECORDED IN HARNETT COUNTY
MATTHEW S. WILLIS
REGISTER OF DEEDS

**NORTH CAROLINA
COUNTY OF HARNETT**

**BY-LAWS
WEST PRESERVE
HOMEOWNERS ASSOCIATION, INC.**

**Article I
Name, Principal Office, and Definitions**

1.1 Name. The name of the corporation shall be WEST PRESERVE HOMEOWNERS ASSOCIATION, INC. (the "Association").

1.2 Principal Office. The principal office of the Association shall be located in Cumberland County, North Carolina. The Association may have such other offices, either within or outside the State of North Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Sweet Gum Meadows Subdivision, as it may be amended from time to time (the "Declaration"), unless the context indicates otherwise.

**Article II
Association: Membership, Meetings, Quorum, Voting, Proxies**

2.1 Membership. The Association shall have two (2) classes of membership. Class "A", each lot owner within the subdivision, and Class "B", the Declarant, as more fully set forth in the Declaration, the terms for which pertain to membership are specifically incorporated by this reference. Each lot owner within the subdivision, by acceptance of a deed therefore, whether or not it is expressed in such deed, is deemed to covenant and agree to said Membership and abide by all Association terms and conditions contained herein.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Properties or as convenient as possible and practical.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur at a date, time and location set by the Board in its sole discretion.

2.4 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board and upon a petition signed and dated by Class "A" Members entitled to cast at least ten percent (10%) of the total Association vote.

2.5 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Notice shall be given to the Lot or Living Unit; provided, however, if an Owner wishes to notice to be given at an address other than the Lot or Living Unit, the Owner shall designate in writing to the Secretary such other address. In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association, with postage prepaid.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a majority of the votes represented at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice unless the meeting is adjourned to a date a more than one hundred twenty (120) days after the date fixed for the original meeting, in which case a new record date must be set in accordance with 55A-7-07 of the North Carolina Nonprofit Corporation Act. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, the quorum requirement at the next meeting shall be one-half (1/2) the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and the voting rights and restrictions described in the Declaration are specifically incorporated herein by this reference.

2.9 Proxies. At all meetings of the Members, Members may vote in person (if a

corporation, partnership or trust, through any officer, director, partner or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of State of North Carolina law. Every proxy shall be in writing, dated, signed by the Member or its duly authorized attorney-in-fact, and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Except as otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon: (i) the conveyance of the Member's Unit; (ii) upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person; (iii) upon written revocation of such proxy; (iv) attendance by the Member and voting in person at the meeting; or (iv) upon the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy.

2.10 Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

2.11 Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence, in person or by proxy, of Members entitled to cast ten percent (10%) of the total votes in the Association shall constitute a quorum at all meetings of the Association.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted at such meetings, as well as maintain a record of all transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of North Carolina. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

2.14 Action by Written Ballot. Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked. Approval by written ballot

of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such 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. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of Members filed in the permanent records of the Association.

2.15 Action by Members. Except as may be otherwise specifically set forth in the Declaration, the Articles or these By-laws, the vote of a majority of all votes entitled to be cast by the Members, present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present, shall be the act of the Members. Notwithstanding the above, and anything to the contrary in the Declaration or the North Carolina Planned Community Act, no judicial or administrative proceeding (including without limitation any judicial or administrative proceeding against any Declarant) shall be commenced or prosecuted by the Association unless approved by a vote of no less than sixty-seven percent (67%) of all votes entitled to be cast by the Class "A" and Class "B" Members, which vote is taken at a duly held meeting of the Members at which a quorum is present, all in accordance with these By-laws. The immediately preceding sentence shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Declaration, (b) the imposition and collection of assessments, charges or other fees hereunder (including the foreclosure of liens), (c) proceedings involving challenges to ad valorem taxation, (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services to the Properties. Prior to putting to a vote of the Members any claim on behalf of the Association against the Declarant, the Board must obtain from a licensed attorney and distribute to the Members a detailed cost-benefit analysis relating to such claim, which cost-benefit analysis must include at least the following: (a) the nature and extent of the claim and the prospects of winning or losing the claim; (b) the prospects of settling the dispute early; (c) the cost of prosecuting the claim; and (d) the effect of pending litigation on resales and on home refinancing's in the Properties. Prior to obtaining the consent of the Members in accordance with this subsection, the Association must also provide written notice to all Members which notice shall (at a minimum) include (1) a description of the nature of the claim, (2) a description of the attempts of Declarant to correct such claim and the opportunities provided to Declarant to correct such claim, (3) a certification from an engineer licensed in the State of North Carolina that such claim is valid along with a description of the scope of work necessary to cure such claim and a resume of such engineer, (4) the estimated cost to repair such claim, (5) the name and professional background of the attorney proposed to be retained by the Association to pursue the claim against Declarant and a description of the relationship between such attorney and member(s) of the Board (if any), (6) a description of the fee arrangement between such attorney and the Association, (7) the estimated attorneys' fees and expert fees and costs necessary to pursue the claim against Declarant and the source of the funds which will be used to pay such fees and expenses, (8) the estimated time necessary to conclude the action against Declarant, (9) an affirmative statement from the Board that the action is in the best interest of the Association and its Members and (10) a statement from the Board that there are no fees paid to the Board or management parties as a result of the referral to any attorney or licensed professional.

votes shall be elected. The directors shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms, but no more than one term per election.

3.6 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of such Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to serve until the next annual meeting, at which time a successor shall be elected to serve the remaining portion, if any, of the term of the director who created the vacancy.

Additionally, any director elected by the Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

This Section shall not apply to directors appointed by the Class "B" Member. The Class "B" Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Class "B" Member.

B. Meetings.

3.7 Organizational Meetings. The first meeting of the Board following each annual meeting of the membership shall be held within 10 days thereafter at such time and place as the Board shall fix.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as a majority of the directors shall determine, and with respect to Boards following the end of the Declarant Class "B" Control Period, at least four such meetings shall be held during each fiscal year with at least one per quarter.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President, Vice President, or by any two directors. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone shall be given at least two (2) days before the date set for the meeting.

3.10 Notice; Waiver of Notice.

(a) Notice of meetings of the Board of Directors shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or

home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile with confirmation of transmission. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone shall be given at least two (2) days before the day set for the meeting.

(b) The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11 Quorum of Board of Directors; Telephonic Participation

At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. Directors may establish a quorum by use of a telephone conference provided all directors participating in the meeting can hear each other. The votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration.

If any meeting of the Board cannot be held because a quorum is not present, the director present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total Class "A" and Class "B" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.13 Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14 Notice to Owners; Open Meetings. Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all Members and their representatives, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is expressly authorized by a vote of a majority of a quorum of the Board. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session,

excluding Members and their representatives, to discuss employment or personnel matters, legal advice from an attorney for the Board or the Association, pending or contemplated litigation, or pending or contemplated matters relating to enforcement of the Declaration, By-Laws or rules of the Association.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

3.16 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties.

3.17 Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents, and as provided by law, including without limitation, the power/authority to appoint committees to assist the Board in carrying out its responsibilities. The Board may do or cause to be done all acts and things as stated in the Governing Documents or State of North Carolina law and directed to be done and exercised exclusively by the Members.

3.18 Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting annual budgets in which there shall be established each Owner's share of the Common Expenses. Declarant, its successor and assigns shall be exempted from the annual assessment as long as the Declarant owns a lot in the subdivision.
- (b) assessing and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending Use Restrictions and Rules and regulations in accordance with the Declaration, if delegated to the Board by the Declarant;
- (g) opening bank accounts on behalf of the Association and designating the signatories required;

- (h) making or contracting for the repairs, additions, and improvements to or alterations of the property of the Association in accordance with the Declaration and these By-Laws;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; which enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board of Directors may deem proper in the circumstances, counting each day a violation continues after notice from the Board of Directors as a separate violation;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration; paying the cost of the premium thereof; and filing and adjusting claims, as appropriate;
- (k) paying the cost of all services rendered to the Association or its Members, which are not directly chargeable to Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration and specifying maintenance, repair, and other expenses incurred;
- (m) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by State of North Carolina law, the Articles of Incorporation or the Declaration; and
- (n) appointing an architectural review committee in accordance with the terms of Article IV of the Declaration.

3.19 Right of the Class "B" Member. So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant under the Declaration or these By-Laws, or interfere with development of or construction on any portion of the Properties, or diminish the level of services being provided by the Association.

- (a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, and shall comply as to Board meetings with Sections 3.8, 3.9, and 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting; and
- (b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth in this Section.

No action, policy, or program subject to the right of disapproval set forth in this Section shall become effective or be implemented until and unless the requirements of subsections (a) or (b) above have been met.

The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B"

Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.20 Management. The Declarant or Board may retain for the Association a professional management agent or agents at such compensation as the Declarant or Board may establish to perform such duties and services as the Board shall authorize.

3.21 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain the approval of Class "A" Members holding at least fifty-one percent (51%) of the votes in the Association represented in person or by proxy at a duly constituted meeting and the consent of the Class "B" Member, if any, if the proposed borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.22 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other property owners or similar associations, within and outside the Properties; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

3.23 Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Declarant and the Board shall have the power to impose monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Declaration, these By-Laws, or any Association rules. Notwithstanding anything to the contrary herein, only one fine may be imposed for a single violation such that an Owner or occupant may not be fined by the Declarant and the Association for the same violation and the Board or the Declarant, as the case may be, may count each day a violation continues after notice thereof as a separate violation.

In addition, the Declarant and the Board may suspend any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charges owed to the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule shall not be deemed a waiver of the right of the board to do so thereafter.

4.4 Duties. The duties of the officers, unless otherwise stated by a resolution of the Board, are as follows:

(a) President: The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, promissory notes and other written instruments and may co-sign all checks.

(b) Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, shall sign all checks and promissory notes of the Association, shall keep proper books of account, and shall prepare an annual report to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

4.5 Resignation. 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 the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12.

Article V

Committees

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these By-Laws or the North Carolina Nonprofit Corporation Act.

Article VI

Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with State of North Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of State of North Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Amendment; Effective Date of Amendments.

(a) The Class "B" Member shall have the right to unilaterally amend these By-Laws for any purpose during the Class "B" Control Period.

(b) Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 51% of the total Class "A" votes in the Association and the consent of the Class "B" Member, if any. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Amendments to these By-Laws shall become effective upon recordation in the Public Records unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within one (1) year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of, nor impose any obligation upon, the Class "B" Member without the written consent of the Class "B" Member, or the assignee of such right or privilege.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT: LOVE GROVE DEVELOPMENT, LLC,
a North Carolina Limited Liability Company

By:  SEAL)

Name: E. Frank Weaver, III

Title: Member Manager

STATE OF NORTH CAROLINA

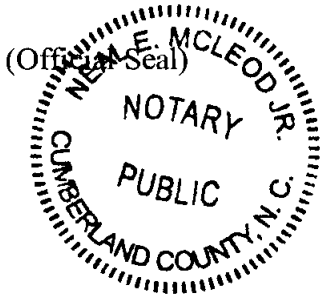
COUNTY OF Cumberland

I certify that the following person personally appeared before me this day, and acknowledged to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: E. Frank Weaver, III, Member Manager, Love Grove Development, LLC, a North Carolina Limited Liability Company.

Date:

2/24/23

[Signature], Notary Public



My commission expires: 7/22/26